

# Investor presentation

May 2021





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This strategic presentation contains statements relating to ongoing or future projects, future financial and operating results and other statements about Atari's managements' future expectations, beliefs, goals, plans or prospects that are based on current expectations, estimates, forecasts and projections about Atari, as well as company's future performance and the industries in which Atari operate will operate, in addition to managements' assumptions. Words such as "expects," "anticipates," "targets," "goals," "projects," "intends," "plans," "believes," "seeks," "estimates," variations of such words and similar expressions are intended to identify such forward-looking statements which are not statements of historical facts.

These forward-looking statements are not guarantees of future performance and involve certain risks, uncertainties and assumptions that are difficult to assess. Therefore, actual outcomes and results may differ materially from what is expressed or forecasted in such forward-looking statements. These risks and uncertainties are based upon a number of important factors including, among others: political and economic risks of our respective global operations; changes to existing regulations or technical standards; existing and future litigation; difficulties and costs in protecting intellectual property rights and exposure to infringement claims by others summarized in chapter 5 of the company's annual financial report for the financial year ended March 31, 2020 available on the investor relations website of Atari at [www.atari-investisseurs.fr](http://www.atari-investisseurs.fr).

For a more complete list and description of such risks and uncertainties, refer to chapter 5 in Atari's annual financial report. Except as required by the rules and regulations of the AMF, Atari disclaims any intention or obligation to update any forward-looking statements after the distribution of this document, whether as a result of new information, future events, developments, changes in assumptions or otherwise.

Any investment in Atari shares which have a highly volatile stock price represents a significant risk.

# Speakers



Wade  
ROSEN  
C.E.O.

- # Largest shareholder of the Atari Group
- # Chairman of the Board since April 2020, CEO since April 2021
- # Experienced entrepreneur in the software sector



Philippe  
MULARSKI  
C.F.O.

- # Chartered Accountant and Auditor
- # Previously Interim Manager, CFO in Lagardère Group and Accounting Director for Sucres & Denrées Group
- # Joined the Atari Group in 2014



Manfred  
MANTSCHEV  
Group Strategy

- # Former investment banker at UBS advising a number of video game clients
- # Over 10 years investment experience as portfolio manager and investment professional
- # In charge of corporate development / group strategy

## » Experienced core team

Frédéric  
CHESNAIS  
Blockchain & Licensing



- # Deputy-COO & CFO of the Atari Group from 2001 to 2004, CEO of Atari Interactive until 2007
- # Came back in early 2013 as CEO & shareholder
- # Strong experience in Executive production

Jean-Marcel  
NICOLAI  
C.O.O. Games



- # Former Head of Walt Disney game development studios world
- # Strong experience across all platforms
- # Strong knowledge of the brand (was with Atari from 2000 to 2007)

Michael  
ARZT  
C.O.O. Atari VCS



- # Former SVP General Manager for Samsung's World Cyber Games
- # Strong experience in Entertainment
- # In charge of the Atari VCS



# A cultural icon since 1972

 PONG

Launched the video gaming industry as we know it

- # Revolutionized technology, media and game play
- # Defined a generation socially and culturally

 LUNAR LANDER

 BREAKOUT

 CRYSTAL CASTLES

Established a valuable and extensive franchise portfolio

- # Top 10 franchises: historical revenue over \$2 billion
- # Over 200 IPs with a rich history and iconic images

 CENTIPEDE

 STAR RAIDERS

Benefits from an extensive loyal audience and brand recognition

- # 80% consumer logo recognition
- # 500,000,000 internet searches / year
- # 30,000,000 unique Atari.com visits
- # 1 out 3 Americans has bought an Atari game
- # 2 out 5 Americans have played an Atari game

 TEMPEST

 ASTEROIDS

 JAWS REVENGE

 NIKTOLE COMMANDO

 GRAVITAR

## MUCH MORE THAN VIDEOGAMES

---- Hardware: Atari VCS ----

- Merchandising on a broad scale -

-- Fashion, clothing,... --

---- Online casinos ----

-- TV series & game shows --

--- Movies ---

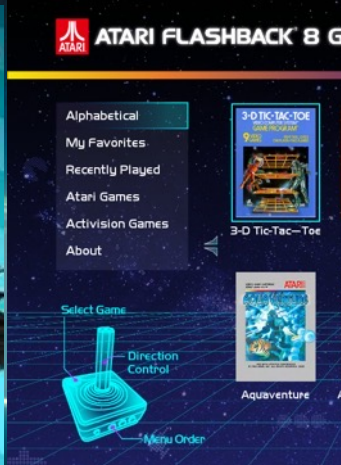
---- Comic books ----

-- Theme Park --

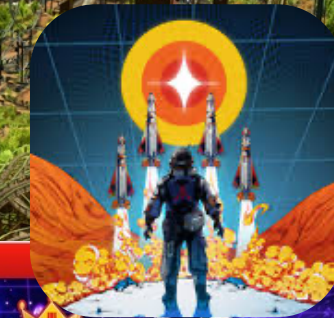
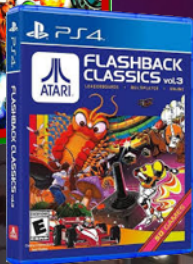
--- Hotels ---

...





