

ATOMOS LIMITED

ACN 139 730 500

NOTICE OF EXTRAORDINARY GENERAL MEETING

Notice is hereby given that an Extraordinary General Meeting of shareholders of Atomos Limited (**Company**) will be held on Thursday, 16 May 2024 at 11.00 a.m. (AEST) at the offices of Henslow Pty Ltd, Level 15, 25 Bligh Street, Sydney (**Meeting**).

The business to be considered at the Meeting is set out below. This Notice should be read in its entirety in conjunction with the accompanying Explanatory Notes, which contain information in relation to the Resolutions.

The Explanatory Notes provide additional information on the matters to be considered at the Meeting. The Explanatory Notes and the Proxy Form form part of this Notice.

Terms and abbreviations used in this Notice and the Explanatory Notes are defined in the Glossary accompanying this Notice.

BUSINESS OF THE MEETING

Resolution 1: Approval to issue securities to Directors under the Placement

To consider and, if thought fit, to pass the following Resolution as an ordinary resolution of the Company:

“That, pursuant to and in accordance with Listing Rule 10.11 and for all other purposes, Shareholders approve the issue to Directors, Jeromy Young, Peter Barber and Paul Greenberg (or their nominee/s), of a total of:

- (a) 205,000,000 Placement Shares at an issue price of \$0.02 per Placement Share; and*
- (b) 102,500,000 Placement Options, being issued on the basis of one free-attaching quoted Placement Option (exercisable at \$0.03 each on or before 30 November 2025) for every two Placement Shares subscribed for and issued under the Placement,*

on the terms and conditions set out in the Explanatory Notes.”

Resolution 2: Approval to issue securities to Institutional Investors under the Placement

To consider and, if thought fit, to pass the following Resolution as an ordinary resolution of the Company:

“That, for the purpose of Listing Rule 7.1 and for all other purposes, Shareholders approve the issue to Institutional Investors of a total of:

- (a) 195,000,000 Placement Shares at an issue price of \$0.02 per Placement Share; and*
- (b) 97,500,000 Placement Options, being issued on the basis of one free-attaching quoted Placement Option (exercisable at \$0.03 each on or before 30 November 2025) for every two Placement Shares subscribed for and issued under the Placement,*

on the terms and conditions set out in the Explanatory Notes.”

Resolution 3: Approval to issue Options to Executive Directors under the Executive Director Offer

To consider and, if thought fit, to pass the following Resolution as an ordinary resolution of the Company:

“That, pursuant to and in accordance with Listing Rule 10.11 and for all other purposes, Shareholders approve the issue to Executive Directors, Jeromy Young and Peter Barber (or their nominee/s), of a total of 100,000,000 Executive Director Options, exercisable at \$0.03 each on or before 30 November 2025, on the terms and conditions set out in the Explanatory Notes.”

Resolution 4: Approval to issue Options to Lead Manager under the Broker Offer

To consider and, if thought fit, to pass the following Resolution as an ordinary resolution of the Company:

“That, for the purpose of Listing Rule 7.1 and for all other purposes, Shareholders approve the issue to the Lead Manager of 50,000,000 Broker Options, exercisable at \$0.03 each on or before 30 November 2025, on the terms and conditions set out in the Explanatory Notes.”

VOTING EXCLUSIONS

Pursuant to the Listing Rules, the Company will disregard any votes cast in favour of:

- (a) Resolution 1, by or on behalf of Jeromy Young, Peter Barber and Paul Greenberg (or their nominee/s), and any other person who will obtain a material benefit as a result of the issue of the Placement Securities to Jeromy Young, Peter Barber and Paul Greenberg (or their nominee/s) (except a benefit solely by reason of being a Shareholder), or any of their respective associates;
- (b) Resolution 2, by or on behalf of any person who is expected to participate in, or who will obtain a material benefit as a result of, the proposed issue of the Placement Securities to the Institutional Investors (except a benefit solely by reason of being a Shareholder) or any of their respective associates;
- (c) Resolution 3, by or on behalf of Jeromy Young and Peter Barber (or their nominee/s), and any other person who will obtain a material benefit as a result of the issue of the Executive Director Options to Jeromy Young and Peter Barber (or their nominee/s) (except a benefit solely by reason of being a Shareholder), or any of their respective associates; and
- (d) Resolution 4, by or on behalf of the Lead Manager, and any other person who will obtain a material benefit as a result of the issue of the Broker Options to the Lead Manager (except a benefit solely by reason of being a Shareholder), or any of its respective associates.

The above voting exclusions do not apply to a vote cast in favour of the relevant Resolution by:

- (a) a person as proxy or attorney for a person who is entitled to vote, in accordance with directions given to the proxy or attorney to vote on the Resolution in that way;
- (b) the Chair as proxy or attorney for a person who is entitled to vote, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the Resolution; and
 - (ii) the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

ENTITLEMENT TO VOTE

The Directors have determined that the persons eligible to vote at the Meeting are those who are registered Shareholders of the Company as at 7.00 p.m. (AEST) on Tuesday, 14 May 2024 (**Entitlement Time**), subject to any applicable Voting Exclusion.

