



**HALF-YEAR FINANCIAL REPORT
AS AT SEPTEMBER 30, 2022**



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

FORWARD LOOKING STATEMENTS This 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 Document. Readers' attention is drawn to the fact that these development strategies and objectives are not historical data and must not be interpreted as a guarantee that the facts and data presented will occur, that the assumptions will be verified or that the objectives will be achieved. These are objectives, which by their nature may not be achieved and the information contained in this 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. STATEMENT BY THE PERSON IN CHARGE

I certify, to my knowledge, that the condensed financial statements for the past half-year ended September 30, 2022 have been prepared in accordance with applicable accounting standards and give a true and fair view of the assets, financial position and financial performance of the Company and of all the companies included in the consolidation, and that the half-yearly activity report appearing on page 4 presents a true and fair view of the significant events that occurred during the first six months of the financial year, their impact on the financial statements, the main related party transactions and describes the main risks and uncertainties for the remaining six months of the financial year.

December 16, 2022
Wade Rosen,
Chairman of the Board and Chief Executive Officer of Atari S.A.

2. HALF YEAR ACTIVITY REPORT

2.1. SIGNIFICANT EVENTS OF THE PERIOD

2.1.1. General corporate developments

During the first half of the year, the Company essentially focused its resources on the transformation of its operations and organization while laying the foundation of new strategic orientation across all of its four lines of business:

- **Games** – Atari continued on the execution of its strategy focusing on premium games based on Atari’s own IP. Since the beginning of the period Atari launched 3 new premium games, including titles from its Recharged series as well as new IP.
- **Hardware** – The first-half of the year was primarily dedicated to the reorganization of the Hardware line of business which includes the suspension of direct hardware manufacturing relationships, notably with regards to the Atari VCS, for which a new commercial strategy has been implemented as of the end of calendar year 2022 and that will continue in calendar year 2023. In parallel, Atari is considering developing new hardware complementary to the Atari VCS with partners under licensing contracts.
- **Licensing** – Atari has focused its efforts on building new licensing verticals with the support of a brand licensing agency to drive new initiatives across new categories and geographies with well-respected and recognized international brands.
- **Blockchain** – The first-half of the period was primarily focused on laying the foundation of Atari X which included collaborations and partnerships with Web3 partners as well as the implementation of NFT sales that were successful, despite unfavourable market conditions for blockchain related activities.

APRIL 2022 – Success of a capital increase of €12.5M

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

APRIL 2022 – Termination of all agreements with ICICB and Joint Venture

Atari announced the termination of all license agreements with ICICB Group and its subsidiaries (“ICICB”). The license agreements between Atari and ICICB, including the Atari Chain license (the “Joint Venture”) and the related licenses including hotel and casino licenses, were terminated effective April 18, 2022. This termination resulted in a write-off in Atari’s accounting records for the year ending March 31, 2022 for an amount of €11M. Following the termination of the Joint Venture, Atari announced its intent to create a new token with a focus on gaming, community, and utility.

APRIL 2022 – Shareholder approval on the transfer project on Euronext Growth

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

APRIL 2022 – Launch of *Gravitar: Recharged*

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

MAY 2022 – Announces new Web3 initiative and reaffirms commitment to blockchain business

Atari announced Atari X, an initiative that consolidates Atari's blockchain interests into a unified operation that is wholly controlled by Atari. The initiative will drive the development of a blockchain ecosystem that intertwines gaming, utility, and community. In announcing Atari X, Atari reaffirms its commitment to blockchain and its belief that blockchain could be an important element of Atari's business and strategy.

JUNE 2022 – Effective transfer of Atari's shares to Euronext Growth Paris

Following the approval of its admissions application by the Euronext Admissions Committee, Atari announced the transfer of its shares to Euronext Growth Paris market. The transfer took place on June 30, 2022.

JUNE 2022 – Atari celebrates 50th Anniversary

CEO Wade Rosen and Founder Nolan Bushnell share their thoughts on the Legacy of Atari in an exclusive discussion.

SEPTEMBER 2022 - Filing by Irata LLC of a tender offer on Atari's shares

On September 26, 2022, Atari S.A., Wade Rosen, Atari's Chairman of the Board and Chief Executive Officer, and Irata LLC, a company controlled by Wade Rosen, announced the execution of an agreement in view of the filing by Irata of a friendly tender offer on Atari's shares for EUR 0.19 per share. Atari's Board of Directors favourably and unanimously welcomed the proposed transaction, which would support the Atari group strategy. The Offer would provide for those Atari shareholders who would tender their shares immediate liquidity at a premium over the prevailing share price. Irata does not intend to implement a mandatory squeeze-out on Atari's shares following the closing of the offer, nor to request their delisting.

2.2. REVIEW OF THE FINANCIAL STATEMENTS

2.2.1. Consolidated Income - Summary

(M€)	H1 22/23	H1 21/22
Revenue	4.3	6.0
Cost of goods sold	(1.0)	(2.6)
GROSS MARGIN	3.3	3.3
CURRENT OPERATING INCOME (LOSS)	(4.2)	(2.8)
OPERATING INCOME (LOSS)	(5.2)	(2.8)
NET INCOME (LOSS) FOR THE YEAR	(5.4)	(3.5)

Revenues - For the first-half of the year ending September 30, 2022, the Group recorded a revenue of €4.3M, compared to €6.0M for the same period last year, a decrease of 27% at current exchange rate and 38% at constant exchange rate. The trend is primarily resulting from the underperformance of the Hardware line of business and the effect of an unfavourable comparison with the prior period that included contributions of ICICB licensing contracts that have since been terminated.

- **Games:** The change in Games revenue includes notably a positive FX effect, as well as the contribution of RCT games and new premium games including new titles in the *Recharged* series.
- **Hardware:** Hardware revenues, composed of VCS and Cartridge sales, decreased from €2.3M to €0.2M, primarily resulting from cartridge activity and underperformance by the VCS.

- **Licensing:** Licensing revenues decreased by 18% compared to the previous period. H1 21/22 licensing revenues included contribution from ICICB licensing contracts that never materialised and were written-off in FY 21/22 for €0.1M, as well as non-recurring items for €0.3M, while 4 new licensing contracts were added over the period.
- **Blockchain:** Blockchain revenues increased from €0.4M to €0.7M thanks to the NFT sales completed during the period despite a challenging market environment for cryptocurrencies in general.

Gross Margin – Gross margin for the period stood at €3.3M, stable compared to the previous year. This is mainly due to the decrease in Hardware COGS resulting from the suspension of existing VCS manufacturing contracts decided in context of the revision of Atari’s hardware strategy.

Current Operating Income – Current operating income for the period stood at -€4.2M, compared to -€2.8M in the previous period. Research & Development and Marketing & Sales expenses decreased by €1.5M over the period in an effort to focus on games profitability and reduction in VCS marketing. General Administrative expenses increased to €4.9M due to the costs associated with the transformation, notably, legal costs and personnel costs related to the new team organisation.