ATARI VCS™

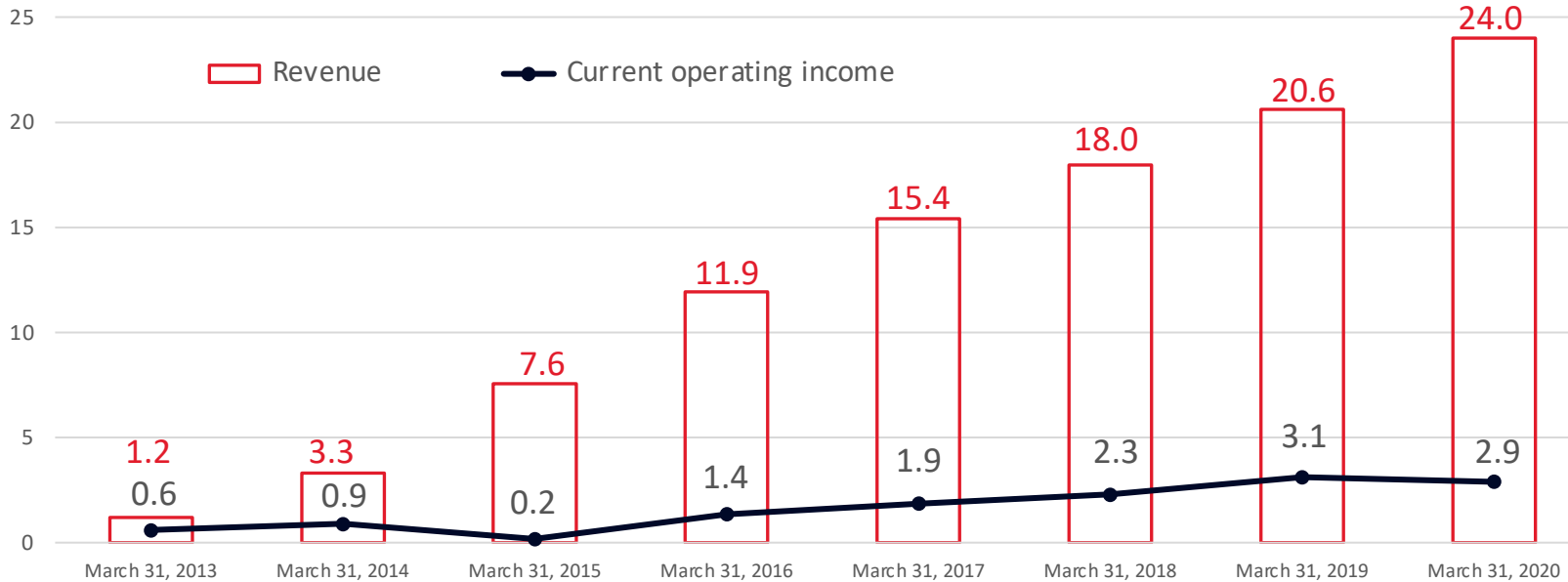






# A successful turnaround initiated in 2013

FY2013 > FY2020 Revenues and Current Operating Income,  
in millions of €



	March 31, 2013	March 31, 2020
Shareholders equity	€(34.9)m	€28.5m
Net debt	€(31.4)m	€1.1m

## ORGANIC GROWTH

2013 - 2020

**+53%** REVENUE CAGR

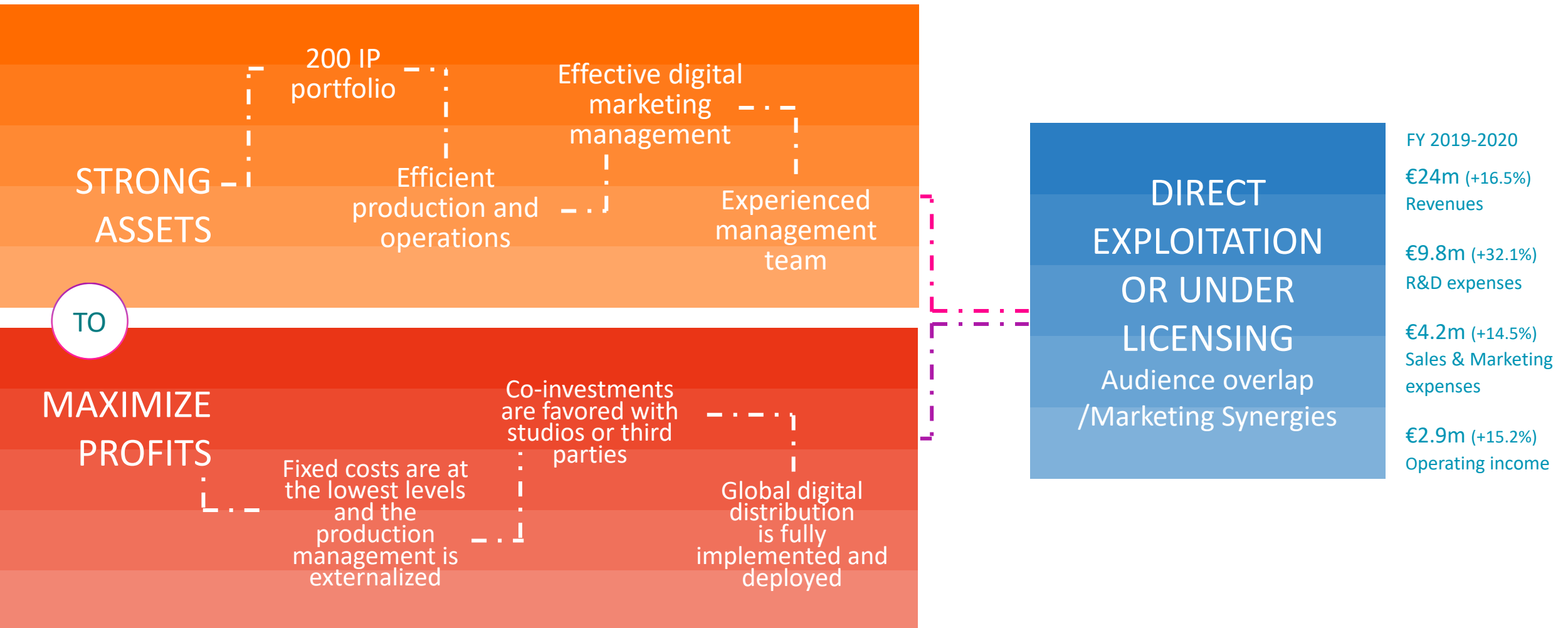
**+25%** COI CAGR

New management conducted a complete reboot of the company, building up on the brand and IPs