This means that if you are not the registered holder of a Share in the Company at the Entitlement Time, you will not be entitled to vote at the Meeting.

VOTING OPTIONS AND PROXIES

Voting

If you do not plan to attend the Meeting in person, you are encouraged to complete and return the Proxy Form, which accompanies this Notice.

Voting by Proxy

A Shareholder who is entitled to attend and vote at this Meeting is entitled to appoint not more than two proxies to attend and vote in place of the Shareholder.

If the Shareholder appoints two proxies, the Shareholder may specify the proportion or number of votes each proxy is entitled to exercise. If no proportion or number of votes is specified, each proxy may exercise half of the Shareholder's votes. If the specified proportion or number of votes exceeds that which the Shareholder is entitled to, each proxy may exercise half of the Shareholder's votes. Any fractions of votes brought about by the apportionment of votes to a proxy will be disregarded.

A proxy need not be a Shareholder of the Company. A body corporate appointed as a shareholder's proxy may appoint a representative to exercise any of the powers the body may exercise as a proxy at the Meeting. The representative should bring to the Meeting evidence (in an electronic format capable of distribution by email) of his or her appointment, including any authority under which the appointment is signed, unless it has previously been given to the Company.

If a Shareholder has not directed their proxy how to vote, the proxy may vote (or abstain from voting) as the proxy determines.

Proxy Voting by the Chair

If a Shareholder appoints the Chair of the Meeting as proxy and does not direct the Chair how to vote on a Resolution, the Chair will vote in accordance with his voting intention as stated in this Notice.

The Chair intends to vote all undirected proxies in favour of the Resolutions in this Notice.

Proxy Forms

To be effective, the Proxy Form must be completed, signed and lodged (together with the relevant original power of attorney or a certified copy if the proxy is signed by an attorney) with the Company's Share Registry, as an original or by facsimile, **no later than** 11.00 a.m. (AEST) on Tuesday, 14 May 2024 (**Proxy Deadline**).

Proxy forms may be submitted in one of the following ways:

- (i) by mail to Boardroom Pty Limited, GPO Box 3993 Sydney NSW 2001 Australia. Please allow sufficient time so that it reaches Boardroom Pty Limited by the Proxy Deadline;
- (ii) by fax to Boardroom Pty Limited on +61 2 9290 9655 (within Australia); or
- (iii) online via <https://www.votingonline.com.au/amsegm2024>.

Proxy Forms and Powers of Attorney must be received by the Proxy Deadline.

CORPORATE REPRESENTATIVES

Where a shareholding is registered in the name of a corporation, the corporate Shareholder may appoint a person to act as its representative to attend the Meeting by providing that person with:

- (i) a letter or certificate authorising him or her as the corporation's representative, executed in accordance with the corporation's constitution; or
- (ii) a copy of the resolution appointing the representative, certified by a secretary or director of the corporation.

BY ORDER OF THE BOARD



Vanessa Chidrawi

Company Secretary

12 April 2024

EXPLANATORY NOTES

RESOLUTION 1 – Approval to issue securities to Directors under the Placement

1.1 General

The Company is proposing to issue a total of 205,000,000 Placement Shares (at an issue price of \$0.02 per Placement Share) and 102,500,000 Placement Options (on the basis of one free-attaching quoted Placement Option for every two Placement Shares issued under the Placement) to Jeromy Young, Peter Barber and Paul Greenberg (or their nominee/s) (**Director Participants**).

Resolution 1 seeks the approval of Shareholders for the proposed issue of Placement Securities to the Director Participants for the purposes of Listing Rule 10.11.

1.2 Listing Rule 10.11

Listing Rule 10.11 provides that, unless one of the exceptions in Listing Rule 10.12 applies, a listed company must not issue or agree to issue Equity Securities to any of the following persons without the approval of its shareholders:

- (a) a related party;
- (b) a person who is, or was at any time in the 6 months before the issue or agreement, a substantial holder (30%+) in the entity;
- (c) a person who is, or was at any time in the 6 months before the issue or agreement, a substantial holder (10%+) in the entity and who has nominated a director to the board of the entity pursuant to a relevant agreement which gives them a right or expectation to do so;
- (d) an associate of a person referred to in Listing Rules 10.11.1 to 10.11.3; or
- (e) a person whose relationship with the company or a person referred to in Listing Rule 10.11.1 or 10.11.4 is such that, in ASX's opinion, the issue or agreement should be approved by its shareholders.

The Director Participants are all related parties of the Company by virtue of being Directors. Shareholder approval pursuant to Listing Rule 10.11 is therefore required in relation to the issue of Placement Securities to the Director Participants unless an exception applies. None of the exceptions set out in Listing Rule 10.12 apply in the current circumstances.