Operating Income – Operating income for the period came at -€5.2M, notably impacted by the reversal of a provision on litigation in the amount of €0.9M¹, prior year royalties adjustment of €0.5M and other income for a total of €0.7M. Those positive effects have been offset by a €1.6M impairment on VCS spare parts and inventories, a €0.5M depreciation on cryptocurrencies², €0.6M impairment on Games, €0.1M provision for litigation and €0.5M write-off in hardware manufacturing contract.

Net Income

(M€)	H1 22/23	H1 21/22
CURRENT OPERATING INCOME (LOSS)	(4.2)	(2.8)
Other income	2.3	-
Other expense	(3.3)	
OPERATING INCOME (LOSS)	(5.2)	(2.8)
Cost of debt	(0.1)	(0.0)
Other financial income (expense)	(0.1)	0.2
Share of net operating profit of equity affiliates	-	(0.1)
Income tax	(0.0)	(0.0)
NET INCOME (LOSS) FROM CONTINUING OPERATIONS	(5.4)	(2.8)
Profit (Loss) from discontinued operations	(0.1)	(0.7)
NET INCOME (LOSS)	(5.4)	(3.5)
Minority interests	(0.0)	(0.0)
NET INCOME GROUP SHARE	(5.4)	(3.5)

Consolidated Net Income – Consolidated net income showed a loss of €5.4M for the period compared to a loss of €3.5M in H1 21/22. Cost of debt includes the interest on the shareholders incurred over the period (€0.1M). Other financial income includes negative effects from Atari Chain, Ltd joint venture termination, losses on FX, partially offset by interests on Antstream loan.

¹ See Section 4 and Risk Factors update.

² 1.0M Chain Games tokens, 2.5M Tower tokens, 4.7M Lympo tokens. See details in Note 1 of Balance Sheets on Intangible Assets.

2.2.2. Consolidated Balance sheet - Summary

2.2.2.1. Assets

ASSETS (M€)		H1 22/23	FY 21/22
Intangible assets	<i>Note 1</i>	8.4	6.1
Property, plant and equipment		0.0	0.0
Rights of use relating to leases	<i>Note 3</i>	1.6	1.6
Non-current financial assets	<i>Note 2</i>	9.8	9.2
Deferred tax assets	<i>Note 4</i>	2.3	2.0
Non-current assets		22.0	18.9
Inventories	<i>Note 5</i>	0.6	2.1
Trade receivables	<i>Note 6</i>	2.4	2.4
Current financial assets		0.1	0.0
Other current assets	<i>Note 7</i>	1.1	1.7
Cash and cash equivalents	<i>Note 8</i>	2.5	0.6
Assets held for sale		0.0	0.0
Current assets		6.7	7.0
Total assets		28.7	26.0

Non-current Assets

Intangible assets increased from €6.1M to €8.4M over the period. This increase is essentially due to:

- +€1.8M increase in capitalized R&D with the continued investment in the development of new games;
- +€0.3M increase in Licenses essentially due to foreign exchange effect and the acquisition of one IP;
- +€0.2M increase in digital assets - digital assets increased by €0.7M over the period before taking into account the €0.5M impairment related to cryptocurrencies that were previously recorded on historical value.

Digital assets held by Atari as of September 30, 2022 are detailed in Note 1 of Balance Sheets - Intangible Fixed Assets.

Current Assets

Current assets decrease by €0.3M over the period. The evolution is mainly due to the €1.5M decrease in inventories resulting mainly from VCS inventory depreciation including FX effect, €0.6M decrease in other current assets and €1.9M increase in cash and cash equivalents, in connection with the capital increase of April 2022.

2.2.2.2. Liabilities

EQUITY & LIABILITIES (M€)		H1 22/23	FY 21/22
Capital stock		3.8	3.1
Share premium		32.7	21.4
Consolidated reserves		(18.0)	3.7
Net income (loss) Group share		(5.4)	(23.8)
Shareholders' equity	<i>Note 9</i>	13.0	4.4
Minority interests	<i>Note 9</i>	(0.0)	0.0
Total equity		12.9	4.4
Provisions for non-current contingencies and losses	<i>Note 10</i>	0.0	0.9
Non-current financial liabilities	<i>Note 11</i>	2.5	5.0

Long term lease liabilities	<i>Note 12</i>	1.3	1.3
Other non-current liabilities	<i>Note 13</i>	0.8	0.7
Non-current liabilities		4.6	8.0
Provisions for current contingencies and losses	<i>Note 10</i>	0.4	0.4
Current financial liabilities	<i>Note 11</i>	0.1	0.1
Short term lease liabilities	<i>Note 12</i>	0.4	0.4
Trade payables	<i>Note 13</i>	5.3	8.2
Other current liabilities	<i>Note 13</i>	4.8	4.5
Liabilities held for sale		0.1	0.1
Current liabilities		11.2	13.6
Total equity and liabilities		28.7	26.0

Non-current Liabilities decreased by €3.4M over the period, notably with the decrease in shareholders loans partially redeemed by debt set-off in the capital increase, for a total amount of €2.9M, and the reversal of a provision for litigation for €0.9M.

Current Liabilities stood at €11.2M, notably thanks to the €2.9M decrease in trade payables resulting from the clean-up of certain working capital items with the proceeds of the capital increase. Other current liabilities represent €4.8M, and include, notably, €2.4M in deferred revenues from ATRI Tokens previously sold or awarded, and staff-related liabilities for €2.1M.

Shareholders' equity

The Group's shareholders' equity increased from €4.4M to €12.9M and was mainly impacted by the proceeds of the capital increase concluded in April 2022 for a total amount of €12.5M and the allocation of a portion of costs of the capital increase on issuance premium for an amount of €0.6M.

Financial Debt

(M€)	H1 22/23	FY 21/22
Non-current financial liabilities	(2.5)	(5.0)
Current financial liabilities	(0.1)	(0.1)
Financial debt	(2.6)	(5.2)

As of September 30, 2022 the Group had a cash position of €2.5M, versus a net cash amount of €0.6M on March 31, 2022. Financial debt is composed of shareholder loans for a total consideration of €2.5M, taking into account partial redemption by debt set-off in the capital increase for an amount of €2.9M. The loans being denominated in US Dollars, financial liabilities include a €0.4M FX impact.

2.2.3. Statement of Cash Flows

(M€)	H1 22/23	FY 21/22
NET CASH USED IN OPERATING ACTIVITIES	(7.1)	(5.8)
NET CASH USED IN INVESTING ACTIVITIES	(2.6)	(4.3)
NET CASH PROVIDED (USED IN) BY FINANCING ACTIVITIES	9.4	7.6
Impact of changes in exchange rates	2.2	0.7
NET CHANGE IN CASH AND CASH EQUIVALENTS	1.9	(1.8)
Net opening cash balance	0.6	2.5
Net closing cash balance	2.5	0.6
NET CHANGE IN CASH AND CASH EQUIVALENTS	1.9	(1.8)

2.3. EVENTS AFTER THE END OF THE INTERIM PERIOD

Extension of Roller Coaster Tycoon License - On October 7, 2022, Atari announced a 10-year license extension for RollerCoaster Tycoon® with the franchise's creator, Chris Sawyer. Under the new agreement, Atari will seek to develop new titles, expand digital and physical distribution, and explore brand and merchandising collaborations as part of a long-term development plan of the franchise.