- # Relunched games business
- # Reshaped licensing business
- # Expanded in new activities
- # Rebuild organization
- # Erased financial debt

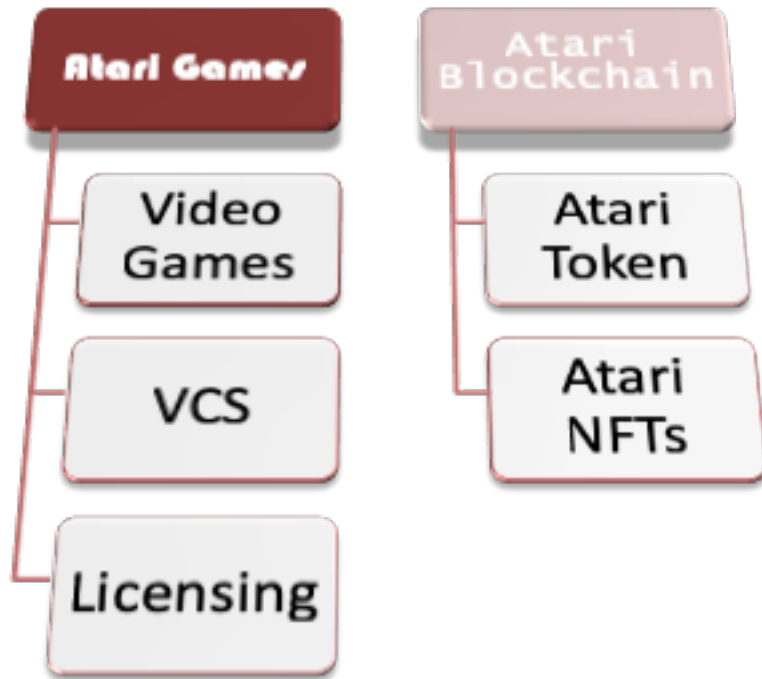


# A content production company maximizing the value of its brand and IPs





# A new organization



Announced the creation of 2 divisions in April 2021:

## Gaming:

- ❑ **Video Games:** leveraging the classic Atari IP with a focus on premium PC/Console games
- ❑ **VCS:** developing an eco-system of engaging, fun first-party and indie content for the VCS
- ❑ **Licensing:** continuing to cement Atari's position as an iconic pop culture brand through innovative licensing partnerships (i.e., Atari Hotels)

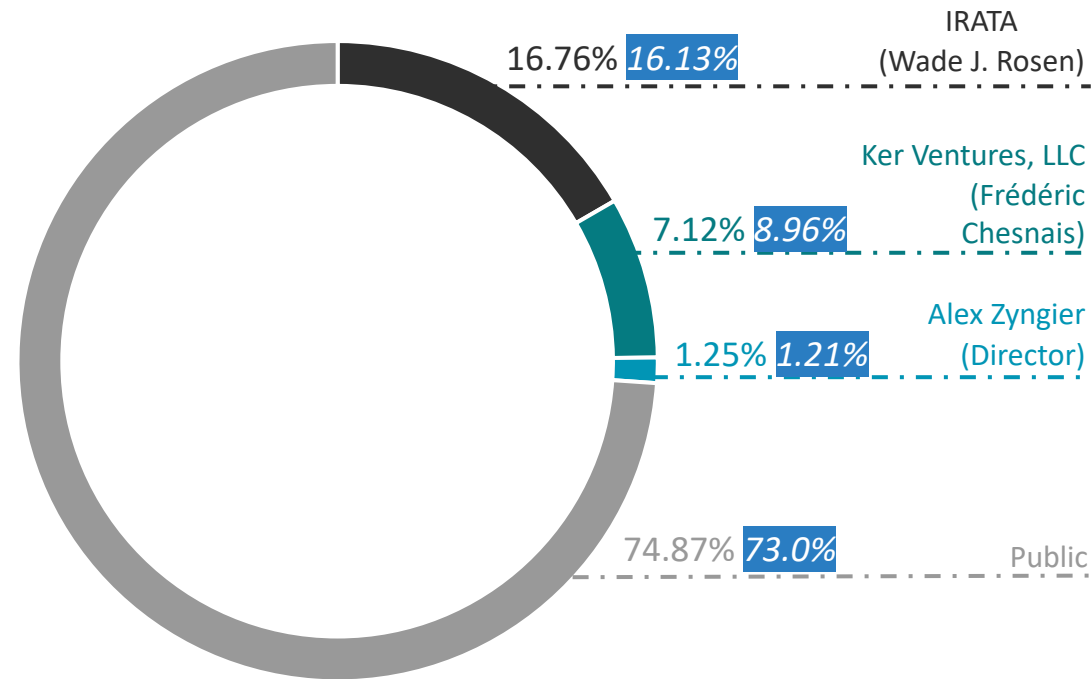
## Blockchain:

- ❑ **Atari Token:** continued expansion of use case centered around blockchain gaming to establish the Atari Token as a digital currency of choice in the space
- ❑ **Atari NFTs:** development of a proprietary NFT roadmap tied into the broader Atari marketing strategy to engage and reward Atari fans



