



Atari enters into an agreement to acquire Digital Eclipse

PARIS, FRANCE (October [31], 2023 - 8.00 am CET) - [Atari®](#) (the “Company”) — one of the world's most iconic consumer brands and interactive entertainment producers — is pleased to announce that it has entered into an agreement to acquire Digital Eclipse Entertainment Partners Co (“**Digital Eclipse**”), a game development studio originally founded in 1992 focused on the digital restoration of classic video games, based in Emeryville, California.

The acquisition of Digital Eclipse will allow Atari to expand its internal development capabilities and utilize Digital Eclipse’s industry-leading experience and proprietary technology. In joining Atari, Digital Eclipse will grow its business and capabilities by expanding its development capacity and access to world-class IP and will leverage Atari’s management expertise.

By adding Digital Eclipse, along with Nightdive Studios in May 2023, Atari will be able to further support its retro-focused growth strategy.

AGREEMENT SIGNED TO ACQUIRE DIGITAL ECLIPSE

Founded in 1992, Digital Eclipse is a game development studio dedicated to preserving gaming’s heritage and telling the stories of gaming history through archival releases and interactive documentaries. Digital Eclipse pioneered commercial video game emulation well before it was a household concept and today Digital Eclipse is one of a select few development studios recognized as leaders in retro-focused development.

Recent notable projects from Digital Eclipse include *Street Fighter: 30th Anniversary*, *Mega Man Legacy Collection*, *SNK 40th Anniversary Collection*, *Teenage Mutant Ninja Turtles: The Cowabunga Collection* and *Disney Classic Games Collection*, which all sold millions of units and were critically acclaimed. More recently, Digital Eclipse developed the *Atari 50: The Anniversary Collection* which has been labeled as the “new gold standard” for games compilations and was one of the highest rated titles of 2022. Digital Eclipse's most recent projects include the launch of *The Making of Karateka* and *Wizardry: Proving Grounds of the Mad Overlord* in Early Access on Steam.

Since inception, Digital Eclipse has produced over 250+ games and developed long-standing relationships with leading publishing and development partners in the industry to deliver amazing video games and collections. With its innovative proprietary technology, Digital Eclipse is now leading this category in sales, critical reception and innovation.

Wade Rosen, Chairman and CEO of Atari commented: *“Digital Eclipse is the best in the world at what they do. They have a deep love and respect for the history of the games industry, and are renowned for developing critically acclaimed projects based on historic franchises. Digital Eclipse, along with Nightdive, are in perfect alignment with Atari’s DNA and renewed purpose. I’m personally excited to see where we can push the boundaries of retro innovation together.”*

Andrew Ayre, Chief Executive Officer, commented: *“Atari and Digital Eclipse share the same ethos when it comes to celebration and preservation of gaming history. It’s an exciting combination, and I am confident this will serve Digital Eclipse and our fans extremely well as we grow our business and expand our capabilities.”*

Mike Mika, President and Creative Director commented: *“Our experience collaborating on Atari 50: The Anniversary Celebration was revelatory. The trust that Atari showed our team, and our clear mutual love and respect for the content, positioned us to produce something truly remarkable. I know Atari will continue to champion our approach and that we will be bringing fans exciting new projects for years to come.”*

TERMS AND TIMING OF THE ACQUISITION

The purchase price of Digital Eclipse will consist of an initial consideration of US\$6.5 million payable at the closing of the acquisition, of which (i) US\$4.0 million in cash¹ and (ii) US\$2.5 million in newly issued Atari ordinary shares², as well as a remaining earn-out of up to \$13.5 million, payable in cash over the next ten years based on future performance of Digital Eclipse.

It is expected that the acquisition of Digital Eclipse will be completed in the coming days.

¹ Subject to customary net debt / working capital adjustment and including US\$1.5 million as pre-payment of the earn-out

² Atari SA will acquire shares in Digital Eclipse, the purchase price of such shares being paid by way of set-off against the issuance of new Atari SA shares - see "Financing of the Acquisition" below. The settlement-delivery of the Atari shares will take place in the coming weeks

FINANCING OF THE ACQUISITION

In addition to the cash consideration, Atari will also acquire a portion of the shares in Digital Eclipse directly and the purchase price of such shares corresponding to US\$2.5 million (€2.4 million) will be paid by way of set-off against the issuance of newly issued Atari SA shares³.

The reserved capital increase will result in the issuance of 20,165,794 new Atari shares. As a result, Digital Eclipse shareholders will together hold upon completion of the capital increase 4.6% of Atari's share capital⁴. The determination of the number of Atari shares to be issued is based on the 20-day volume weighted average price of Atari shares on Euronext Growth Paris until the signing date of the purchase agreement of €0.1169, in accordance with the terms of the delegation to the board of directors.

The majority of Digital Eclipse shareholders, holding in aggregate approximately 95% of Digital Eclipse capital, have agreed to a 1-year lock-up on their Atari shares as from the Closing of the acquisition.