New Game Launches - Atari continues the development of new premium games and released three new games in October and November 2022, *Atari Mania*, *Atari 50: The Anniversary Celebration*, as well as a new addition to its Recharged series with *Missile Command: Recharged*. Atari also announced on December 7, the upcoming release of a new game, *Akka Arrh*.

Blockchain - With Atari X, Atari continues to build partnerships with leading Web3 partners to build a robust ecosystem that intertwines gaming, community, and utility. Atari has notably partnered with Co:Create to support and deliver on the development of this ecosystem.

Financing - In order to cover short term financing needs of the Company required by the transformation, Atari SA and Irata LLC, a holding company controlled by Wade Rosen, Chairman and CEO of Atari SA, concluded an agreement by which Irata LLC granted a shareholder loan to Atari SA for a total consideration of €2.4M on November 8, 2022. The loan bears an interest rate of 8.75% and has a maturity of one year. Since the end of the period, the Group has also disposed of its participation held in Portal One for a total consideration of €0.2M.

2.4. INFORMATION ON RISKS AND UNCERTAINTIES FOR THE NEXT HALF-YEAR

The risk factors presented in the Universal Registration Document published by Atari on July 27, 2022 have not undergone any significant changes in nature or level, with the exception of the following Risk Factors:

- **1.2.4 “Risk associated with inbound licenses and consoles manufacturers”** - This risk factor covered the potential impact the non-renewal of RollerCoaster Tycoon license could have on Atari's business or results. With the license renewal announced on October 7, 2022 for a 10-year period. The Company now evaluates the “Risk associated with inbound licenses and consoles manufacturers” as low (vs moderate previously).
- **5.3.2 “Risk related to litigation”** - This risk factor covered the potential payment by Atari of over \$1M in fees and expenses in the context of an intellectual property protection case. The competent US Court denied the legal fee demand, and despite an appeal, there is now a minimal risk of any fees being potentially owed by Atari. The Group is also subject to regular threats of litigation in the ordinary course of business related to its commercial operations and will vigorously defend any such cases if filed. The Company evaluates the “Risk related to litigation” as high.

New Token Update

In April of 2022 Atari announced plans to investigate creating a new token as a component in its blockchain roadmap. This project still remains at an early stage of its development as Atari intends to thoroughly consider the various structuring options available and regulatory framework, as well as current uncertainty around the blockchain market environment, in order to make this project relevant for its community of fans and partners. Further announcements on this project may be made in the course of Atari's next fiscal year.

Outlook

In the second half of the year, Atari intends to continue to focus on executing its turnaround strategy and transformational efforts across all four lines of business:

- **Games** - Continue to launch new premium games leveraging Atari's large catalog of intellectual property. Atari's collaboration with Fig Publishing, Inc., part of the Republic ecosystem, to co-produce certain new video games in development is expected to start in the first quarter of calendar year 2023;

- **Hardware** - Implementation of a new commercial strategy for VCS and launching a complementary hardware strategy via partnerships and under license agreements;
- **Licensing** - Continued development of licensing opportunities with the support of a brand licensing agency across multiple geographies and verticals;
- **Blockchain** - Continued development of Atari's Web3 ecosystem and Atari X community, including partnerships and collaborations with leading Web3 partners as well as new NFT initiatives.

It is, at this stage, too early to expect the turnaround strategy to have a significant impact on revenue and profitability. In a challenging macro-environment for video games and blockchain initiatives, Atari intends to continue focusing on executing its roadmap and transforming its operations across all four lines of business.

2.5. MAIN TRANSACTIONS WITH RELATED PARTIES

Related parties agreements are described in the section 4 of this document "Other Information".

3. INTERIM CONSOLIDATED ACCOUNTS

3.1. CONSOLIDATED INCOME STATEMENT

(M€)		H1 22/23	H1 21/22
Revenue	Note 1	4.3	6.0
Cost of goods sold		(1.0)	(2.6)
GROSS MARGIN		3.3	3.3
Research and development expenses	Note 2	(2.3)	(3.5)
Marketing and selling expenses	Note 2	(0.3)	(0.6)
General and administrative expenses	Note 2	(4.9)	(2.1)
Other operating income (expense)		(0.0)	-
CURRENT OPERATING INCOME (LOSS)		(4.2)	(2.8)
Other income	Note 3	2.3	-
Other expense	Note 3	(3.3)	
OPERATING INCOME (LOSS)		(5.2)	(2.8)
Cost of debt	Note 4	(0.1)	(0.0)
Other financial income (expense)	Note 4	(0.1)	0.2
Share of net operational profit of equity affiliates	Note 4	-	(0.1)
Income tax		(0.0)	(0.0)
NET INCOME (LOSS) FROM CONTINUING OPERATIONS		(5.4)	(2.8)
Net income (loss) from discontinued operations		(0.1)	(0.7)
NET INCOME (LOSS) FOR THE YEAR		(5.4)	(3.5)
Group share		(5.4)	(3.5)
Minority interests		(0.0)	(0.0)
Basic earnings per share (in euro)		(0.014)	(0.011)

3.2. STATEMENTS OF COMPREHENSIVE INCOME

(M€)	H1 22/23	H1 21/22
CONSOLIDATED NET INCOME	(5.4)	(3.5)
Translation adjustments	1.6	0.5
Financial assets valued at fair value through the other comprehensive income	-	(0.0)
Other transactions	-	-
COMPREHENSIVE INCOME	(3.8)	(3.0)
Of which: Group	(3.8)	(3.0)
Of which: Minority interests	(0.0)	(0.0)

3.3. CONSOLIDATED BALANCE SHEET

ASSETS (M€)		H1 22/23	FY 21/22
Intangible assets	<i>Note 1</i>	8.4	6.1
Property, plant and equipment		0.0	0.0
Rights of use relating to leases	<i>Note 3</i>	1.6	1.6
Non-current financial assets	<i>Note 2</i>	9.8	9.2
Deferred tax assets	<i>Note 4</i>	2.3	2.0
Non-current assets		22.0	18.9
Inventories	<i>Note 5</i>	0.6	2.1
Trade receivables	<i>Note 6</i>	2.4	2.4
Current financial assets		0.1	0.0
Other current assets	<i>Note 7</i>	1.1	1.7
Cash and cash equivalents	<i>Note 8</i>	2.5	0.6
Assets held for sale		0.0	0.0
Current assets		6.7	7.0
Total assets		28.7	26.0