# A long-term shareholder base

## Ownership *as of April 26, 2021*



Total number of shares: 301,415,429

Total potential shares: 313,184,700

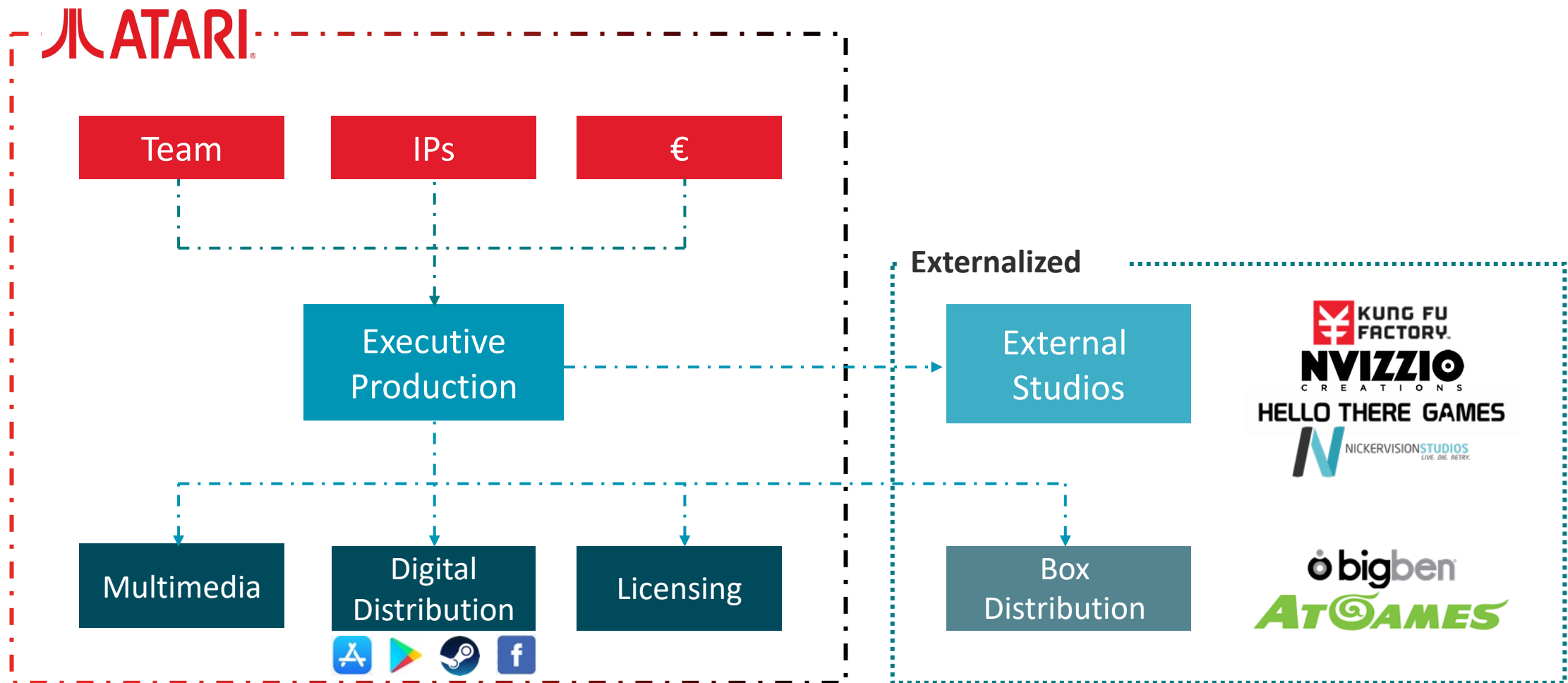
Note: **fully diluted shareholding**



A digital illustration of a roller coaster track with multiple loops and drops, set against a dramatic sunset sky with orange and red clouds. The text "Atari Games" is centered in white. A vertical red dotted line runs through the center of the image, and a vertical color bar is on the right side.

# Atari Games

# Atari Games value chain





# Core Pillars of our DNA

Atari is synonymous with the past:

This gives Atari a unique opportunity to be the bridge between the past and the future of video games

Key attributes of Video Games of the past:

Fun, discovery, simplicity and community



Promising perspectives of the future:

Immersion, access, realism and creativity

Atari's past and future:

Creating accessible, joyful, beautiful and collaborative moments of mindful play





# Our Mission



**WHY ATARI IS #1.**

The most games, the best games are only from Atari. Atari makes more video game cartridges than anyone else.

Adventure games, arcade games, educational games, our new RealSports™ games. And they only work in the ATARI 2600 Video Computer System™.

No other system gives you nearly as much choice. Or nearly as much fun.

Atari brings the arcade classics home. Only Atari has home versions of Space Invaders™, Pac-Man™, Missile Command™, Asteroids™, Breakout™, Defender™ and Berzerk™.

The greatest arcade hits of all time.

If you have an ATARI system, you can play them at home.

If you have some other system, you can't.

You don't need two people to play ball with an ATARI 2600.

All the best ATARI games can be enjoyed by a single player.

Including our new RealSports games. To play an other system's sports games, you need another person.

Simple, straightforward controllers. With some systems' controllers, learning a new game is about as much fun as learning to type.

That's why Atari gives you easy-to-use joysticks and paddles.

Because it's the games you're out to master, not the controllers.

All for about \$100 less. For the price of other game-playing systems, you can buy an ATARI 2600 and still have about \$100 left over.

Enough to start your ATARI video game library with hits like Pac-Man, Asteroids, and Defender.

Which, by the way, you can't play on other systems at any price.

**ATARI**  
A Warner Communications Company

© 1982 Atari, Inc. All rights reserved.  
\*Trademark of Taito America Corp. \*\*Trademark of Bally Midway Manufacturing Co. Licensed by Warner-Ames Entertainment Inc. \*\*\*Trademark of Williams Electronics Inc. \*\*\*\*Trademark of Stern Electronics Inc.

Show that the history of Atari has not been written yet.

The greatest moments of Atari are still to come.





