



Reinforcement of the development strategy

Creation of 4 operational divisions structured around strong expertise

Paris, September 20, 2018 - The Atari Group announces the creation of 4 operational divisions: **Atari Games, Atari Casino, Atari VCS** and **Atari Partners**, each headed up by an experienced Manager. The activities are presented on the website <http://www.atari.com>. They remain under the responsibility of Frédéric Chesnais, Chairman & CEO and main shareholder of Atari, and of the Group's Board of Directors.

This creation is justified by the Group's growth, and by the will to speed up the dynamics and the development cycles specific to each of these activities in order to exploit the Atari brand and its intellectual property to the best.

"From 2013 to 2018, we spent 2 years getting Atari out of the Chapter 11 procedure in the United States, 3 years relaunching the business, which in 2013 fell to €1 million in revenue with very negative own funds, and finally paying off the Company's debt which was then more than €30 million" recalled Frédéric Chesnais. "We have now passed the cap of €18 million in revenue, we are making profits, our net cash flow is positive and we are laying down the foundations for development in the next 3 years. This organization into 4 complementary divisions, each headed up by an experienced Manager, reflects the best opportunities identified. Its objective is to speed up the development of the Group which is pursuing its profitable growth strategy".

Atari Games: "Video games, Multimedia and Licensing"

The first division is logically for video games, the Group's DNA, which today represent its number one source of income. By extension, the video games business covers their use in different formats, such as multimedia, or licensing which contribute greatly, particularly with *Atari Flashback*, the replica of the Atari 2600, or with *Tastemakers* for mini-arcades.

The ambition is to develop, exploit and promote as best as possible the portfolio of over 200 Atari games, with priority given to mobile games and digital distribution. The investment cycle is about 18 months on average, in partnership with leading development and production studios.

Today, the Atari Group is particularly dynamic especially with the *RollerCoaster Tycoon* license whose *RCT Touch* game each day has close to 200,000 players, or the *RCT Adventures* game for

Nintendo Switch which will be released at the end of 2018. New games are being developed, they will be released in 2018 and 2019, and particularly simulation games, *Transit City*, or else an original survival game for mobiles, *Days of Doom*, which will be released in the financial year 2018/2019.

The intellectual property portfolio may be arbitrated, particularly when these are not part of Atari's historic scope (for example, the sale of *Alone in the Dark* to *THQ Nordic* effective as of day, whose terms are appended to this release).

Atari Games is headed up by Jean-Marcel Nicolai (www.linkedin.com/in/jeamarcelnicolai), who knows the Atari Group very well since he has spent many years as being responsible for the production of games, quality and testing, and who was also in charge of the Disney video games studios worldwide.

Atari Casino: "Game like never before"

The second division is that of on-line casino games, and by extension any other gameplay, including e-sport. The players, the distributors and the partners of *Atari Casino* are very different from those of the *Atari Games* division given the *gameplay* and the regulated nature of that business.

Atari Casino's strategy is to take advantage of the appeal of the brand by granting licenses on properties adapted to this type of gaming. To date, *Atari Casino* is developing mainly around the license agreement with Pariplay which has already developed five key Atari games on its platforms. To benefit from Pariplay's growth, in exchange for an extension of the brand license, the Group recently took a 2.52% stake in the capital of Pariplay, Ltd, technological leader specialized in the development of programs dedicated to "e-Gaming" and "e-Lottery" and is working on the development of a crypto-currency, *Pong*, in this field. The Group is also collaborating with *Next Gaming* for the development of a slot machine under the *Asteroids* brand.

Atari Casino mainly operates in Europe, given the state of advance of legislation in this region, and is still waiting for the legislative evolution in the United States to deploy itself within that territory. A license agreement has also been entered into with *Short Shot* for a project in Latin America.

With regard to e-sports, Atari granted *Bayside Games* a license for developing tournament-based games of skills and "player vs. player" games offering remuneration in real money when the legislation allows it.

Atari Casino is headed up by Frédéric Chesnais.