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*®, *Centipede*®, *Missile Command*®, *Pong*®, and *RollerCoaster Tycoon*®. Atari has offices in New York and Paris. Visit us online at www.atari.com.

Atari shares are listed in France on Euronext Growth Paris (ISIN Code FR0010478248, Ticker ALATA) and OTC Pink Current (Ticker PONGF).

©2023 Atari Interactive, Inc. Atari wordmark and logo are trademarks owned by Atari Interactive, Inc.

Contacts

Atari - Investor Relations

Tel + 33 1 83 64 61 58 - investisseur@atari-sa.com | www.atari.com/news/

Calyptus – Marie Calleux

Tel + 33 1 53 65 68 68 – atari@calyptus.net

Listing Sponsor- Euroland

³ The issuance will be implemented through a share capital increase of Atari reserved to categories of persons meeting specific conditions made under the delegation to the board of directors of Atari set out in Resolution N°13 of the General Shareholders' Meeting of Atari held on September 29, 2023.

⁴ Based on a total number of Atari shares, after completion of the share capital increase of 442,362,188 shares.

Tel +33 1 44 70 20 84
Julia Bridger - jbridger@elcorp.com

DISCLAIMER

The distribution of this press release may be restricted by law in certain jurisdictions and persons into whose possession this document or other information referred to herein comes should inform themselves about and observe any such restriction. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction.

The distribution of this press release may be restricted by law in certain jurisdictions and persons into whose possession this document or other information referred to herein comes should inform themselves about and observe any such restriction. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction. This press release may not be published, distributed or transmitted in the United States (including its territories and dependencies). This press release does not constitute or form part of an offer of securities for sale or any solicitation to purchase or subscribe for securities or any solicitation of sale of securities in the United States. The securities referred to herein have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "Securities Act") or the law of any state or other jurisdiction of the United States, and may not be offered or sold in the United States absent registration under the Securities Act or pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. Atari does not intend to register all or any portion of the securities in the United States under the Securities Act or to conduct a public offering of the Securities in the United States. This press release and the information contained herein do not constitute either an offer to sell or purchase, or the solicitation of an offer to sell or purchase, securities of the Company.

No communication or information in respect of any securities mentioned in this press release may be distributed to the public in any jurisdiction where registration or approval is required. No steps have been taken or will be taken in any jurisdiction where such steps would be required. The offering or subscription of the Company's securities may be subject to specific legal or regulatory restrictions in certain jurisdictions.

This press release does not, and shall not, in any circumstances, constitute a public offering, a sale offer nor an invitation to the public in connection with any offer of securities. The distribution of this document may be restricted by law in certain jurisdictions. Persons into whose possession this document comes are required to inform themselves about and to observe any such restrictions.

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

With respect to the member states of the European Economic Area other than France, no action has been undertaken or will be undertaken to make an offer to the public of the securities referred to herein requiring a publication of a prospectus in any relevant member state. As a result, the securities may not and will not be offered in any relevant member state except in accordance with the exemptions set forth in Article 1 (4) of the Prospectus Regulation or under any other circumstances which do not require the publication by the Company of a prospectus pursuant to Article 3 of the Prospectus Regulation and/or to applicable regulations of that relevant member state.

The distribution of this press release has not been made, and has not been approved, by an "authorised person" within the meaning of Article 21(1) of the Financial Services and Markets Act 2000. As a consequence, this press release is only being distributed to, and is only directed at, persons in the United Kingdom that (i) are "investment professionals" falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (as amended, the "**Order**"), (ii) are persons falling within Article 49(2)(a) to (d) ("high net worth companies,

NOT FOR PUBLICATION, DISTRIBUTION OR RELEASE DIRECTLY OR INDIRECTLY IN OR INTO THE UNITED STATES OF AMERICA, CANADA, AUSTRALIA, SOUTH AFRICA OR JAPAN OR IN ANY OTHER JURISDICTION IN WHICH OFFERS OR SALES WOULD BE PROHIBITED BY APPLICABLE LAW. THIS PRESS RELEASE IS AN ADVERTISEMENT AND NOT A PROSPECTUS WITHIN THE MEANING OF REGULATION (EU) 2017/1129 OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL OF JUNE 14, 2017.

unincorporated associations, etc.”) of the Order, or (iii) are persons to whom an invitation or inducement to engage in investment activity (within the meaning of Article 21 of the Financial Services and Markets Act 2000) in connection with the issue or sale of any securities may otherwise lawfully be communicated or caused to be communicated (all such persons together being referred to as “**Relevant Persons**”). Any investment or investment activity to which this document relates is available only to Relevant Persons and will be engaged in only with Relevant Persons. Any person who is not a Relevant Person should not act or rely on this document or any of its contents.

This announcement may not be published, forwarded or distributed, directly or indirectly, in the United States of America, Canada, Australia, South Africa or Japan.