# Atari Games: current products



Release	2014	2016	2017	2018/19	2020
Platforms	iOS/Android	iOS / Android, PC	iOS / Android	Switch, PC	iOS / Android
Genre	Sim	Sim	Sim	Sim	Match 3



Release	2019	2020	2020	2020	2021
Platforms	iOS / Android	iOS / Android, PC, Switch	PS4, Xbox, Switch, PC	iOS / Android	iOS / Android
Genre	Sim	Arcade	RPG	Music	Sim

Capitalized R&D for games:  
FY 2019/20 : €6.2m

**30million**  
DOWNLOADS

Existing portfolio focused on mobile free-to-play games

Significant success and experience with simulation games

RCT Touch exceeded 30m downloads and celebrated it's 4<sup>th</sup> anniversary recently







# Atari Games: positioning

## Increasing competition and user acquisition costs leading to more selective approach

- # Very high user acquisition costs makes scaling new games increasingly difficult and costly
- # Apple's recent introduction of iOS14.5 is limiting ad targeting possibilities and will reduce user acquisition performance even further
- # Focus on protecting bottom line for mature titles like RCT Touch
- # Review of existing free-to-play portfolio and games in soft launch

## Renewed focus on the Atari Classics catalogue and premium games

- # Missile Command: Recharged is a recent example that has been well-received
- # Priority on building a strong pipeline of premium games across platforms
- # Over 200 IPs in the catalogue waiting to be relaunched
- # First premium titles under development with first releases in FY 2021/22





Atari  
VCS





ATARI VCS™

## bringing the best of the PC experience to the TV

The Atari Video Computer System combines powerful technical specifications and modern accessories to bring an all-in-one gaming and entertainment platform into the home

- # Games
- # Media Content + Curation/Playlists
- # Connected Products + Accessories
- # Online store

Technological and production partners

- # Processor: AMD
- # Linux OS
- # Manufacturing: Asteelflash (China)

Total investment: \$9.5m as of Sept. 30, 2020

ATARI VCS™



# ATARI VCS 800

## PLAY

Discover new and classic games on Atari's new open platform, powered by AMD Ryzen™ with Radeon™ Graphics Technology.

## STREAM

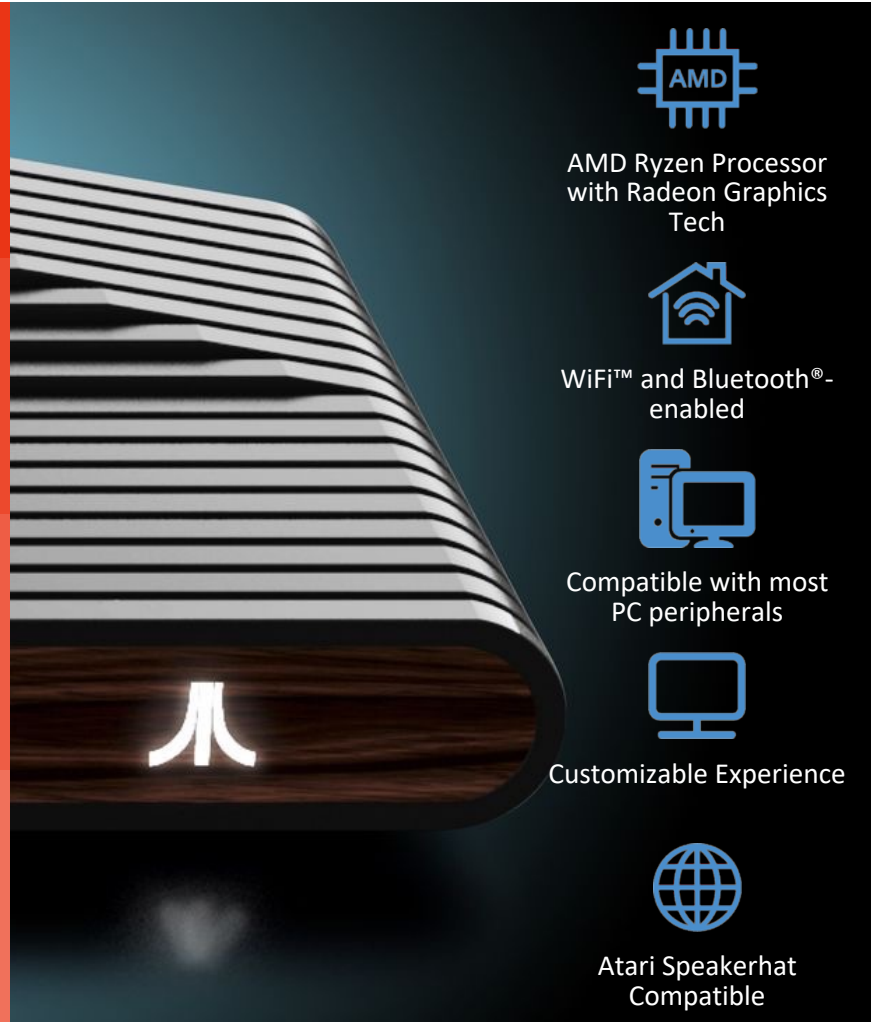
Watch your favorite web-based streaming videos and entertainment, and play games at up to 4K resolution and 60fps.\*\*

## CREATE

Develop new TV-based games and apps for yourself, your family, or to share with the Atari VCS community.

## CONNECT

Atari's first connected device opens new possibilities to play with friends and publish your creations as part of an expansive community of gamers, fans and devs.



Pre-order



BLACK WALNUT



CARBON ONYX



CARBON GOLD

\$399.99\*



GameStop

Walmart





# Moving up the value chain



\* Indiegogo campaign, all backers did not purchase a full unit.