EQUITY & LIABILITIES (M€)		H1 22/23	FY 21/22
Capital stock		3.8	3.1
Share premium		32.7	21.4
Consolidated reserves		(18.0)	3.7
Net income (loss) Group share		(5.4)	(23.8)
Shareholders' equity	<i>Note 9</i>	13.0	4.4
Minority interests	<i>Note 9</i>	(0.0)	0.0
Total equity		12.9	4.4
Provisions for non-current contingencies and losses	<i>Note 10</i>	0.0	0.9
Non-current financial liabilities	<i>Note 11</i>	2.5	5.0
Long term lease liabilities	<i>Note 12</i>	1.3	1.3
Other non-current liabilities	<i>Note 13</i>	0.8	0.7
Non-current liabilities		4.6	8.0
Provisions for current contingencies and losses	<i>Note 10</i>	0.4	0.4
Current financial liabilities	<i>Note 11</i>	0.1	0.1
Short term lease liabilities	<i>Note 12</i>	0.4	0.4
Trade payables	<i>Note 13</i>	5.3	8.2
Other current liabilities	<i>Note 13</i>	4.8	4.5
Liabilities held for sale		0.1	0.1
Current liabilities		11.2	13.6
Total equity and liabilities		28.7	26.0

3.4. CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

(M€)	Capital	Share premium	Treasury shares	Consolidated reserves	Cumulative translation adjustments	Shareholders equity	Minority interests	Total equity
At March 31, 2021	3,0	19,1	1,6	4,3	(3,9)	24,2	(0,0)	24,1
Net income (loss) for the period				(23,8)		(23,8)	(0,0)	(23,8)
Translation adjustments					0,7	0,7		0,7
Other comprehensive income				0,1		0,1		0,1
Comprehensive income				(23,7)	0,7	(23,1)	(0,0)	(23,1)
Share issues	0,1	2,3	-	-		2,4		2,4
Treasury shares transactions	-	-	0,0		-	0,0		0,0
Others changes	-	-	0,1	0,8		0,8	-	0,8
At March 31, 2022	3,1	21,4	1,7	(18,6)	(3,2)	4,4	(0,0)	4,4
Net income (loss) for the period				(5,4)		(5,4)	(0,0)	(5,4)
Translation adjustments				-	1,6	1,6	-	1,6
Other comprehensive income				-		-	-	-
Comprehensive income				(5,4)	1,6	(3,8)	(0,0)	(3,8)
Share issues	0,8	11,2	-	-	-	12,0		12,0
Treasury shares transactions	-	-	(1,7)	1,7	-	-		-
Others changes	-	-	-	0,4	-	0,4		0,4
At September 30, 2022	3,8	32,7	0,0	(22,0)	(1,6)	12,9	(0,0)	12,9

3.5. CASH FLOW STATEMENT

(M€)	H1 22/23	FY 22
Net income (loss) for the year	(5.4)	(23.8)
Non cash expenses and revenue		
Charges to (reversals of) depreciation, amortization and provisions for non current assets	3.6	14.7
Cost of (revenue from) stock options and related benefits	0.4	0.8
Other non cash items	(0.2)	(0.2)
CASH FLOW BEFORE NET COST OF DEBT AND TAXES	(1.6)	(8.5)
Changes in working capital		
Inventories	(2.1)	(4.4)
Trade receivables	(0.5)	2.4
Trade payables	(4.0)	0.6
Other current & non current assets and liabilities	1.0	4.2
NET CASH USED IN OPERATING ACTIVITIES	(7.1)	(5.8)
Purchases of / additions to :		
Intangible assets	(2.5)	(4.3)
Non current financials assets	(0.8)	(0.1)
Disposals / repayments of :		

Non current financials assets	-	0.0
NET CASH USED IN INVESTING ACTIVITIES	(2.6)	(4.3)
Net funds raised from :		
Share issues	12.0	2.4
Loans	(2.6)	5.0
Net funds disbursed for :		
Debt repayment	(0.0)	0.1
NET CASH PROVIDED (USED IN) BY FINANCING ACTIVITIES	9.4	7.6
Impact of changes in exchange rates	2.2	0.7
NET CHANGE IN CASH AND CASH EQUIVALENTS	1.9	(1.8)

(M€)	H1 22/23	FY 22
Net opening cash balance	0.6	2.5
Net closing cash balance	2.5	0.6
NET CHANGE IN CASH AND CASH EQUIVALENTS	1.9	(1.8)
Net closing cash balance		
Cash and cash equivalents	2.5	0.6

4. NOTES TO THE INTERIM CONSOLIDATED ACCOUNTS

4.1. GENERAL NOTES

4.1.1. General information

Atari is a French public limited company (*société anonyme*) registered with the Paris Trade and Companies Register under number 341 699 106 (and referred to as the “Company”). Its registered office is located in France, 25 rue Godot de Mauroy, 75009 Paris.

The consolidated accounts of Atari include the Company and its subsidiaries (together referred to as the “Group”). This note forms an integral part of the Group’s condensed IFRS consolidated accounts for the six months ended September 30, 2022. All amounts are expressed in millions of euros, unless otherwise stated.

4.1.2. Description of the group’s activity

Founded in 1972 by Nolan Bushnell and Ted Dabney, Atari is one of the most recognized and celebrated brands in the world. Since inception, Atari played an integral role in the development of the arcade gaming, game console, and personal computer industries in the 1970s and 1980s, which launched the video games industry.

Atari’s strategy is to develop, directly or through licensing agreements, video games, hardware, consumer products and media content at the crossroads of interactive entertainment, the digital world, and Web3 to generate revenue by monetizing its portfolio of intellectual property. The Group’s organization is structured around four main lines of business: Games, Hardware, Licensing, and Blockchain.

4.1.3. General corporate developments

During the first half of the year, the Company essentially focused its resources on the transformation of its operations and organization while laying the foundation of new strategic orientation across all of its four lines of business.

- Games – Atari continued on the execution of its strategy focusing on premium games based on Atari’s own IP. Since the beginning of the period Atari launched 3 new premium games, including titles from its Recharged series as well as new IP.
- Hardware – The first-half of the year was primarily dedicated to the reorganization of the Hardware line of business which includes the suspension of direct hardware manufacturing relationships, notably with regards to the Atari VCS, for which a new commercial strategy has been implemented as of the end of 2022 and that will continue in 2023. In parallel, Atari is considering developing new hardware complementary to the Atari VCS with partners under licensing contracts.
- Licensing – Atari has focused its efforts on building new licensing verticals with the support of a brand licensing agency to drive new initiatives across new categories and geographies with well-respected and recognized international brands.
- Blockchain – The first-half of the period was primarily focused on laying the foundation of Atari X which included collaborations and partnerships with Web3 partners as well as the implementation of NFT sales that were successful, despite unfavourable market conditions, for blockchain related activities.

APRIL 2022 – Success of a capital increase of €12.5M

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

APRIL 2022 – Termination of all agreements with ICICB and Joint Venture

Atari announced the termination of all license agreements with ICICB Group and its subsidiaries (“ICICB”). The license agreements between Atari and ICICB, including the Atari Chain license (the “Joint Venture”) and the related licenses including hotel and casino licenses, were terminated effective April 18, 2022. This termination resulted in a write-off in Atari’s accounting records for the year ending March 31, 2022 for an amount of €11M. Following the termination of the Joint Venture, Atari announced its intent to create a new token with a focus on gaming, community, and utility.

