



## The Atari Group provides an update on recent business developments and its perspectives on the occasion of the *Game Developers Conference 2019* in San Francisco

**Press release Paris & New York, March 18, 2019 at 9pm CET** – On the occasion of the *Game Developers Conference* (« GDC »), one of the industry's largest annual events being held in San Francisco until March 22, 2019, the Atari Group provides an update on recent developments for its four business units and their perspectives.

- **Atari Games:** the video games division, led by Jean-Marcel Nicolai, represented 84% of Group revenues in the fiscal year 2017/2018 and constitutes the Group's DNA. Atari Games continues its strong growth thanks to *RollerCoaster Tycoon Touch*, the launch of new games and new licensing agreements.
- **Atari VCS:** the hardware division, led by Michael Arzt, will start contributing to Group revenue in the fiscal year 2019/2020, as initially expected. The Atari VCS will now be powered by the new, more powerful AMD Ryzen chip. The incorporation of the new processor will lead to a delivery at the end of 2019 of the pre-orders made through the Indiegogo platform, with a commercial launch in 2020. Discussions with distributors are ongoing.
- **Atari Casino:** the regulated online real-money gaming division, led by Frédéric Chesnais, represented 10% of Group revenues for the fiscal year 2017/2018, mainly through licensing activities. Atari Casino has strengthened its partnership with Pariplay through the acquisition in December 2018 of a 2.5% stake in the latter in exchange for the extension of the ongoing game licensing agreement. Pariplay is one of the Group's partners in the development of the Atari Lotto project.
- **Atari Partners:** the fourth division is that of partnerships and technology. Led by Frédéric Chesnais, it represented 6% of Group revenues for the fiscal year 2017/2018. Recent developments include notably (i) in the blockchain domain, the redefinition of the contract with Infinity Networks and the development of two new projects, and (ii) a review of the participation in Kizzang.

**At the holding company level of Atari SA**, the Group is working on a secondary listing on the Nasdaq First North segment in Stockholm.

Frédéric Chesnais, Atari CEO, said: « *The Game Developers Conference always represents a good opportunity to review our recent achievements and the outlook for each aspect of our business, each of them advancing at their own pace and following a specific cycle. Our objectives for the next few years are clearly identified: continue our investments in games, our DNA; establish Atari VCS as a platform of reference, supported by a strong online community; develop Atari Casino through selective opportunities; position ourselves for the long-term in the blockchain space, by developing decentralized platforms in the Entertainment space alone or with partners. Finally, to further improve our visibility, we are studying a possible secondary listing of the Atari shares on the Nasdaq First North segment in Stockholm, which is already home to a number of well-known*

## Atari Games:

- **RollerCoaster Tycoon Touch** is celebrating its two-year anniversary this month and continues its strong performance with an average of 175,000 daily active users and over 20 million downloads since the game's release. It has been enriched with several game updates and was recently launched in South Korea and Japan in fully localized versions, managed directly by the Atari Group. The Chinese version is operated by a local partner and has just been featured in the App Store in China.
- **RollerCoaster Tycoon Adventures** released on December 13, 2018 on Nintendo Switch™ and became the first game in the *RollerCoaster Tycoon* franchise to be available on Nintendo's new flagship console. The game is a casual game, including over 120 different types of attractions that players can build while playing on their TV or on the go. Press outlet Gaming Age gave the title an A review grade. As a result of its success, a PC version of the game has been developed and an exclusive distribution agreement will be announced during GDC.
- **Citytopia**, a new city-building simulation launched worldwide on iOS on January 31, 2019. The game launched with a global feature by Apple on the App Store, a four-star rating and has reached over 380,000 downloads. The Android version will launch on Google Play after GDC.
- **Foodgod's Food Truck Frenzy**, is a match3 puzzle mobile game developed in partnership with Foodgod (Jonathan Cheban). The game is currently in soft launch in Australia, New Zealand and Denmark. The rollout in further countries on the App Store and Google Play will start the week following GDC.
- **Days of Doom** is one of the first post-apocalyptic survival RPGs on mobile platforms, iOS and Android. The game was launched on February 20, 2019 first in select territories.
- **Ninja Golf** an action-oriented mobile game based on the Atari classic features combative golfing and deadly ninjas. The game will launch in March 2019 first in select territories.
- **In the licensing activities**, the Group is continuing to actively work on the conclusion of definitive agreements. *Tastemakers LLC*, has launched a series of arcade machines under Atari license in a compact design, and as a result of the success of these machines the licensing agreement with the company has been extended until 2024. Concerning the licenses for televised game shows, where the Atari Group has developed 2 concepts *Player Up* and *Codebreaker*, (with a net asset value of €1.8M), the economic potential of these projects will be assessed based on definitive distribution and licensing agreements currently under negotiation.

