

New Product Launch and Capital Raising

Highlights:

- Announced two new products at NAB global trade show:
 - Ninja Phone – a video co-processor for the latest iPhones that lets you record from professional cameras onto the iPhone's storage
 - Sun Dragon - a unique 'sun spectrum' range of LED lights, expanding product portfolio into an adjacent segment of video production ecosystem
- Up to \$16.0m capital raise (before costs) to recapitalise the Company, by way of:
 - \$8.0m fully underwritten non-renounceable pro-rata entitlement offer to all eligible shareholders (Entitlement Offer); and
 - Doma (the Company's largest shareholder and debt holder) has agreed to sub-underwrite 100% of the Entitlement Offer
 - Up to \$8.0m placement to institutional, industry and other professional participants, subject to shareholder approval (Placement) (refer to the section headed Notice of Meeting below)
 - Jeromy Young (MD & CEO) and Peter Barber (ED & COO) have committed to subscribe for \$2.0m each
 - Paul Greenberg (Chair) has committed to subscribe for \$100k
- Funds will be used to repay outstanding debt, finalise restructuring, invest in new product inventory & provide additional working capital
- Lodged Notice of Meeting (NOM) for an Extraordinary General Meeting (EGM) to be held on Thursday, 16 May 2024
 - Includes several important resolutions that will require shareholder approval
- Lodged Prospectus outlining important details of the Placement and Entitlement Offer
- Following discussions with ASX, subject to satisfaction of certain conditions, Atomos expects to return to ASX trading following completion and settlement of the Placement and Entitlement Offer (which is expected to occur post EGM approval of the Placement). Full details of the conditions are set out in the Prospectus.¹

Melbourne, Australia - Atomos Limited ('ASX:AMS', 'Atomos' or the 'Company') is today pleased to provide an update relating to several new product launches along with an outline of a proposed capital raise process. The Board of Atomos, upfront, would like to thank shareholders for their support, patience, and commitment in getting to this major inflection point forward for the business.

Atomos Chairman Paul Greenberg said, "We have come a long way since Jeromy and Peter have returned to the business in January and we are pleased the operational restructure and new product development as originally put forward is being executed in line with that plan. The Board and executives firmly believe this will see a restoration of value to shareholders in the medium term and will vindicate the decisions we made late last year and early this year. This has only been achievable by the

¹ Trading of all Shares and Options offered under the Prospectus is also conditional upon the Company's shares being re-instated to trading.

dedication of the team, in particular Jeromy and Peter, with the support of our major shareholder and debt holder.”

“Additionally, after 7 years as a Non-Executive Director of Atomos, Sir Hossein Yassaie will retire from the Board following completion of the capital raise. Sir Hossain has made an immeasurable contribution to Atomos over the years, and on behalf of the Board we wish him the very best moving forward.”

Atomos Co-Founder and CEO Jeromy Young said, “We have achieved so much since January, including material cost restructuring, stabilising sales whilst enhancing our core product range and the development of new adjacent hot products. The benefits of these initiatives mean that we are within months of returning the Company to growth and profit. I am pleased to advise we will be launching growth delivering products at the NABSHOW in Las Vegas, beginning on 13 April 2024. I would personally like to thank the team who have supported the restructure and also thank our major shareholder and debt provider Doma for their cornerstone contribution and on-going support, the growth opportunity ahead of us would not exist without their belief in Atomos.”

Background

Atomos was suspended from trading on the ASX on 28 February 2023 and concurrently announced a Strategic Review. This followed a period of poor financial performance which continued during FY23 and into the first half of FY24.

After 9 months of considering various strategic options, which included discussions related to the sale of the business, the Board decided in December 2023 that the best way to restore shareholder value was to move forward with a proposal from Jeromy Young and Peter Barber to strategically reposition the Company in combination with recapitalising the business. As part of that recapitalisation process, Jeromy and Peter offered to invest a minimum of \$3.0m at \$0.02 per share (which they subsequently increased to \$4.0m). Following discussions with the Company, Doma, the Company's major shareholder and debt provider, also offered to roll their debt facility (which at the time was \$5.0m) into a commitment to sub-underwrite an entitlement offer at the same price per share offered by Jeromy and Peter. The proposal, which was based on restoring the Company to profitability through improving sales and reducing costs, required the following key actions:

1. Jeromy and Peter taking on management positions to facilitate change within the business;
2. Board and operational restructure to enable future growth to be undertaken profitably;
3. Refresh to the product roadmap including the launch of a new and adjacent product lines; and
4. Capital raise to strengthen the balance sheet and provide additional working capital to assist with the launch of new products.