Approval pursuant to Listing Rule 7.1 is not required for the issue of the Placement Securities to the Director Participants if approval is obtained under Listing Rule 10.11. Accordingly, if Resolution 1 is passed, the issue of the Placement Securities to the Director Participants will not be included in the Company's 15% annual placement capacity pursuant to Listing Rule 7.1.

1.3 Effect of Resolution 1

If Resolution 1 is passed, the Company will be able to proceed with the issue of the Placement Securities to the Director Participants. By issuing the Placement Securities to the Director Participants, the Company will raise \$4,100,000 (before costs) upon the issue of the Placement Shares to the Director Participants, and could raise up to a further \$3,075,000 (before costs) upon exercise of all of the Placement Options issued to the Director Participants in the future. However, it is noted that any future exercise of the Placement Options is at the sole discretion of the Option holder and cannot be guaranteed.

If Resolution 1 is not passed, the Company will not be able to proceed with the issue of the Placement Securities to the Director Participants, and the Company will not receive the funds committed by the Director Participants in respect of the Placement.

1.4 Specific information required by Listing Rule 10.13

Pursuant to and in accordance with Listing Rule 10.13, the following information is provided in relation to the proposed issue of Placement Securities to the Director Participants:

- (a) a total of 205,000,000 Placement Shares and 102,500,000 Placement Options will be issued to the Director Participants under the Placement, with 100,000,000 Placement Shares and 50,000,000 Placement Options to be issued to each of Jeromy Young and Peter Barber, and 5,000,000 Placement Shares and 2,500,000 Placement Options to be issued to Paul Greenberg;

- (b) the Director Participants each fall into the category of a related party, as stipulated by Listing Rule 10.11.1, by virtue of being Directors. In the event that Placement Securities are issued to a nominee of a Director Participant, that nominee will fall into the category of an associate of a person referred to in Listing Rule 10.11.1 (being a related party), as stipulated by Listing Rule 10.11.4;
- (c) the Placement Shares will be fully paid ordinary shares in the capital of the Company and will rank equally in all respects with the Company's existing Shares on issue. The terms of the Placement Options are set out in Annexure A;
- (d) the Placement Securities are expected to be issued to the Director Participants on or around Monday, 20 May 2024 and in any event, no later than one month after the date of the Meeting;
- (e) the Placement Shares will be issued at \$0.02 per Placement Share. The Placement Options are free-attaching quoted Options to the Placement Shares and will therefore have an issue price of nil, however they will have an exercise price of \$0.03 per Placement Option;
- (f) the proceeds raised from the issue of the Placement Shares to the Director Participants are intended to be used:
 - i. to repay the Company's existing external debt facility (including any capitalised interest);
 - ii. for costs associated with the Company's cost saving initiatives following an operating cost review expected to be completed by April 2024;
 - iii. for the development and stocking of new products;
 - iv. for working capital; and
 - v. for costs associated with the Placement.

No proceeds will be raised from the issue to the Director Participants of the Placement Options, but the Company could potentially receive up to \$3,075,000 (before costs) in further capital if all of the Placement Options issued to the Director Participants are exercised in the future (although there is no guarantee that this will occur);

- (g) the proposed issue of the Placement Securities to the Director Participants is on exactly the same terms as the proposal under Resolution 2 (to approve the issue of Placement Securities to Institutional Investors) and is not intended to remunerate or incentivise the Director Participants or provide any additional benefit to the Director Participants.
- (h) there are no other material terms to the proposed issue of the Placement Securities to the Director Participants; and
- (i) a voting exclusion statement is included in the Notice.

1.5 Chapter 2E of the Corporations Act

In accordance with Chapter 2E of the Corporations Act, in order to give a financial benefit to a related party, the Company must:

- (a) obtain Shareholder approval in the manner set out in section 217 to 227 of the Corporations Act; and
- (b) give the benefit within 15 months following such approval,

unless the giving of the financial benefit falls within an exception set out in sections 210 to 216 of the Corporations Act.

The proposed issue of the Placement Securities to the Director Participants constitutes giving a financial benefit to related parties of the Company.

Sir Hossein Yassaie (being the only Director who will not be participating in the proposed issue of Placement Securities) considers that Shareholder approval pursuant to Chapter 2E of the Corporations Act is not required in respect of the issue of the Placement Securities to the Director Participants because they will be issued on the same terms as the Shares and Options being issued to the Company's Shareholders under the entitlement offer being undertaken by the Company as part of the Capital Raising, and on the same terms as the issue of the Placement Securities to Institutional Investors under the Placement, and as such, the giving of the financial benefit is on arm's length terms pursuant to section 210 of the Corporations Act.

1.6 Additional information

Resolution 1 is an ordinary resolution.

Sir Hossein Yassaie (being the only Director who does not have a material personal interest in the outcome of the Resolution) recommends that Shareholders vote in favour of Resolution 1.