Atari VCS: "Reinventing the way you game again"

The third division is **Atari VCS**, the *Hardware*.

Today, the mission of **Atari VCS** is mainly to launch and distribute a new Atari multimedia console and to incorporate in it a large offering of on-line content to attract the highest number of users. By extension, this division is also in charge of projects such as *Speaker Hat* and the other connected objects being developed, particularly connected backpacks.

The Indiegogo campaign for Atari VCS allowed for directly taking account of the community's demands and raising more than US\$3 million (10,000 units pre-sold). It is planned to be released in 2019.

Atari VCS is headed up by Michael Arzt (<https://www.linkedin.com/in/michaelarzt/>) who has great experience in video games, accessories and content. He has headed up the project internally since its launch, coordinating the different external stakeholders.

Atari Partners: “Investing in technology for the future”

The fourth division is that of partnerships and technology. It covers the investment and the license of the Atari brand in growth-generating technologies.

The strategy of **Atari Partners** is to take stakes in the capital of young companies run by recognized entrepreneurs, fostering Atari brand license agreements in exchange for a stake in the capital. The brand and the experience of the Atari team are properly promoted, as much as the financial contribution. Atari relies on its reputation and its ability to get experts on board in order to accelerate the growth of these companies. This strategy allows for reconciling innovation whilst limiting the commitments and the financial risk.

The achievements to date include in particular: the development of a blockchain platform and of the *Atari Token*, a crypto-currency, through a license granted to *Infinity Networks Limited* along with a stake of 15% taken in the capital of this company; the stake of 10% taken in Roam, an innovative company specialized in audio accessories; the acquisition under license for some territories and some languages of the Kizzang technology, which presents a new on-line gaming platform model.

Atari Partners will continue to identify innovative young companies, run by entrepreneurs recognized in their field and whose growth on complementary business lines may be accelerated by the reputation of the brand and the Group's capacity to get experts on board.

Atari Partners is headed up by Frédéric Chesnais.

Disclaimer

There is still inherent uncertainty in the completion of these projects, their operating budget and financing plan, and the failure of these assumptions to materialize may affect their value.

About Atari

Atari, comprised of Atari SA and its subsidiaries, is a global interactive entertainment and multiplatform licensing group. The true innovator of the video game founded in 1972, Atari owns and/or manages a portfolio of more than 200 games and franchises, including globally known brands such as Asteroids®, Centipede®, Missile Command® or Pong®. From this important portfolio of intellectual properties Atari delivers attractive online games for smartphones, tablets, and other connected devices. Atari also develops and distributes interactive entertainment for Microsoft and Sony game consoles. Atari also leverages its brand and franchises with licensing agreements through other media, derivative products and publishing. For more information: www.atari.com and www.atari-investisseurs.fr

Contact us

Atari - Philippe Mularski, CFO
Tel +33 1 83 64 61 57 - pm@atari-sa.com

Calyptus - Marie Calleux
Tel + 33 1 53 65 68 68 – atari@calyptus.net

APPENDIX: Press release sale of the Alone in the Dark and Act of War franchises to THQ Nordic



ATARI sells to THQ Nordic the Alone in the Dark and Act of War franchises for €735,000

Paris, September 20, 2018 - Atari announces the sale to THQ Nordic of the Alone in the Dark and Act of War franchises for €735,000.

The acquisition of this intellectual property is managed by THQ Nordic, based in Karlstad, Sweden. The operational, distribution, sales and development of new content activities will be entrusted to THQ Nordic GmbH in Vienna, Austria.

For Atari, the operation has no impact on the current level of revenue and profitability, since this license does not contribute over the current financial year or in future ones.

This sale gives rise to the recognition of operating income corresponding to the sale price, i.e. €735,000. €485,000 of it will contribute to the operating profit of the financial year ending March 31, 2019.

This sale is part of the arbitration of our brand portfolio. We had no short-term plan for these two franchises and we prefer to focus on the catalog of over 200 Atari games.” said Frédéric Chesnais, Chairman & CEO of Atari.