The Company subsequently implemented the above actions 1 to 3. As part of this process, Atomos has further reduced its cost base as part of continued operational restructure efforts. Upon completion of the restructure, the annualised fixed operating costs of the business will be ~\$16m (down from a peak of \$29.3m in FY23), which would imply approximate annual sales of \$45m for the Company to reach EBITDA breakeven.

New Products

The Company today announced two new products at the NABSHOW in Las Vegas (**NABSHOW**). The NABSHOW is one of the largest global trade shows for video, media, broadcast and entertainment.

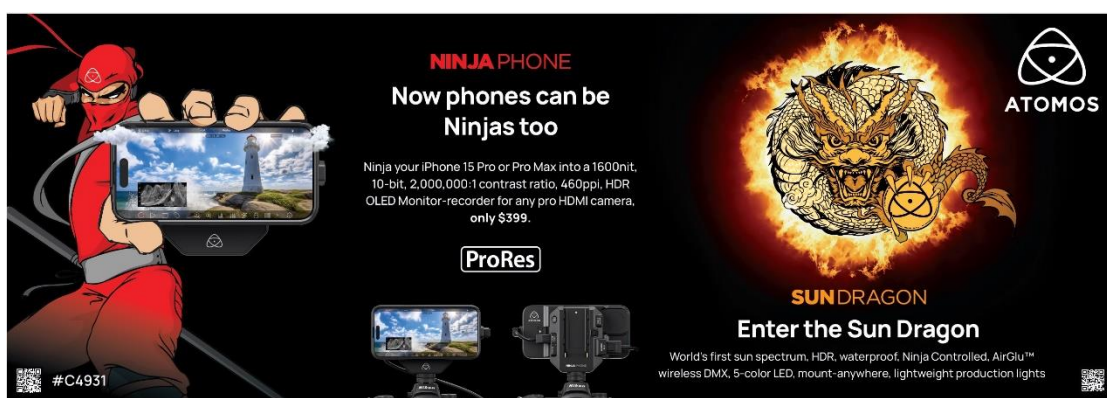
The two new products include:

1. **Ninja Phone**
 - a. Unique HDMI to USB-C, professional adaptor that securely attaches to the back of an iPhone 15 Pro or iPhone 15 Pro Max to create the world's first Apple ProRes driven high resolution monitor-recorder.

- b. Enable connection to any professional camera (Nikon, Panasonic, Canon, Fuji, Sony, etc) with an uncompressed HDMI output to Apple's magnificent OLED screen.
- c. Price expected to be USD/€399 (excluding local sales taxes) and is expected to begin shipping at the end of Q4 FY24.

2. Sun Dragon

- a. Unique 'sun spectrum' range of LED lights utilising a flexible strip light design that can be placed anywhere, using a unique bend, shape, and mount technology.
- b. Sold via existing sales channels to a similar customer base who already know and use Atomos products.
- c. Atomos expects to launch this new range of products by the end of Q4 FY24.



Capital Raise

The Company has maintained a consistent message that to implement the strategic initiatives required to return the Company to a growth outlook and ultimately profitability, it will require additional funding.

Due to several factors, including a companywide restructure, the process to raise equity capital has been delayed several times and as a result, in February 2024, the Company agreed with their debt provider (and major shareholder, Doma) to increase the debt facility from \$5.0m to \$8.0m and extend the maturity date to 31 March 2025. This enabled the Company to manage short-term working capital and restructuring cost requirements.

Pleasingly, the Company today announces an institutional placement and underwritten non-renounceable pro-rata entitlement offer to raise a total of up to approximately \$16.0m (before costs) (**Equity Raising**).