APRIL 2022 – Shareholder approval on the transfer project on Euronext Growth

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

APRIL 2022 – Launch of *Gravitar: Recharged*

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

MAY 2022 – Announces new Web3 initiative and reaffirms commitment to blockchain business

Atari announced Atari X, an initiative that consolidates Atari’s blockchain interests into a unified operation that is wholly controlled by Atari. The initiative will drive the development of a blockchain ecosystem that intertwines gaming, utility, and community. In announcing Atari X, Atari reaffirms its commitment to blockchain and its belief that blockchain could be an important element of Atari’s business and strategy.

JUNE 2022 – Effective transfer of Atari’s shares to Euronext Growth Paris

Following the approval of its admissions application by the Euronext Admissions Committee, Atari announced the transfer of its shares to Euronext Growth Paris market. The transfer took place on June 30, 2022.

JUNE 2022 – Atari celebrates 50th Anniversary

CEO Wade Rosen and Founder Nolan Bushnell share their thoughts on the Legacy of Atari in an exclusive discussion.

SEPTEMBER 2022 - Filing by Irata LLC of a tender offer on Atari’s shares

On September 26, 2022, Atari S.A., Wade Rosen, Atari’s Chairman of the Board and Chief Executive Officer, and Irata LLC, a company controlled by Wade Rosen, announced the execution of an agreement in view of the filing by Irata of a friendly tender offer on Atari’s shares for EUR 0.19 per share. Atari’s Board of Directors favourably and unanimously welcomed the proposed transaction, which would support the Atari group strategy. The Offer would provide for those Atari shareholders who would tender their shares immediate liquidity at a premium over the prevailing share price. Irata does not intend to implement a mandatory squeeze-out on Atari’s shares following the closing of the offer, nor to request their delisting.

4.1.4. Context for preparing the financial statement

The Group’s condensed interim consolidated accounts were approved by the Board of Directors of Atari SA. The interim condensed consolidated accounts for the six months ended September 30, 2022 were prepared in accordance with IAS 34 “Interim Financial Reporting” and on the basis of IFRS and interpretations published by the International Accounting Standards Board (IASB) as adopted in the European Union.

These interim condensed consolidated financial statements therefore do not include all the information necessary for a complete set of financial statements prepared in accordance with IFRS, and must be read in relation to the latest consolidated accounts for the year ended March 31, 2022 of the Group prepared on the basis of IFRS. The purpose of the explanatory notes included in these condensed interim consolidated accounts is to explain significant events and transactions with a view to understanding changes in the Group's financial position and performance since the last consolidated accounts.

4.1.5. Accounting methods and valuation rules used

The Group's condensed consolidated accounts for the period ended September 30, 2022 were prepared in accordance with IFRS (International Financial Reporting Standards) as published by the IASB (International Accounting Standards Board) as adopted by the European Union on December 31, 2021, incorporating international accounting standards (IAS and IFRS), and the interpretations of the Standing Interpretations Committee (SIC) and the International Financial Interpretations Committee (IFRIC).

The standards applied are available on the website of the European Commission (<https://eur-lex.europa.eu/legal-content/FR/TXT/?uri=CELEX%3A02002R1606-20080410>).

The accounting methods and implementing rules used to prepare the condensed consolidated accounts are identical to those used in the most recent annual consolidated accounts. The Group has chosen not to apply in advance the standards, amendments and interpretations that will be mandatory from January 1, 2023 or later, it being specified that the Group is currently analysing the potential impacts of their entry into force.

USE OF ESTIMATES AND MATERIAL ACCOUNTING JUDGEMENTS

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

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

- Intangible assets, assumptions for development costs based on projected net resources; valuation of cryptocurrencies;
- Rights of use relating to leases, assumptions retained for recognizing the right of use on leased assets, valuation of lease liabilities, determination of the discount rate, term retained for a contract and depreciation schedule;
- Certain financial instruments: valuation method at fair value;
- Shareholders' equity, share-based payments: valuation of the stock option plans awarded to employees at their fair value on the date when rights are awarded using the "Black & Scholes" model;
- Deferred tax: estimates for the recognition of deferred tax assets

CHANGES IN THE GROUP'S CONSOLIDATION SCOPE

During the first half of the year, Atari Capital Ireland, Ltd and Atari Lotto Ireland, Ltd, have exited the scope of consolidation following their liquidation. As of September 30, 2022, Atari consolidated 27 entities according to the full consolidation method, including 7 African subsidiaries that are undergoing liquidation, and 4 inactive entities.

Company	Country	% control		% interest	
		H1 22/23	FY 21/22	H1 22/23	FY 21/22
Active subsidiaries					
Atari Partners S.A.S.	France	100%	100%	100%	100%
Alpha Chain SA	France	100%	100%	100%	100%
DeVi SA	Switzerland	100%	100%	100%	100%
Atari US Holdings Inc.	United States	100%	100%	100%	100%
Atari Inc.	United States	100%	100%	100%	100%

Atari Interactive Inc	United States	100%	100%	100%	100%
Atari Studios Inc	United States	100%	100%	100%	100%
Atari Games Corp	United States	100%	100%	100%	100%
AITD Productions LLC	United States	100%	100%	100%	100%
Cubed Productions LLC	United States	91%	91%	91%	91%
RCTO Productions LLC	United States	100%	100%	100%	100%
Atari Connect LLC	United States	100%	100%	100%	100%
Atari Casino LLC	United States	100%	100%	100%	100%
Atari VCS LLC	United States	100%	100%	100%	100%
Atari Hotels Corp	United States	100%	100%	100%	100%
Atari Music LLC	United States	100%	100%	100%	100%
Undergoing liquidation subsidiaries					
Atari Lotto Ireland Ltd	Ireland	-	100%	-	100%
Atari Capital Ireland Ltd	Ireland	-	100%	-	100%
Atari Entertainment Africa Ltd	Mauritius	100%	100%	100%	100%
Atari Liberia Inc	Liberia	100%	100%	100%	100%
Atari Lifestyle Ltd	Nigeria	99%	99%	99%	99%
Atari Entertainment Ghana Ltd	Ghana	90%	90%	90%	90%
Atari Entertainment Uganda Ltd	Uganda	100%	100%	100%	100%
Atari Entertainment Tanzania Ltd	Tanzania	100%	100%	100%	100%
Atari Burundi Su	Burundi	100%	100%	100%	100%
Inactive subsidiaries					
Atari Productions LLC	United States	100%	100%	100%	100%
Atari Japan KK	Japan	100%	100%	100%	100%
Infogrames Entertainment GmbH	Germany	100%	100%	100%	100%
Infogrames Interactive GmbH	Germany	100%	100%	100%	100%

TRANSLATION OF FOREIGN CURRENCIES

The exchange rates used during the period are as follows:

In euros	H1 22/23		H1 21/22	
	Closing rate	Average rate	Closing rate	Average rate
USD	0.9748	1.0351	1.1579	1.1920
CHF	0.9561	0.9996	1.0830	1.0900

APPLICATION OF THE GOING CONCERN PRINCIPLE

The Company conducted a review of its liquidity risk based on projections of all of its four activities: Gaming, Hardware, Licensing and Blockchain. These forecasts rely on assumptions whose timing is uncertain as to their realization, particularly since the Group is developing into new and volatile industries, notably Blockchain, and the success of new initiatives isn't guaranteed, notably Games and Hardware. Any delays in the development of these new activities, or underperformance of new initiatives, may lead to changes in revenue generation, and in turn a liquidity shortfall and additional financing requirements.