## Atari VCS:

- Over the past several months, the engineering team behind the Atari VCS project has worked in close collaboration with the teams of chip manufacturer AMD on the system architecture. In order to deliver the best possible user experience, the Atari VCS will now be powered by the more powerful AMD Ryzen chip. This new processor from AMD's latest generation will replace the model originally selected in 2017 and will significantly improve the performance of the VCS, notably offering enhanced native 4K video capabilities.
- The incorporation of the new processor will lead to a delivery at the end of 2019 for pre-orders made through the Indiegogo platform, with a commercial launch in 2020. The VCS will start contributing to Group revenue in the fiscal year 2019/2020, as initially expected.

## Atari Casino:

- **Pariplay, Ltd:** The Group has strengthened its partnership with Pariplay through the acquisition in December 2018 of a 2.5% stake in the latter in exchange for the extension of the ongoing game licensing agreement.
- **Atari Lotto:** In order to pursue the development of the activity, Atari is working on Atari Lotto, a subsidiary dedicated to direct and indirect exploitation of casino games, scratch games and small lottery games on mobile and online platforms. The Group is working on a specific fundraising plan, which is described hereafter.

## Atari Partners:

The Atari Group remains fundamentally convinced of the long-term potential of the blockchain technology and has decided on the one hand to redefine its licensing agreement with INL in a mutual agreement, and on the other hand to pursue two specific projects, a game financing platform and an Atari Lotto platform. INL's approach is much broader, which justifies the existence of two very targeted projects with different dynamics.

- **Infinity Networks Limited (INL).** Atari is in the process of renegotiating the agreement with INL, taking into consideration the recent evolution of the blockchain and cryptocurrency space as well as INL's specific requirements. Atari would increase its stake in INL from 15% to 30% with a limited cash investment, while also redefining INL's commitments, with a brand licensing agreement over 10 years combined with near-term development milestones and a quarterly payment schedule of royalties.
- **Atari Capital** is a game financing platform under development. The platform would utilize blockchain technology to automate the distribution of game revenues to their investors. Atari is studying with Entoro Capital a potential private placement of preferred shares of Atari Capital, an entity currently in formation, which will be entitled to dividend distributions based on the performance of the games financed through the platform. This fundraising would not lead to any dilution at the level of Atari, SA.
- **Atari Lotto** is an online real-money gaming platform, utilizing blockchain technology to track certain payments. The main target is Europe, through the agreement with Pariplay, Ltd, as well as specific opportunities in Africa under local operating licenses. Atari Lotto notably benefits from the license obtained from Kizzang for a duration of 10 years. Atari is studying with Entoro Capital a potential private placement of preferred shares of Atari Lotto, an entity currently in formation, which will be entitled to dividend distributions based on the net revenues generated by Atari Lotto and which could be converted into no more than 10% of the share capital of Atari Lotto. This fundraising would not lead to any dilution at the level of Atari, SA.
- **Kizzang.** Atari has built a minority stake in Kizzang during the fiscal year 2016/2017 through the exchange of Kizzang shares against a 5-year Atari game license. In fiscal year 2017/2018, Kizzang granted Atari a 10-year license covering patents and related assets, which will be used by Atari Lotto. The book value of the license is nil, although it offers promising perspectives. The royalties due for this license can be paid up to two thirds of their amount by remitting shares of Kizzang valued at their acquisition cost. The *Securities and Exchange Commission* having recently filed a complaint against Kizzang's management for fraud for raising cash from certain investors other than Atari, among other things, the Group will reevaluate this minority stake (€2.0 million as of September 30, 2018), taking into account that the value of the Kizzang shares can also be considered as an advance on royalty payments for the license.

## **Atari SA Project of a secondary listing of the shares on the Nasdaq First North segment in Stockholm**

Atari, SA has applied for a secondary listing of the Atari SA shares on the Nasdaq First North segment in Stockholm, an exchange that is home to a number of well-known video game companies. This listing will be achieved without any issuance of new shares, but through the listing of existing shares, which will be placed in a retail offering in Sweden for an amount around €1 million.

These existing shares will come from a share buyback on the French market, through the implementation of the share buyback program authorized by the General Meeting of Shareholders on September 28, 2018. A description of this share buyback program limited to a maximum amount of €1 million will be published by way of a separate press release prior to its implementation.

In order to guarantee the delivery of these shares in Sweden and to provide the company with full flexibility in its implementation of the share buyback program Ker Ventures, the holding company of Frédéric Chesnais, has given its approval to the Board of Directors for a temporary non-remunerated stock loan that would cover the maximum amount of the placing.

### **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® and 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, Sony and Nintendo 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](http://www.atari.com) and [www.atari-investisseurs.fr](http://www.atari-investisseurs.fr) Atari shares are listed in France on Euronext Paris (Compartment C, Code Isin FR0010478248, Ticker ATA) and are eligible for the Nasdaq International program in the United States (OTC - Ticker PONGF).

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