## Multiple revenue streams for Atari and its partners over time

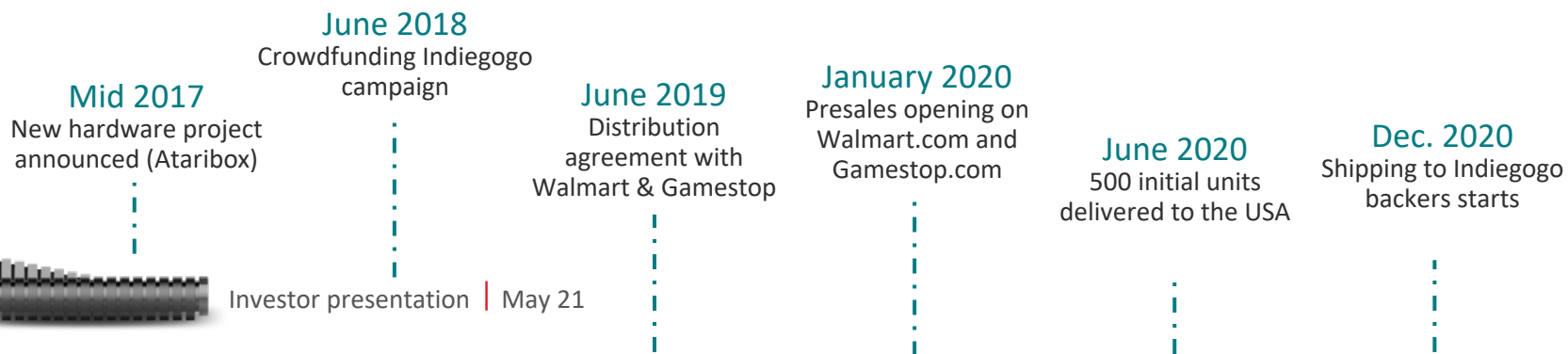
Direct and/or shared revenue streams include:

- # Hardware system and peripherals sales
- # Atari VCS integrated content store
- # Online services and subscriptions
- # Streaming, Cloud storage, Smart home integration
- # Licensed accessory sales
- # Licensed merchandise sales

Manufactured in China

Operating margin in the 7.5-10% range

Expecting progressive growth of SRP based on various models and accessories







# Growing distribution and content strategy

## Distribution calendar

Q4 2020:

# Indiegogo backers: over 10,000 units delivered

2021: USA

# Atari website: deliveries of direct pre-orders ongoing

# Walmart.com

# Microcenter

# GameStop

# Best Buy

2021: AUSTRALIA

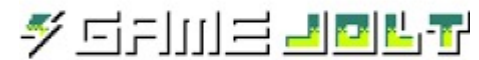
# Bluemouth: first units delivered

2021/2022: Northern Europe

## Content development



Game streaming



Indie games

PLEX

Online TV



Blockchain games



Multiplayer cloud-based video games





# Atari Licensing





# Licensing

## Powerful brand power drawing global interest

- • — • — Leveraging brand power across multiple channels with recurring revenues
- • — • — Reinforcing global trademarks for Atari brand and IP library through integration with national and global brands
- • — • — Promoting and defending branded products: successful litigations against infringements



Entertainment devices  
Atari Arcade  
Atari Flashback



Miscellaneous  
goods  
& clothing



Multimedia



Casinos



Hotels



Licensing FY2019-2020

52% of total Revenue



# Continuously growing product line-up

## Atari Flashback

c. 3,000,000  
units sold since 2010



SRP: US\$35 to US\$ 100

*Partner: ATGames*

c. 125,000  
units sold since 2018

## Atari Arcade



SRP: US\$300 to US\$500

*Partner: Arcade1Up*





# Appealing to a wide and diverse audience



READY  
PLAYER  
ONE

**Movie**  
March 2018



WARNER BROS.



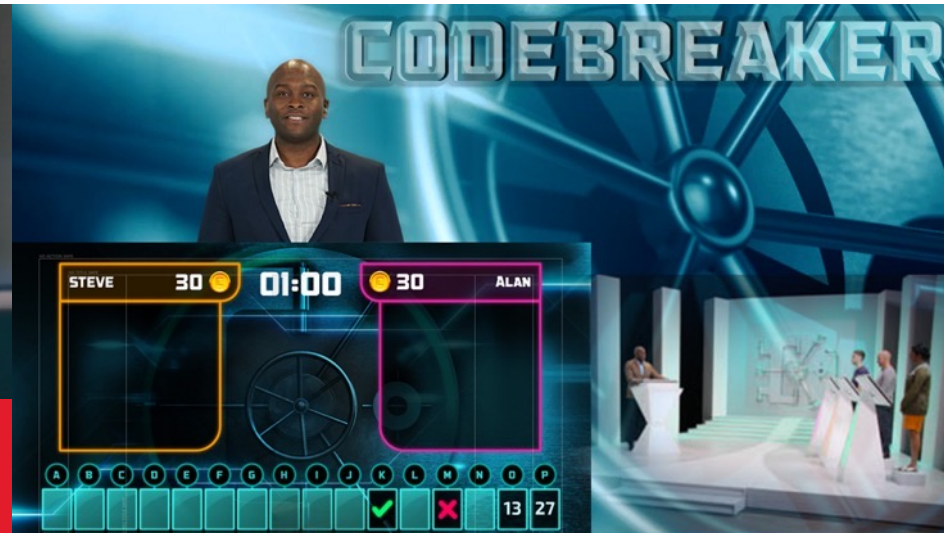
BLADE  
RUNNER  
2049

**Movie**  
October 2017

COLUMBIA  
PICTURES

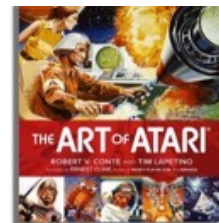


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SCI DISCOVERY  
SCIENCE

**TV show**  
Oct-Dec. 2017





# Expanding in casino games

Strategy adapted to each area, based on existing regulations and in-house expertise