RESOLUTION 2 – Approval to issue securities to Institutional Investors under the Placement

2.1 General

The Company is proposing to issue a total of 195,000,000 Placement Shares (at an issue price of \$0.02 per Placement Share) and 97,500,000 Placement Options (on the basis of one free-attaching quoted Placement Option for every two Placement Shares issued under the Placement) (**Placement Securities**) to a number of institutional investors (**Institutional Investors**).

Resolution 2 seeks the approval of Shareholders for the proposed issue of Placement Securities to the Institutional Investors for the purposes of Listing Rule 7.1.

2.2 Listing Rule 7.1

Broadly speaking, and subject to a number of exceptions, Listing Rule 7.1 limits the amount of Equity Securities that a listed company can issue without the approval of its shareholders over any 12 month period to 15% of the fully paid ordinary shares it had on issue at the start of that period.

The issue of Placement Securities to Institutional Investors under Resolution 2 does not fall within any of these exceptions and exceeds the 15% limit in Listing Rule 7.1. It therefore requires the approval of Shareholders under Listing Rule 7.1.

If Resolution 2 is passed, the Company will be able to proceed with the issue of the Placement Securities to Institutional Investors. By issuing Placement Securities to the Institutional Investors, the Company will raise \$3,900,000 (before costs) upon the issue of the Placement Shares to the Institutional Investors, and could raise up to a further \$2,925,000 (before costs) upon exercise of all of the Placement Options issued to the Institutional Investors in the future. However, it is noted that any future exercise of the Placement Options is at the sole discretion of the option holder and cannot be guaranteed.

In addition, if Resolution 2 is passed, the issue of Placement Securities to the Institutional Investors will be excluded from the calculation of the number of equity securities that the Company can issue without Shareholder approval under Listing Rule 7.1.

If Resolution 2 is not passed, the Company will not be able to proceed with the issue of the Placement Securities to the Institutional Investors, and the Company will not receive the funds committed by the Institutional Investors in respect of the Placement.

2.3 Specific information required by Listing Rule 7.3

Pursuant to and in accordance with Listing Rule 7.3, the following information is provided in relation to the proposed issue of Placement Securities to the Institutional Investors:

- (a) the Placement Securities to be issued under Resolution 2 will be issued to the Institutional Investors, being a number of non-related party institutional investors introduced to the Company by the Lead Manager;
- (b) a total of 195,000,000 Placement Shares and 97,500,000 Placement Options will be issued to the Institutional Investors under the Placement;
- (c) the Placement Shares will be fully paid ordinary shares in the capital of the Company and will rank equally in all respects with the Company's existing Shares on issue. The terms of the Placement Options are set out in Annexure A;
- (d) the Placement Securities are expected to be issued to the Institutional Investors on or around Monday, 20 May 2024 and in any event, no later than three months after the date of the Meeting;
- (e) the Placement Shares will be issued at \$0.02 per Placement Share. The Placement Options are free-attaching quoted Options to the Placement Shares and will therefore have an issue price of nil, however they will have an exercise price of \$0.03 per Placement Option;
- (f) the proceeds raised from the issue of the Placement Shares to the Institutional Investors are intended to be used:

- i. to repay the Company's existing external debt facility (including any capitalised interest);
- ii. for costs associated with the Company's cost saving initiatives following an operating cost review expected to be completed by April 2024;
- iii. for the development and stocking of new products;
- iv. for working capital; and
- v. for costs associated with the Placement.

No proceeds will be raised from the issue to the Institutional Investors of the Placement Options, but the Company could potentially receive up to \$2,925,000 (before costs) in further capital if all of the Placement Options issued to the Institutional Investors are exercised in the future (although there is no guarantee that this will occur); and

- (g) a voting exclusion statement is included in the Notice.

2.4 Additional information

Resolution 2 is an ordinary resolution.

The Board recommends that Shareholders vote in favour of Resolution 2.

RESOLUTION 3 – Approval to issue Options to Executive Directors under the Executive Director Offer

3.1 General

The Company is proposing to issue a total of 100,000,000 Executive Director Options, exercisable at \$0.03 each on or before 30 November 2025 (**Executive Director Options**), to Jeromy Young and Peter Barber (**Executive Directors**) (or their nominee/s) under the Executive Director Offer.

Resolution 3 seeks the approval of Shareholders for the proposed issue of Executive Director Options to the Executive Directors (or their nominee/s) for the purposes of Listing Rule 10.11.

3.2 Listing Rule 10.11

Paragraph 1.2 above applies equally to this Resolution 3, except that all references to "Placement Securities" in paragraph 1.2 above are replaced with "Executive Director Options" for the purposes of this Resolution 3, and all references to "Director Participants" in paragraph 1.2 above are replaced with "Executive Directors (or their nominee/s)" for the purposes of this Resolution 3.