Given the uncertain macro-environment for video games and blockchain, the Group considers that the implementation of its new growth strategy may require additional funding resources. Given its uncertain cash flow horizon in a context of transformation, the Company could in due course (i) enter into new tranches of shareholder loans with Irata on market terms and conditions, enabling it to meet certain short-term maturities (the Group benefits from the support of its main shareholder, Irata LLC through September 2023, formalized in a written support letter) and/or (ii) raise new financing, under terms and conditions and within a timeframe to be determined (including, if necessary, by way of a public offering), to meet capital needs and refinance the Company's debt.

4.2. NOTES TO THE INCOME STATEMENT

NOTE 1 – SEGMENT INFORMATION – REVENUES

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

REVENUE

On September 30, 2022, Atari recorded consolidated revenues of €4.3M, compared with €6.0M the first half year of 2022/2023, a decrease of 27% at current exchange rates and 38% at constant exchange rates.

(M€)	H1 22/23	H1 21/22	Change
Games	2.8	2.6	10%
Hardware	0.2	2.3	-92%
Licensing	0.6	0.7	-18%
Blockchain	0.7	0.4	101%
Total Revenue	4.3	6.0	-27%

NOTE 2 – CURRENT OPERATING EXPENSES

(M€)	H1 22/23	H1 21/22
R&D expenditures	1.3	1.4
Amortization	0.9	1.9
Stock Option valuation / Free Shares allocation	0.1	0.2
Research and development expenses	2.3	3.5
Marketing and selling expenses	0.3	0.6
Marketing and selling expenses	0.3	0.6
General and administrative expenses	4.6	2.3
Stock Option valuation / Free Shares allocation	0.3	0.1
Reclassification of Discontinued operations	(0.0)	(0.3)
General and administrative expenses	4.9	2.1

Research and Development expenses – Research & development expenses during the period totaled €2.3M over the period.

Marketing and Selling Expenses – Marketing and selling expenses totaled €0.3M, compared with €0.6M in the previous year. This significant reduction reflects the Group's effort to improve profitability of its Games activity, and the reduction in VCS marketing.

General and Administrative Expenses – General and administrative expenses represent €4.9M, compared with €2.1M the previous year, mainly due to the increase in legal and personnel costs incurred in context of the transformation strategy and new team organization.

NOTE 3 – OPERATING INCOME (LOSS)

(M€)	H1 22/23	H1 21/22
CURRENT OPERATING INCOME (LOSS)	(4.2)	(2.8)
Other income	2.3	-
Other expense	(3.3)	
OPERATING INCOME (LOSS)	(5.2)	(2.8)

Other income for the period include notably €0.9M reversal in provisions for litigation, €0.5M from prior years adjustment on royalties, €0.5M from a settlement with a manufacturing partner on a prior period liability, €0.2M proceeds on the sale of domain name shiny.com and €0.1M as write off of a trade payable.

Other expenses include notably €2.1M impairment on VCS inventories and spare parts, €0.6M impairment on games, €0.5M in cryptocurrencies impairment, and a €0.1M provision adjustment.

NOTE 4 – NET FINANCIAL INCOME (EXPENSE)

(M€)	H1 22/23	H1 21/22
IFRS 16 Lease liabilities	0.0	(0.0)
Interests on debts	(0.1)	(0.0)
Cost of debt	(0.1)	(0.0)
Interests on receivables	0.1	-
Foreign exchange result	(0.1)	0.1
Impairment on long term receivables	0.1	0.2
Loss on investments	(0.1)	-
Other	(0.1)	(0.1)
Other financial income (expense)	(0.1)	0.2
Net financial income (expense)	(0.2)	0.1

Cost of debt came at -€0.1M for the period, representing interest expenses on shareholders loans incurred over the period. Other financial expenses of -€0.1M comprises notably loss on investment resulting from the termination of Atari Chain, Ltd joint venture for -€0.1M, negative foreign exchange results (€0.08M), and financial interest due by Antstream (+€0.1M).

NOTE 5 – OFF-BALANCE SHEET COMMITMENTS

No commitments given or received as of September 30, 2022.

4.3. NOTES TO THE BALANCE SHEET

NOTE 1 – INTANGIBLE FIXED ASSETS

During the period, developments with regard to intangible assets were as follows:

Gross value (M€)	Games	Hardware	Licenses	Crypto Assets	Total
March 31, 2022	31.3	7.1	2.1	0.9	41.4
Acquisitions	2.8	0.0	0.1	0.7	3.6
Disposals	(1.7)	-		0.0	(1.7)
FX effects	4.2		(0.1)	(0.0)	4.1
September 30, 2022	36.6	7.1	2.1	1.6	47.4

During the first half of the year, the Group's research and development projects consisted of new games development for a total amount of €2.8M. The increase in crypto assets of €0.7M comprises the Ethereum received in context of the NFT sales concluded by the Group during the period.

In the context of the ongoing review of its Games and Blockchain operations, the Group has decided to record the following impairments:

- €0.6M impairment on selected games;
- €0.5M impairment related to cryptocurrencies holdings.

Amortization & provisions (M€)	Games	Hardware	Licenses	Crypto Assets	Total
March 31, 2022	(27.7)	(7.1)	(0.4)	-	(35.3)
Amortization / Provisions	(0.9)	-	(0.1)	(0.5)	(1.5)
Disposals	1.1				1.1
FX effects	(3.7)		0.4		(3.3)
September 30, 2022	(31.2)	(7.1)	(0.2)	(0.5)	(39.0)

Net value (M€)	Games	Hardware	Licenses	Crypto Assets	Total
March 31, 2022	3.6	-	1.7	0.9	6.1
September 30, 2022	5.3	0.0	1.9	1.1	8.4

DIGITAL ASSETS HOLDINGS

As of September 30, 2022, digital assets held by the Company, recorded under intangible assets, include:

- 972 parcels of land in the Sandbox metaverse - The historical cost of those lands is zero given the fact that when they were given there was no active market for the land. Given the high volatility of these assets (whose value changes depending in particular on the cryptocurrency environment) and an illiquid market for large assets, it is difficult to assign an aggregate value to these assets (although public indications are available on certain market places);
- 259 million ATRI Token. As a consequence of Atari Chain, Ltd former joint venture termination, Atari does not intend to sell the ATRI Tokens it holds, nor to pursue its development in any way. Atari does not anticipate any potential revenues that would be generated by these ATRI tokens and that could impact the consolidated financial statements. In the financial statements, ATRI Token are only valued when they give rise to a sale or an allocation;

- As such, 58 million tokens are valued for €0.3M in intangible assets, corresponding mainly to bonus allocated to some employees of Atari as per July 14, 2020 but not effectively transferred. Any remaining tokens are not valued in the financial statements.
- A portfolio of other cryptocurrencies received in context of swaps and NFT sales for a value of €0.8M as of September 30, 2022, taking into account an impairment to adjust for recent cryptocurrency market conditions.

