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NASDAQ STOCKHOLM'S

DECISION

13 January 2021

DISCIPLINARY COMMITTEE

2021:01

Nasdaq Stockholm

Atari Inc.

DECISION

The Disciplinary Committee orders Atari Inc. to pay a fine to Nasdaq Stockholm corresponding to eight times the annual fee.

Motion

The depositary receipts in Atari Inc. ("Atari" or the "Company") are admitted for trading on Nasdaq Stockholm's Nasdaq First North Growth Market trading platform (the "Exchange"). Atari has signed an undertaking to comply with the Exchange's Rule Book for Nasdaq First North Growth Market applicable from time to time (the "Rule Book").

The Exchange has asserted that Atari, on seven occasions, violated sections 4.3(a), 4.4 (a), 4.4 (c), 4.5, and 4.8 of the Rule Book inasmuch as the Company failed in its disclosure of information in accordance with the Rule Book. With reference to section 6.3 in Supplement B to the Rule Book, the Exchange has moved that the Disciplinary Committee evaluate the alleged violations of the Rule Book and impose a reasonable sanction.

Atari has admitted the violations of the Rule Book.

Neither of the parties has requested an oral hearing. The Disciplinary Committee has reviewed the documents in the matter.

Reasons for the decision

The Rule Book

Pursuant to section 4.3 (a) of the Rule Book, an issuer shall disclose an annual financial report within six months after the end of the financial year.

Pursuant to section 4.4 (a) of the Rule Book, an issuer shall disclose an annual financial statement release containing the most important information from the forthcoming annual financial report. Pursuant to section 4.4 (b) of the Rule Book, an issuer shall disclose a half-yearly financial report.

Pursuant to section 4.4 (c) of the Rule Book, the annual financial statement release and half-yearly financial report shall be disclosed as soon as possible after the issuer has approved the relevant accounts, however, not later than within three months from the expiry of the reporting period for annual financial statement releases, and within two months for half-yearly financial reports.

Pursuant to section 4.5 of the Rule Book, an issuer shall publish dates listing when the issuer expects to disclose its financial reports.

Pursuant to section 4.8 (c) of the Rule Book, an issuer shall simultaneously provide to the Exchange the information disclosed by the Company in accordance with the Rule Book.

Considerations

On 6 November 2019, the Company applied for an exemption from the duty to disclose the half-yearly financial report covering the period 1 April – 30 September 2019 within two months from the expiry of the reporting period. On 11 November 2019, the Exchange granted the Company an exemption from the duty to disclose until 30 December 2019. The Company disclosed the half-yearly financial report on 17 January 2020.

On 31 March 2020 the Exchange decided to extend the deadline for publishing financial reports relating to a reporting period ending on 31 December 2019 or later, but before 1 April 2020, by one month, due to the Covid-19 pandemic. On 13 August 2020, the Company disclosed its annual financial statement release for the financial year 1 April 2019 – 31 March 2020.

In a press release published on 29 September 2020, the Company stated that the disclosure of the Company's annual financial report for the financial year 1 April 2019 – 31 March 2020 would be delayed until 23 October 2020. In a press release published on 23 October 2020, the Company stated that the disclosure of the Company's annual financial report would be further delayed until 28 October 2020. On 28 October 2020 the Company disclosed its annual financial report for 1 April 2019 – 31 March 2020.

In a press release published on 1 December, the Company announced that the Company's half-yearly financial report for the period 1 April – 30 September 2020 would be disclosed on 15 January 2021.

In a final correspondence dated 18 October 2019, the Exchange criticized the Company for three violations of the Rule Book which the Company has admitted: 1) the Company had not disclosed an annual financial statement release for 2018/2019 within the prescribed three month deadline in accordance with section 4.4 (a) and (c) of the Rule Book; 2) the Company had not published a date for the planned disclosure of its annual financial statement release in accordance with section 4.5 of the Rule Book; and 3) the Company had not provided the Exchange with the press release in accordance with section 4.8 (c) of the Rule Book. The

Exchange reserves the right to review the decision not to refer the matter to the Disciplinary Committee in the event the Company evinces repeated violations.

The Exchange has argued: Notwithstanding being informed of an exception from the usual deadline according to the Rule Book, the Company did not disclose its half-yearly financial report for the period 1 April – 30 September 2019 within the agreed timeframe, nor its annual financial statement release for 2019/2020 within the four month deadline as extended due to the Covid-19 pandemic. The Company has therefore, in two cases, violated section 4.4 (c) of the Rule Book. The Company also failed to disclose its annual financial report for 2019/2020 within six months of the end of the financial year on 31 March 2020. The Company has therefore violated section 4.3 (a) of the Rule Book. The Company also failed to disclose its half-yearly financial report covering the period 1 April – 30 September 2020 within two months. In this respect as well, the Company has thereby violated section 4.4 (c) of the Rule Book.

In addition to these violations, the Company has admitted three additional violations for which the Company was criticized by the Exchange in a final correspondence dated 18 October 2019. In the correspondence, the Exchange reserved the right to refer the matter to the Disciplinary Committee in the event the Company evinces repeated violations. As a consequence of the violations described above, the Exchange also refers these violations to the Disciplinary Committee.

The Company has argued: Atari admits the violations of the Rule Book advanced by the Exchange. The violations are due, among other things, to the ongoing pandemic, and the completion of the Company’s financial reports was delayed due to modified IFRS standards, and Atari also wishes to emphasize that in several respects where it violated the Rule Book the Company acted in accordance with the rulebook for Euronext Stock Exchange where the Company’s shares are also listed. However, the Company takes very seriously the criticism from Nasdaq and has taken measures to prevent similar future violations of the Rule Book.

The Disciplinary Committee notes that it is not disputed that the Company, which was listed on First North in April 2019, violated section 4 of the Rule Book on seven occasions by not disclosing information in the manner prescribed by the section. The reasons argued by the Company for the delays do not merit being taken into consideration, and, in the opinion of the Disciplinary Committee, they also do not detract from the seriousness of the Company violating the Rule Book several times during a relatively short period of time.

The Disciplinary Committee regards the Company’s actions as especially serious and establishes the sanction as a fine corresponding to eight times the annual fee.

On behalf of the Disciplinary Committee,



Former Justice Marianne Lundius, MBA Ragnar Bowman, former authorised public accountant Svante Forsberg, *advokat* Patrik Marcelius, and director Joakim Strid have participated in the Committee's decision.

Secretary: Erik Lidman, J.D.