If Resolution 3 is passed, the Company will be able to proceed with the issue of the Executive Director Options to the Executive Directors (or their nominee/s). By issuing the Executive Director Options, the Company could raise up to \$3,000,000 (before costs) upon exercise of all of the Executive Director Options in the future. However, it is noted that any future exercise of the Executive Director Options is at the sole discretion of the Option holder and cannot be guaranteed.

In addition, if Resolution 3 is passed, the Executive Director Options issued to the Executive Directors (or their nominee/s) will be excluded from the calculation of the number of Equity Securities that the Company can issue without Shareholder approval under Listing Rule 7.1.

If Resolution 3 is not passed, the Company will not be able to proceed with the issue of the Executive Director Options, and the Company will not receive the funds committed by the Executive Directors (or their nominee/s) in respect of the Executive Director Offer.

3.3 Specific information required by Listing Rule 10.13

Pursuant to and in accordance with Listing Rule 10.13, the following information is provided in relation to the proposed issue of Executive Director Options:

- (a) a total of 100,000,000 Executive Director Options will be issued to the Executive Directors (or their nominee/s) under the Executive Director Offer, with 50,000,000 Executive Director Options to be issued to each of the Executive Directors (or their nominee/s);
- (b) the Executive Directors each fall into the category of a related party, as stipulated by Listing Rule 10.11.1, by virtue of being Directors. In the event that Executive Director Options are issued to a nominee of the

Executive Directors, that nominee will fall into the category of an associate of a person referred to in Listing Rule 10.11.1 (being a related party), as stipulated by Listing Rule 10.11.4;

- (c) the Executive Director Options are exercisable at \$0.03 each on or before 30 November 2025. The terms of the Executive Director Options are the same as those for the Placement Options as set out in Annexure A;
- (d) the Executive Director Options are expected to be issued to the Executive Directors (or their nominee/s) on or around Monday, 20 May 2024 and in any event, no later than one month after the date of the Meeting;
- (e) the Executive Director Options have an issue price of nil;
- (f) no proceeds will be raised from the issue of the Executive Director Options, but the Company could potentially receive up to \$3,000,000 (before costs) in capital if all of the Executive Director Options are exercised in the future (although there is no guarantee that this will occur);
- (g) the Company proposes to issue the Executive Director Options to the Executive Directors (or their nominee/s) for the following reasons:
 - i. to further incentivise the Executive Directors in delivering on the company's restructure and re-capitalisation plan;
 - ii. to further align the Executive Directors' interests with the Shareholders;
 - iii. to recognise the valuable contributions made by the Executive Directors since the commencement of their employment, including through the contribution of customer and supplier relationships, technology and industry know-how and the development of new products;
 - iv. to acknowledge the reduced salaries that the Executive Directors have agreed to be paid (to ease the cash burden on the Company) and the lack of any other incentive arrangements being provided to the Executive Directors as part of their agreed remuneration packages; and
 - v. to provide a cost effective method of remuneration which allows the Company to spend a greater proportion of its cash reserved on its operations;
- (h) the Company values the Executive Director Options at approximately \$0.0074 per Executive Director Option based on the Black-Scholes model and the assumptions set out in Annexure B. The current total remuneration package for Jeromy Young is \$400,000 and for Peter Barber is \$400,000 per annum, albeit both have currently reduced their base salary by 20% (to \$320,000 per annum) until 30 June 2024, reflecting desire to preserve cash during the Company's recapitalisation. If the Executive Director Options are issued, the initial value for each of the Executive Directors will be approximately \$370,000 being the value of the Executive Director Options. It should be noted this is a theoretical value based on the Black-Scholes model with no guarantee that the Executive Director Options will be able to be exercisable or traded for a 'tangible' cash value;
- (i) there are no other material terms to the proposed issue of the Executive Director Options; and
- (j) a voting exclusion statement is included in the Notice.

3.4 Chapter 2E of the Corporations Act

A summary of Chapter 2E of the Corporations Act is set out in paragraph 1.5 above. The proposed issue of the Executive Director Options to the Executive Directors (or their nominee/s) constitutes giving a financial benefit to related parties of the Company.

The Board (other than the Executive Directors) considers that Shareholder approval pursuant to Chapter 2E of the Corporations Act is not required in respect of the issue of the Executive Director Options because the commitment to issue the Executive Director Options is considered reasonable remuneration in the circumstances of the Company and each of the Executive Directors' circumstances (including the responsibilities of each of the Executive Directors).

3.5 Additional information

Resolution 3 is an ordinary resolution.

The Board (other than the Executive Directors who have a material personal interest in the outcome of the Resolution concerning their subscription for Executive Director Options) recommends that Shareholders vote in favour of Resolution 3.

RESOLUTION 4 – Approval to issue Options to Lead Manager under the Broker Offer

4.1 General

The Company is proposing to issue 50,000,000 Options, exercisable at \$0.03 each on or before 30 November 2025 (**Broker Options**), to the Lead Manager.

Resolution 4 seeks the approval of Shareholders for the proposed issue of Broker Options to the Lead Manager for the purposes of Listing Rule 7.1.