SUMMARY OF DIGITAL ASSETS HOLDINGS OF ATARI AS OF SEPTEMBER 30, 2022

Cryptocurrencies

Nature	Units	Value ³ (€k)
Ethereum	542.27	739
WETHerum	5.05	7
USDC	11 000	11
CHAIN Token	1 million	26
Tower Token	2.54 million	12
LYM Token	4.67 million	14
TOTAL		809

Other digital assets

Nature	Units	Value
ATRI Tokens	259 million	€0.9M ⁴
Sandbox Lands	972 parcels	n/a
50 years of Atari NFTs	36	€5.4K

Additionally, Atari does not intend to sell ATRI Token or parcels of land in The Sandbox within the next twelve months.

NOTE 2 – NON CURRENT FINANCIAL ASSETS

Non-current financial assets breakdown as follows at September 30, 2022:

(M€)	H1 22/23	FY 21/22
Financial assets measured at fair value through profit & loss	1.7	1.5
Financial assets measured at amortized cost	8.1	7.7
Non-current financial assets	9.8	9.2

The increase in the non-current financial assets over the period is mainly attributable to foreign exchange effect. As of September 30, 2022 non-current financial assets of €9.8M included notably: €4.3M for receivables on Wish Holding agreement, €3.6M for Antstream convertible loan agreement.

NOTE 3 – RIGHTS OF USE RELATING TO LEASES

The application of IFRS 16 for leases is reflected in the recognition of a right-of-use asset on the office leases in New York and Paris. As of September 30, 2022, rights of use relating to leases break down as follows:

(M€)	H1 22/23	FY 21/22
Rights of use relating to leases gross value	3.5	3.2
Rights of use relating to leases amortization	(1.9)	(1.6)
Rights of use relating to leases	1.6	1.6

³ Source <https://coinmarketcap.com/> as of September 30, 2022.

⁴ At the date of this document, the value of the ATRI token is around €0.5M.

NOTE 4 – DEFERRED TAX ASSETS

Given the uncertainty of the Group's future taxable income, it is management's estimation that these tax loss carry-forwards represent a deferred tax asset of €2.3M, the increase over the period being attributable to foreign exchange effect.

As of September 30, 2022, the Group's tax loss carry-forward were around \$310M in the United States. However, losses incurred before January 1, 2018 can only be carried forward for 20 years, while those incurred after January 1, 2018 can be carried forward indefinitely, in the limit of 80% of the taxable income of the year. As such, \$270M tax loss carry-forward will expire, of which around \$12M in FY 23 and approximately 49% in the next 5 years.

The Group's tax loss carry-forwards were €738M in France. The use of these tax loss carry-forwards are highly uncertain given the lack of income attributable to France in the operating group and the limitations on their use.

NOTE 5 – INVENTORIES

As of September 30, 2022 inventory was valued at €0.6M compared to €2.1M for the previous period. This evolution includes €1.3M impairment on VCS inventories, €0.5M impairment on spare parts previously recorded in pre-paid expenses as well as a +€0.3M FX impact.

NOTE 6 – TRADE ACCOUNTS RECEIVABLES

Trade receivables for the period remain stable at €2.4M. Provision for €0.1M corresponds to receivable not paid.

(M€)	H1 22/23	FY 21/22
Trade receivables	2.5	2.5
Provisions	(0.1)	(0.1)
Accrued Receivables	0.0	0.0
Trade receivables net value	2.4	2.4

NOTE 7 – OTHER CURRENT ASSETS

Other current assets breakdown as follows:

(M€)	H1 22/23	FY 21/22
Prepaid and recoverable taxes	0.2	0.2
Prepaid expenses	0.8	1.5
Accrued revenue	0.2	0.0
Other current assets	1.1	1.7

Prepaid and recoverable taxes essentially correspond to VAT receivables. Prepaid expenses decrease by €0.7M over the period as a result of the allocation of last fiscal year prepaid expenses to the semester. The remaining correspond to the next period expenses. Accrued revenue of €0.2M corresponds to the revenue for the period but not yet received.

NOTE 8 – CASH AND CASH EQUIVALENTS

(M€)	H1 22/23	FY 21/22
Cash (Cash on hand and demand deposits)	2.5	0.6
Cash and cash equivalents	2.5	0.6

The cash and cash equivalents shown in the consolidated cash flow statement include cash (cash on hand and demand deposits) of €2.5M.

NOTE 9 – SHAREHOLDERS’ EQUITY

The table below details the changes in the Group’s capital over the past half-year.

(M€)	H1 22/23	FY 21/22
Shares outstanding at the beginning of the period	306,027,429	298,680,249
Capital increase	76,506,857	-
Exercise of stock options	-	6,296,151
Exercise of stock warrants	-	1,051,029
Shares outstanding at the the end of the period	382,534,286	306,027,429

The rights issue concluded in April 2022 led to the issuance of 76 millions new shares. The capital increase resulted in a charge of €0.6M of fees from the issue premium.

At the date of this document shareholders’ equity was made up of 382,534,286 shares, after taking into account new shares issued in context of the capital increase completed on April 1, 2022. Atari currently holds 3,253,425 treasury shares received in the context of the termination of relationships with CBI.

The tables below summarize the stock options plans, free shares and warrants currently in place.