The Equity Raising will be conducted via:

- Placement of up to \$8.0m (**Placement**) via the issue of approximately 400 million fully paid ordinary shares, subject to shareholder approval (refer to the section headed Notice of Meeting below); and
- Fully underwritten non-renounceable entitlement offer of approximately \$8.0m (**Entitlement Offer**) at a ratio of 1 new share for every 1 existing share held at the record date for the issue, being Thursday 18 April 2024 (**Record Date**). The Entitlement Offer will result in the issue of approximately 402 million fully paid ordinary shares.

The Equity Raising will be conducted at an offer price of A\$0.02 per new share (**Offer Price**) which implies a pre-money market capitalisation of the Company of approximately \$8.0m.

The Equity Raising, if fully subscribed, will result in the issue of approximately 802 million new fully paid ordinary shares (**New Shares**). The New Shares under the Equity Raising will rank equally with existing Atomos shares as at their date of issue.



Shareholders who participate in the Placement and Entitlement Offer will receive 1 free attaching option for every 2 shares subscribed for in the Equity Raising (**Options**). The Options will have an exercise price of \$0.03 and a maturity date of 30 November 2025. Subject to confirmation from ASX, the Options will be traded on the ASX.

The Equity Raising has received material support from Directors and existing shareholders including:

- \$8.0m sub-underwriting commitment for the Entitlement Offer from the largest shareholder and debt provider (**Doma**);
- \$4.0m Placement commitment (\$2m each) from Executive Directors Jeromy Young and Peter Barber, subject to shareholder approval; and
- \$0.1m Placement commitment from Chair, Paul Greenberg, subject to shareholder approval.

The Entitlement Offer is non-renounceable, and rights (**Entitlements**) are not transferrable and will not be able to be traded on the ASX or privately. Eligible shareholders who do not take up their Entitlement under the Entitlement Offer in full or part, will not receive any value in respect of those Entitlements not taken up.

Eligible shareholders will be invited to participate in the Entitlement Offer at the same Offer Price as the Placement. Eligible shareholders can choose to take up all, part or none of their Entitlement. Eligible shareholders who take up their Entitlement in full may subscribe for additional Entitlement Offer shares in excess of their Entitlements. Additional Entitlement Offer shares will only be available to the extent that there are Entitlements under the Entitlement Offer that are not taken up by eligible shareholders. Scaleback may be applied where there is excess demand for additional Entitlement Offer shares from eligible shareholders.

The Entitlement Offer will open at 10:00am (AEST) on Tuesday, 23 April 2024 and close at 5:00pm (AEST) on Monday, 13 May 2024.

Eligible shareholders will be those with registered addresses in Australia, New Zealand and the United Kingdom only on the Record Date of 7:00pm (AEST) on Thursday, 18 April 2024.

Eligible shareholders wishing to participate in the Entitlement Offer should carefully read the Prospectus and accompanying personalised Entitlement and Acceptance Form which are expected to be despatched on or around Tuesday, 23 April 2024.

The Company has appointed Berne No 132 Nominees Pty Ltd as nominee for the purposes of section 615 of the Corporations Act (**Nominee**). ASIC has made an in-principle decision approving the appointment. The Nominee will arrange for the sale of the New Shares which would otherwise have been issued to ineligible foreign shareholders, and will remit to those shareholders any proceeds of the sale (after deducting the Offer Price, any expenses, and any withholding tax).

Copies of the Prospectus will also be available on the ASX website (www.asx.com.au) from 12 April 2024.

Henslow Pty Ltd is acting as Lead Manager to the Equity Raising and Underwriter to the Entitlement Offer.

Notice of Meeting (NOM)

A NOM was lodged with the ASX today for purposes of conducting an EGM to be held on Thursday, 16 May 2024.

Included in the NOM are four resolutions requiring shareholder approval which relate to the Placement and other proposed issues of securities, specifically:

1. Approval to issue 205 million shares and 102.5m Options to Jeromy Young, Peter Barber and Paul Greenberg (who are all Directors) for investing \$4.1m in the Placement.
2. Approval to issue 195 million shares and 97.5m Options to institutional and sophisticated investors for investing \$3.9m in the Placement.

3. Approval to issue 100 million Options (50 million each) to Jeromy Young and Peter Barber to recognise the valuable contributions in restructuring and recapitalising the Company and the significant contribution of customer and supplier relationships, technology and industry know-how and the development of new products.
4. Approval to issue 50 million Options to the Lead Manager and Underwriter in recognition of advisory services over the past six months during the preparation and re-structure period.