4.2 Listing Rule 7.1

Broadly speaking, and subject to a number of exceptions, Listing Rule 7.1 limits the amount of Equity Securities that a listed company can issue without the approval of its shareholders over any 12 month period to 15% of the fully paid ordinary shares it had on issue at the start of that period.

The issue of the Broker Options under Resolution 4 does not fall within any of these exceptions. While the issue of the Broker Options does not exceed the 15% limit in Listing Rule 7.1 and can therefore be made without breaching that rule, the Company wishes to retain as much flexibility as possible to issue additional Equity Securities into the future without having to obtain Shareholder approval under Listing Rule 7.1. To do this, the Company is asking Shareholders to approve the issue of the Broker Options under Listing Rule 7.1 so that it does not use up any of the 15% limit on issuing Equity Securities without Shareholder approval.

If Resolution 4 is passed, the Company will be able to proceed with the issue of the Broker Options to the Lead Manager, without using up any of the Company's 15% limit on issuing Equity Securities. By issuing the Broker Options, the Company could raise up to \$1,500,000 (before costs) upon exercise of all of the Broker Options in the future. However, it is noted that any future exercise of the Broker Options is at the sole discretion of the Option holder and cannot be guaranteed.

If Resolution 4 is not passed, the issue of the Broker Options can still proceed but it will reduce, to that extent, the Company's capacity to issue Equity Securities without Shareholder approval under Listing Rule 7.1 for 12 months following the issue, which could impact the Company's capital raise capacity during this period. If Resolution 4 is not passed, the Company nonetheless intends to proceed with the issue of the Broker Options, noting it has agreed to issue the Broker Options under the terms of the Lead Manager's engagement (as described below in paragraph 4.4).

4.3 Specific information required by Listing Rule 7.3

Pursuant to and in accordance with Listing Rule 7.3, the following information is provided in relation to the proposed issue of the Broker Options:

- (a) the 50,000,000 Broker Options to be issued under Resolution 4 will be issued to the Lead Manager, who is not a related party of the Company;
- (b) the Broker Options are exercisable at \$0.03 each on or before 30 November 2025. The terms of the Broker Options are the same as those for the Placement Options as set out in Annexure A;
- (c) the Broker Options are expected to be issued to the Lead Manager on or around Tuesday, 21 May 2024 and in any event, no later than three months after the date of the Meeting;
- (d) the Broker Options are being issued as part of the consideration for certain services provided by the Lead Manager to the Company over the past six months and will therefore have an issue price of nil;
- (e) no proceeds will be raised from the issue of the Broker Options, but the Company could potentially receive up to \$1,500,000 (before costs) in capital if all of the Broker Options are exercised in the future (although there is no guarantee that this will occur);
- (f) the Broker Options are being issued in accordance with the terms of engagement agreed between the Company and the Lead Manager. A summary of the material terms of the engagement is set out in paragraph 4.4 below; and
- (g) a voting exclusion statement is included in the Notice.

4.4 Summary of terms of engagement

The Company has agreed terms of engagement with the Lead Manager for the provision of lead manager and capital raising services, including the co-ordination and management of the Capital Raising (**Engagement Terms**).

Under the Engagement Terms, in consideration for its services to be provided in connection with the Capital Raising, the Company has agreed to provide the following to the Lead Manager:

- (a) a management fee equal to 3% of the total value of the capital raised under the Capital Raising;
- (b) an underwriting and selling fee equal to 2% of the total value of the capital raised under the Capital Raising;
and
- (c) 50,000,000 Broker Options with an exercise price of \$0.03 and expiry on 30 November 2025.

4.5 Additional information

Resolution 4 is an ordinary resolution.

The Board recommends that Shareholders vote in favour of Resolution 4.

GLOSSARY

AEST means Australian Eastern Standard Time as observed in Melbourne, Australia.

ASX means ASX Limited ACN 008 624 691.

Board means the current board of Directors.

Broker Offer means the proposed issue of the Broker Options to the Lead Manager in accordance with Resolution 4.

Broker Options means the 50,000,000 Options to be issued to the Lead Manager under the Broker Offer, pursuant to Resolution 4.

Capital Raising means the capital raising announced by the Company on Friday, 12 April 2024.

Chair means the person appointed to chair the Meeting.

Company means Atomos Limited ACN 139 730 500.

Corporations Act means the *Corporations Act 2001* (Cth).

Executive Director Offer means the proposed issue of the Executive Director Options to the Executive Directors in accordance with Resolution 3.

Director Participants means Jeromy Young, Peter Barber and Paul Greenberg (or their nominee/s).

Directors means the current directors of the Company and **Director** means any one of them.

Equity Securities has the meaning given to that term in the Listing Rules.

Executive Director Options means the Options proposed to be issued to the Executive Directors under the Executive Director Offer pursuant to Resolution 3, being a total of 100,000,000 Options.