Stock-options

	Plan n° 23-2	Plan n° 23-4	Plan n° 24-1	Plan n° 25-1	Plan n° 25-2
Plan date	01/09/2015	27/01/2016	12/07/2017	16/07/2018	16/07/2018
Start date for exercise	28/06/2016	26/01/2017	12/07/2018	16/07/2019	16/07/2019
Vesting	1/3 per year	1/3 per year	1/3 per year	1/3 per year	1/3 per year
Number of underlying shares	37.672	296.741	211.438	656.469	512.563
Expiry date	31/08/2023	31/05/2024	11/07/2025	31/07/2026	31/07/2026
Exercise price	0,193€	0,164€	0,272€	0,377€	0,977€

	Plan n° 25-3	Plan n° 26-1	Plan n° 27-1	Plan n° 28-1	Plan n° 28-2
Plan date	18/12/2018	14/07/2020	30/11/2021	10/06/2022	08/07/2022
Start date	18/12/2019	14/07/2021	30/11/2022	10/06/2023	08/07/2023
Vesting	1/3 per year	1/4 per year	1/4 per year	1/4 per year	1/4 per year
Number of underlying shares	41.432	738.049	2.036.000	500.000	5.000.000
Including W. Rosen	-	-	-	-	4.000.000
Expiry date	17/01/2027	13/07/2028	30/11/2029	10/06/2030	10/06/2030
Exercise price	0,264€	0,224€	0,399€	0,1615€	0,1478€

Free shares

Grant Date	Number of free shares	Vesting	End of lock-up
Plan n°22-1			
June 10, 2022	1.500.000	1/4 per year starting June 10, 2023	June 10, 2024

Plan n°22-2			
June 10, 2022	1.000.000 ⁵	June 10, 2023	June 10, 2024
Total	2.500.000		

NOTE 10 – PROVISIONS FOR CONTINGENCIES AND LOSSES

Changes in provisions for contingencies and losses during the half-year are presented below:

(M€)	April 1, 2022	September 30, 2022
Provision for contingencies	0.9	-
Non-current	0.9	-
Litigations	0.4	0.4
Current	0.4	0.4
Total provisions	1.3	0.4

Over the period, a reversal on a €0.9M provision has been recorded as a consequence of a favourable outcome on an intellectual property protection case.

At the end of the period, provisions for contingencies and losses represent a total amount of €0.4M.

NOTE 11 – FINANCIAL DEBT

The Group's financial debt breaks down as follows:

(M€)	H1 22/23	FY 21/22
Shareholders loans	2.5	5.0
Non current	2.5	5.0
Accrued interest on shareholder loans	0.1	0.1
Current	0.1	0.1
Financial liabilities	2.6	5.2

As of September 30, 2022, shareholders' loans represent €2.5M, after being partially redeemed with the proceeds raised with the capital increase completed in April 2022 and subscription of Irata by debt set-off for a total of €2.9M. This includes a FX impact of €0.4M, the shareholder loans being denominated in US dollars.

NOTE 12 – LEASE LIABILITIES - CURRENT AND NON-CURRENT

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

(M€)	H1 22/23	FY 21/22
Lease liabilities less than 1 year	0.4	0.4
Lease liabilities between 1 and 5 years	1.3	1.3
Lease liabilities after 5 years	0.0	0.1
Lease liabilities	1.7	1.7

⁵ Mr Wade Rosen chose to waive any rights to 400,000 of these shares.

NOTE 13 – OTHER CURRENT AND NON-CURRENT LIABILITIES

Other liabilities break down as follows:

(M€)	H1 22/23	FY 21/22
Other non-current liabilities	0.8	0.7
Other non-current liabilities	0.8	0.7
Trade payables	5.3	8.2
Other current liabilities	4.8	4.5
Other current liabilities	10.1	12.7

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

Other current liabilities decreased by around €2.6M over the period. This decrease is primarily due to the reduction in trade payables over the period.

Trade payables, which comprise trade and royalties payables represent €5.3M at the end of the period, compared to €8.2M in H1 21/22. This decrease is mainly due to:

- Clean up of some working capital items, including ageing payables, with the proceeds of the capital increase;
- Decrease of €0.5M resulting from the negotiated mitigation of a liability with a hardware manufacturing partner;
- €0.5M adjustments on prior year royalty accruals;

Other current liabilities include deferred revenues for €2.4M corresponding mainly to ATRI Tokens (unchanged versus previous period), as well as around €2.1M of staff-related liabilities (salaries and related taxes) and some other taxes due for €0.1M.

4.4. OTHER INFORMATION

4.4.1. Post-closing events

Extension of Roller Coaster Tycoon License - On October 7, 2022, Atari announced a 10-year license extension for RollerCoaster Tycoon® with the franchise's creator, Chris Sawyer. Under the new agreement, Atari will seek to develop new titles, expand digital and physical distribution, and explore brand and merchandising collaborations as part of a long-term development plan of the franchise.

New Game Launches - Atari continues the development of new premium games and released three new games in October and November 2022, *Atari Mania*, *Atari 50: The Anniversary Celebration*, as well as a new addition to its Recharged series with *Missile Command: Recharged*. Atari also announced on December 7, the upcoming release of a new game, *Akka Arrh*.

Blockchain - With Atari X, Atari continues to build partnerships with leading Web3 partners to build a robust ecosystem that intertwines gaming, community, and utility. Atari has notably partnered with Co:Create to support and deliver on the development of this ecosystem.

Financing - In order to cover short term financing needs of the Company required by the transformation, Atari SA and Irata LLC, a holding Company controlled by Wade Rosen, Chairman and CEO of Atari SA, concluded an agreement by which Irata LLC granted a shareholder loan to Atari SA for a total consideration of €2.4M on November 8, 2022. The loan bears an interest rate of 8.75% and has a maturity of one year. Since the end of the period, the Group has also disposed of its participation held in Portal One for a total consideration of €0.2M.

4.4.2. Related party transactions

The following agreement was entered into during the period:

- Agreement between Atari SA and Irata LLC, a holding Company controlled by Wade Rosen, Chairman and CEO of Atari SA, by which Irata LLC granted shareholder loan to Atari SA for a total consideration of €2.4M on November 8, 2022. The loan bears an interest rate of 8.75% and has a maturity of one year.

5. STATUTORY AUDITORS' REPORT ON THE INTERIM FINANCIAL INFORMATION

Statutory Auditor's Review Report on the Condensed Half-yearly Consolidated Financial Statements

For the period from April 1, 2022 to September 30, 2022

This is a free translation into English of the statutory auditor's review report on the condensed half-yearly consolidated financial statements issued in French and is provided solely for the convenience of English-speaking users. This report includes information relating to the specific verification of information given in the Group's half-yearly management report. This report should be read in conjunction with, and construed in accordance with, French law and professional standards applicable in France.

To the Chairman and Chief Executive Officer of ATARI,

As statutory auditor of ATARI and at your request, we have reviewed the accompanying condensed half-yearly consolidated financial statements for the period from April 1, 2022 to September 30, 2022.

These condensed half-yearly consolidated financial statements are the responsibility of the Board of Directors. Our role is to express a conclusion on these financial statements based on our review.

We conducted our review in accordance with professional standards applicable in France and the professional guidelines of the French National Institute of Statutory Auditors (Compagnie Nationale des Commissaires aux Comptes) relating to this engagement. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with professional standards applicable in France and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit.

Based on our limited review, nothing has come to our attention that causes us to believe that the accompanying condensed half-yearly consolidated financial statements are not prepared, in all material respects, in accordance with IAS 34, Interim Financial Reporting, as adopted by the European Union.

This report is governed by French law. The Courts in France shall have exclusive jurisdiction to settle any claim, difference or dispute which may arise out of or in connection with our engagement letter or this report or any related issues.

Paris-La-Défense, December 16, 2022

The Statutory Auditor

Deloitte & Associés

Benoit Pimont