- Casino and lottery games in virtual currency: primarily licensing
- Casino and lottery games in real money: licensing or direct exploitation
- Casino and lottery games in cryptocurrency: partnership with ICICB
- License to GameTaco for eSports



## Ongoing deals

- # USA: licensing deals only  
**Key partner is Next Gaming, manufacturer of slot machines**  
**New opportunities for licensing deals with lottery tickets (initial deal entered into in H1 of 2020-2021)**
- # Europe: initial conversation for licensing deals  
Africa: direct exploitation, first launches slowed down by the pandemic. All licenses renewed, should grow in 2021-2022
- # Casinos on the blockchain: License to ICICB, Launch of licensed crypto-currency casino in Decentraland (April 2021)

# Licensing development: Atari Hotels

Total non-refundable  
advances of \$4.1m

First hotels to be built in  
Phoenix and Las Vegas  
starting in 2021

- # License for 8 US cities (Phoenix, Las Vegas, Austin, San Francisco, Chicago, Denver, Seattle, San Jose) to GSD Group
- # License for other territories to ICICB (Dubai, Gibraltar, Spain, and other territories in EU, Africa and Asia)
- # Licensing fee of 5% of revenue to Atari
- # Strong global PR exposure from announcement: over 30bn estimated total reach
- # Atari retains the rights to develop similar activities in other cities in the United States and the rest of the world

# Atari Blockchain



# Atari Token

Create an Atari eco-system on the blockchain offering brand marketing and revenue opportunities

- # Games on the blockchain
- # Fees (exchanges, etc...)
- # Investments in other projects (paid in tokens)
- # Sale of tokens

## Tools

- # Atari Token (already released)
- # Wallet: final testing in progress
- # Atari Exchange: under development

## Games

- # Casino licenses (ICICB, Decentraland)
- # Animoca license
- # Sandbox license
- # Zed Run (horse races)
- # Additional negotiations/developments in progress

Public sale completed in October 2020

- # Maximum supply, lifetime: 7.7 billion tokens
- # Circulating supply: 400 million tokens
- # Price: currently around \$0.4 (strong volatility)

Atari earns 35% of any token sales:

- # Contribution in FY 2020/2021





# Atari Blockchain Eco-System

Atari has established a strong early-mover position through partnerships with most leading blockchain gaming projects



Atari in the  
Sandbox Metaverse



Zed Run digital  
horse racing



Atari Casino launch  
in Decentraland

# Atari NFTs

Sales of Non-Fungible Tokens have exploded with over \$2bn of transaction volume in Q1 2021

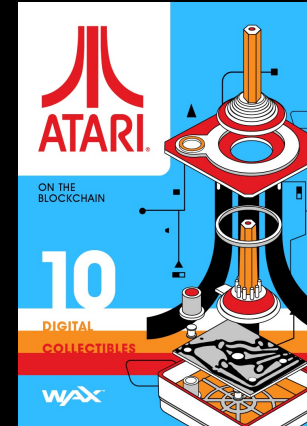
- # Digital Art: Beeple auction at Christie's raising \$69m
- # Sports: NBA Top Shots with over \$500m sales in first 6 months, 800k users
- # Collectibles: Cryptopunks as new status symbols for the crypto-rich
- # Virtual Land: Sandbox, Decentraland & Cryptovoxels with record sales in Q1
- # Gaming: Axie Infinity, Gods Unchained...
- # Celebrities: Paris Hilton, Logan Paul, Grimes, Steve Aoki

NFTs allow creators and IP holders to capture more value

- # Open platforms where anyone can sell NFTs (OpenSea, Rarible) with low fees
- # Value of NFTs is dictated by scarcity, community engagement and retention
- # NFTs remove intermediaries / toll collectors (Apple, Spotify...) and allow creators direct interaction and monetization with their most loyal fans

Atari is an early adopter of NFTs

- # First sale on Wax in Oct 20
- # Over \$700k gross sales
- # Collaborations with artists / designers underscore the desirability and pop culture appeal of the Atari brand





# Outlook

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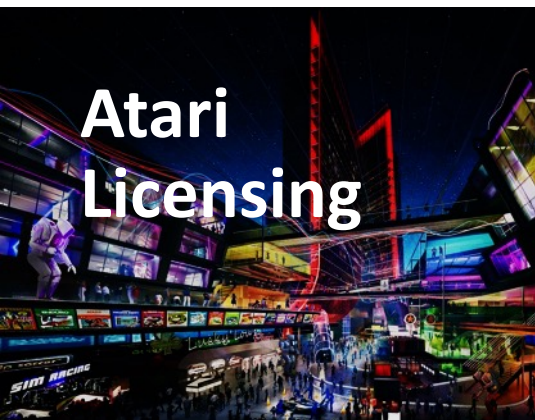
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# FY 2021/2022 priorities



Broaden game portfolio and growth potential : expand portfolio to mid-core premium games

- # Release of new premium titles across platforms (PC / Console)
- # Review of mobile games strategy, selective approach with focus on net contribution



Expand licensing strategy with new & existing partners  
Expand in multimedia with Hollywood majors and scripted TV shows  
Launch of crypto-casino



Optimization of the supply chain to enable ramp-up of production  
Commercial launch of the VCS, expansion of channels in the US  
Addition of new content: focus on indie games



Pursue new listings of Atari Token on Tier 1 exchanges  
Development of use cases  
Partnerships to drive adoption  
Focus on Atari NFTs