Executive Directors means Jeromy Young and Peter Barber.

Explanatory Notes means the Explanatory Notes accompanying this Notice.

Glossary means this glossary.

Institutional Investors means the institutional investors to be issued Placement Securities under the Placement.

Lead Manager means Henslow Pty Ltd ACN 605 393 137 AFSL 483168.

Listing Rules means the Listing Rules of ASX, as amended or replaced from time to time except to the extent of any express written waiver by ASX.

Meeting means the meeting convened by this Notice.

Notice means this notice of extraordinary general meeting, including the Explanatory Notes, this Glossary, the Proxy Form and all Annexures.

Option means an option, giving the holder the right, but not an obligation, to acquire a Share.

Placement means the proposed issue of the Placement Securities to the Director Participants and the Institutional Investors in accordance with Resolutions 1 and 2.

Placement Options means the Options proposed to be issued to the Director Participants and the Institutional Investors under the Placement, pursuant to Resolutions 1 and 2, being a total of 200,000,000 Options.

Placement Securities means the Placement Options and the Placement Shares.

Placement Shares means the Shares proposed to be issued to the Director Participants and the Institutional Investors under the Placement, pursuant to Resolutions 1 and 2, being a total of 400,000,000 Shares.

Proxy Deadline means 11.00 a.m. (AEST) on Tuesday, 14 May 2024.

Proxy Form means the proxy form accompanying this Notice.

Resolutions means the resolutions set out in the Notice, or any one of them, as the context requires.

Share means a fully paid ordinary share in the capital of the Company.

Shareholder means a holder of a Share.

Share Registry means Boardroom Pty Limited.

Voting Exclusion means the exclusion of particular Shareholders from voting on a particular Resolution, as set out in this Notice.

ANNEXURE A

The Placement Options are proposed to each have the same terms and conditions as set out in this Annexure.

1. Entitlement

Each Option entitles the holder to subscribe for one Share upon exercise of the Option.

2. Exercise Price

Subject to paragraph 11 below, the amount payable upon exercise of each Option will be \$0.03 (**Exercise Price**).

3. Expiry Date

Each Option will expire at 5:00 pm (AEST) on 30 November 2025 (**Expiry Date**). An Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.

4. Exercise Period

The Options are exercisable at any time on or prior to the Expiry Date (**Exercise Period**).

5. Notice of Exercise

The Options may be exercised during the Exercise Period by notice in writing to the Company in the manner specified on the Option certificate (**Notice of Exercise**) and payment of the Exercise Price for each Option being exercised in Australian currency by electronic funds transfer or other means of payment acceptable to the Company.

6. Exercise Date

A Notice of Exercise is only effective on and from the later of the date of receipt of the Notice of Exercise and the date of receipt of the payment of the Exercise Price for each Option being exercised in cleared funds (**Exercise Date**).

7. Timing of issue of Shares on exercise

Within 15 Business Days after the Exercise Date, the Company will, subject to compliance with all applicable laws and the ASX Listing Rules:

- a) issue the number of Shares required under these terms and conditions in respect of the number of Options specified in the Notice of Exercise and for which cleared funds have been received by the Company;
- b) if required, give ASX a notice that complies with section 708A(5)(e) of the Corporations Act; and
- c) if admitted to the official list of ASX at the time, apply for official quotation on ASX of Shares issued pursuant to the exercise of the Options.

If a notice delivered under 7(b) for any reason is not effective to ensure that an offer for sale of the Shares does not require disclosure to investors, the Company must, no later than 20 Business Days after becoming aware of such notice being ineffective, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors.

8. Shares issued on exercise

Shares issued on exercise of the Options will rank equally with the then issued shares of the Company.

9. Reorganisation of capital

If at any time the issued capital of the Company is reconstructed or reorganised, all rights of a holder of an Option will be changed to the extent necessary to comply with the Corporations Act and the ASX Listing Rules applying to a reorganisation of capital at the time of the reorganisation.

10. Participation in new issues

There are no participation rights or entitlements inherent in the Options and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Options without exercising the Options.

11. Change in exercise price

Subject to compliance with the ASX Listing Rules, an Option does not confer the right to a change in Exercise Price or a change in the number of underlying securities over which the Option can be exercised.

12. Transferability

Application will be made for the Options to be quoted on ASX. The Options will be transferable subject to any restrictions imposed by ASX.

ANNEXURE B

Valuation of Executive Director Options

The Company has valued the Executive Director Options to be granted to the Director Participants using the Black-Scholes model. The valuation of the Executive Director Options has been prepared based on the following assumptions:

Assumption	Input
Date of valuation	9 April 2024
Market price of Shares Due to the Company being suspended for over 12 months, the Company considers it appropriate to use the issue price per Placement Share	\$0.02
Exercise price	\$0.03
Risk free interest rate (Australian Government 10-year bond)	4.11%
Volatility (annualised)	100%
Expiry date (length of time from issue)	30 November 2025 (being approximately 18 months from the estimated date of issue)

Any change in the assumptions applied in the Black-Scholes calculation between the date of the valuation and the date the Executive Director Options are granted would have an impact on their value.