The NOM is expected to be dispatched to shareholders by 16 April 2024, and the EGM is proposed to be held on 16 May 2024. Further details in relation to the EGM are set out in the NOM. Shareholders are encouraged to review the NOM and to attend and vote at the EGM.

In relation to the resolutions, the major shareholder and Directors (as and where they are legally able to), intend to vote in favour of all resolutions.

Indicative Timetable

The timetable below is indicative only and subject to change. The Company reserves the right to alter the dates at its discretion and without prior notice, subject to the ASX Listing Rules and the Corporations Act 2001 (Cth). All times below are based on Melbourne, Australia (AEST) time.

Following completion and settlement of the Placement and Entitlement Offer, Atomos expects its shares to return to trading on the ASX.²

Key Events	Key Dates
Announcement of Entitlement Offer, Placement, Director Offer, Broker Offer Lodge Prospectus with ASIC and ASX and lodge Appendix 3B with ASX	Friday 12 April 2024
Publication of Notice of EGM on ASX	Friday 12 April 2024
Notice of EGM dispatched to shareholders	Tuesday 16 April 2024
Record Date for Entitlement Offer	Thursday 18 April 2024
Entitlement Offer opens; Placement Options Offer opens; Broker Offer opens; Director Options Offer opens	Tuesday 23 April 2024
Entitlement Offer, Placement Options Offer, Director Options Offer close	Monday 13 May 2024
Announcement of results of Entitlement Offer	Wednesday 15 May 2024
EGM conducted	Thursday 16 May 2024
Settlement of Placement	Friday 17 May 2024
Settlement of Entitlement Offer (including any shortfall)	Friday 17 May 2024
Issue of Entitlement Offer Shares (& Entitlement Offer Options); Issue of Placement Shares (& Placement Options); Issue of Director Options Broker Offer Closes	Monday 20 May 2024

² Trading of all Shares and Options offered under the Prospectus is conditional upon the Company's shares being re-instated to trading. ASX has indicated that it sees no reason why the securities of the Company should not be reinstated to quotation, subject to the satisfaction of certain conditions. Please see section 3.16 of the Prospectus for more information.

Key Events	Key Dates
Entitlement Offer Shares, Placement Shares and all Options (other than Broker Options), commence trading on ASX ²	Tuesday 21 May 2024
Issue of Broker Options	Tuesday 21 May 2024
Dispatch of holding statements in respect of Entitlement Offer Shares and Placement Shares and all Options (other than Broker Options)	Wednesday 22 May 2024
Broker Options commence trading on ASX ²	Wednesday 22 May 2024

This announcement has been authorised for lodgement with ASX by the Board of Directors.

--ENDS--

For further information, please contact:

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Atomos' Interactive Investor Hub

Our investor hub is an interactive location to engage with the Atomos team on our announcements and updates.

Please go to the Atomos Investor Hub for all market announcements & other news <https://announcements.atomos.com>.

About Atomos:

ATOMOS designs pioneering products that transform the way film and video content is made around the world. From our range of hardware devices for monitoring and recording, easy-to-use software tools, and intelligent cloud services, we engineer best-in-class technologies and create products for the next generation of filmmakers.

Through relentless innovation, we simplify your workflow. Whether you record cinema-quality footage, monitor a scene with crystal clear colour accuracy, switch between multiple cameras, or stream a live event with a portable studio, ATOMOS empowers anyone to realize the best possible version of their creative potential.

ATOMOS is based in Melbourne, Australia, with a distributed worldwide team and offices in the USA, Japan, China, UK, and Germany and has a worldwide distribution partner network.

For more information, please visit www.atomos.com

Important information

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The statements relating to anticipated revenue and cost savings involve known and unknown risks, uncertainties and other factors that may cause the Company's actual performance, and achievements to differ materially from any performance or achievements expressed or implied by these statements. Relevant factors may include, but are not limited to, technological resourcing, foreign exchange fluctuations and general economic conditions, increased costs, geopolitical and social risks, supplier delivery issues, changes to the regulatory framework within which the Company operates or

may in the future operate, environmental conditions including extreme weather conditions, recruitment and retention of personnel, industrial relations issues and litigation.

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