# Financials

## H1 2020-2021



# Consolidated P&L

IFRS in million Euros	Sep 30, 2020	Sep 30, 2019	Change
<b>REVENUE</b>	<b>7.8</b>	<b>10.7</b>	<b>-27%</b>
Cost of goods sold	(1.5)	(1.3)	
<b>GROSS MARGIN</b>	<b>6.3</b>	<b>9.4</b>	<b>-33%</b>
<i>in % of revenues</i>	<i>81%</i>	<i>88%</i>	
Research and development expenses	(4.0)	(4.6)	
Marketing and selling expenses	(1.5)	(2.0)	
General and administrative expenses	(2.0)	(2.1)	
Other operating income (expense)	0.0	0.0	
<b>CURRENT OPERATING INCOME (LOSS)</b>	<b>(1.2)</b>	<b>0.7</b>	
<i>in % of revenues</i>	<i>nm</i>	<i>6.5%</i>	
Other income (expense)	0.0	(0.6)	
Share of net operating profit of equity affiliates	0.0		
<b>OPERATING INCOME (LOSS)</b>	<b>(1.1)</b>	<b>0.7</b>	
<i>in % of revenues</i>	<i>nm</i>	<i>6.5%</i>	
Cost of debt	(0.1)	(0.0)	
Other financial income (expense)	(0.3)	(0.5)	
Income tax	(0.0)	(0.0)	
<b>NET INCOME</b>	<b>(1.5)</b>	<b>0.1</b>	
<i>in % of revenues</i>	<i>nm</i>	<i>0.0%</i>	
<b>NET INCOME GROUP SHARE</b>	<b>(1.4)</b>	<b>0.1</b>	
Minority interests	(0.1)	(0.0)	



# Consolidated balance sheet: Assets

ASSETS, IFRS in million Euros	Sep 30, 2020	March 31, 2020	Change
Intangible assets	17.0	17.8	
Property, plant and equipment	0.0	0.0	
Rights of use relating to leases	2.0	2.3	
Non-current financial assets	13.6	15.7	
Deferred tax assets	2.0	2.1	
<b>NON-CURRENT ASSETS</b>	<b>34.6</b>	<b>38.0</b>	<b>-9%</b>
Inventories	2.3	0.6	
Trade receivables	4.2	2.8	
Current tax assets	0.0	0.0	
Other current assets	0.9	0.7	
Cash and cash equivalents	1.2	1.8	
Assets held for sale	1.7	-	
<b>CURRENT ASSETS</b>	<b>10.4</b>	<b>5.8</b>	<b>+79%</b>
<b>TOTAL ASSETS</b>	<b>45.0</b>	<b>43.8</b>	<b>+3%</b>

## Intangible assets

- # Licenses: €0.5m
- # Capitalized R&D
  - Game R&D €9.8m
  - VCS R&D €5.8m
  - Audiovisual R&D €0.7m
  - Casino R&D €0.1m

## Property: Capitalized leases (IFRS 16)

## Financial assets

- # Investments: €1.5m
- # Long-term receivables

Inventories: AMD chips & Atari VCS units





# Consolidated balance sheet: Equity & Liabilities

EQUITY & LIABILITIES, IFRS in million Euros	Sep 30, 2020	March 31, 2020	Change
Capital stock	2.7	2.7	
Share premium	12.2	11.0	
Consolidated reserves	13.8	12.5	
Net income (loss) Group share	(1.4)	2.3	
<b>SHAREHOLDERS' EQUITY</b>	<b>27.4</b>	<b>28.5</b>	
Minority interests	(0.5)	(0.4)	
<b>TOTAL EQUITY</b>	<b>26.9</b>	<b>28.1</b>	<b>-4%</b>
Provisions for non-current contingencies and losses	0.0	0.0	
Non-current financial liabilities	-	0.9	
Long term lease liabilities	1.8	2.1	
Other non-current liabilities	0.7	0.8	
<b>NON-CURRENT LIABILITIES</b>	<b>2.5</b>	<b>3.7</b>	<b>-32%</b>
Provisions for current contingencies and losses	-	0.1	
Current financial liabilities	1.2	0.6	
Short term lease liabilities	0.3	0.3	
Trade payables	8.9	5.7	
Current tax liabilities	-	0.0	
Other current liabilities	5.2	5.2	
<b>CURRENT LIABILITIES</b>	<b>15.6</b>	<b>11.9</b>	<b>+31%</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>45.0</b>	<b>43.8</b>	<b>+3%</b>

Shareholders equity:  
+€27.4m

Other current liabilities:  
€5.2m

# of which €3.4m deferred  
revenue (Atari VCS: €2.5m -  
Atari Hotel: €0.6m)







# Net cash

in million Euros	Sep 30, 2020	March 31, 2020
IFRS 9 : Legalist	-	(0.9)
<b>NON CURRENT</b>	<b>-</b>	<b>(0.9)</b>
OCEANES 2003-2020	-	(0.6)
IFRS 9 : Legalist	(1.2)	-
Paycheck Protection Program loan	(0.3)	-
<b>CURRENT</b>	<b>(1.5)</b>	<b>(0.6)</b>
Restatement Legalist debt non cash	1.2	0.9
<b>GROSS DEBT</b>	<b>(0.3)</b>	<b>(0.6)</b>
Cash and equivalents	1.2	1.8
<b>NET CASH (NET DEBT)</b>	<b>0.9</b>	<b>1.1</b>

Cash position: €0.9m

Legalist is not taken into account for the calculation of the net cash position





# Deferred tax assets

In France, c. €732 million of tax-loss carryforwards

- # Potential tax savings: c. €205 million, subject to usual applicable limitations
- # Potential tax savings per share : c. €0.68 (based on shares outstanding as of April 30, 2021)

In the United States, c. \$310 million of tax-loss carryforwards

- # Potential tax savings : c. \$80 million, subject to usual applicable limitations
- # Potential tax savings per share : c. \$0.27 (based on shares outstanding as of April 30, 2021)



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