All Correspondence to:

✉ **By Mail** Boardroom Pty Limited
GPO Box 3993
Sydney NSW 2001 Australia

📠 **By Fax:** +61 2 9290 9655

💻 **Online:** www.boardroomlimited.com.au

☎ **By Phone:** (within Australia) 1300 737 760
(outside Australia) +61 2 9290 9600

YOUR VOTE IS IMPORTANT

For your vote to be effective it must be recorded **before 11:00am (AEST) on Tuesday 14 May 2024.**

🖥 TO APPOINT A PROXY ONLINE

📱 BY SMARTPHONE

STEP 1: VISIT <https://www.votingonline.com.au/amsegm2024>

STEP 2: Enter your Postcode OR Country of Residence (if outside Australia)

STEP 3: Enter your Voting Access Code (VAC):



Scan QR Code using smartphone
QR Reader App

TO VOTE BY COMPLETING THE PROXY FORM

STEP 1 APPOINTMENT OF PROXY

Indicate who you want to appoint as your Proxy.

If you wish to appoint the Chair of the Meeting as your proxy, mark the box. If you wish to appoint someone other than the Chair of the Meeting as your proxy please write the full name of that individual or body corporate. If you leave this section blank, or your named proxy does not attend the meeting, the Chair of the Meeting will be your proxy. A proxy need not be a securityholder of the company. Do not write the name of the issuer company or the registered securityholder in the space.

Appointment of a Second Proxy

You are entitled to appoint up to two proxies to attend the meeting and vote. If you wish to appoint a second proxy, an additional Proxy Form may be obtained by contacting the company's securities registry or you may copy this form.

To appoint a second proxy you must:

- (a) complete two Proxy Forms. On each Proxy Form state the percentage of your voting rights or the number of securities applicable to that form. If the appointments do not specify the percentage or number of votes that each proxy may exercise, each proxy may exercise half your votes. Fractions of votes will be disregarded.
- (b) return both forms together in the same envelope.

STEP 2 VOTING DIRECTIONS TO YOUR PROXY

To direct your proxy how to vote, mark one of the boxes opposite each item of business. All your securities will be voted in accordance with such a direction unless you indicate only a portion of securities are to be voted on any item by inserting the percentage or number that you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on a given item, your proxy may vote as he or she chooses. If you mark more than one box on an item for all your securities your vote on that item will be invalid.

Proxy which is a Body Corporate

Where a body corporate is appointed as your proxy, the representative of that body corporate attending the meeting must have provided an "Appointment of Corporate Representative" prior to admission. An Appointment of Corporate Representative form can be obtained from the company's securities registry.

STEP 3 SIGN THE FORM

The form **must** be signed as follows:

Individual: This form is to be signed by the securityholder.

Joint Holding: where the holding is in more than one name, all the securityholders should sign.

Power of Attorney: to sign under a Power of Attorney, you must have already lodged it with the registry. Alternatively, attach a certified photocopy of the Power of Attorney to this form when you return it.

Companies: this form must be signed by a Director jointly with either another Director or a Company Secretary. Where the company has a Sole Director who is also the Sole Company Secretary or the company has no Company Secretary, this form should be signed by that person. **Please indicate the office held by signing in the appropriate place.**

STEP 4 LODGEMENT

Proxy forms (and any Power of Attorney under which it is signed) must be received no later than 48 hours before the commencement of the meeting therefore by **11:00am (AEST) on Tuesday, 14 May 2024**. Any Proxy Form received after that time will not be valid for the scheduled meeting.

Proxy forms may be lodged using the enclosed Reply Paid Envelope or:

💻 **Online** <https://www.votingonline.com.au/amsegm2024>

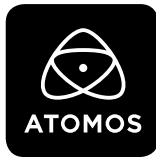
📠 **By Fax** + 61 2 9290 9655

✉ **By Mail** Boardroom Pty Limited
GPO Box 3993,
Sydney NSW 2001 Australia

👤 **In Person** Boardroom Pty Limited
Level 8, 210 George Street
Sydney NSW 2000 Australia

Attending the Meeting

If you wish to attend the meeting please bring this form with you to assist registration.



ATOMOS LIMITED (ASX:AMS)
700 SWANSTON STREET
CARLTON VIC 3053
ACN: 139 730 500

ATOMOS LIMITED
ABN 25 139 730 500

☐

Your Address

This is your address as it appears on the company's share register. If this is incorrect, please mark the box with an "X" and make the correction in the space to the left. Securityholders sponsored by a broker should advise their broker of any changes.

Please note, you cannot change ownership of your securities using this form.

PROXY FORM

STEP 1 APPOINT A PROXY

I/We being a member/s of **Atomos Limited** (Company) and entitled to attend and vote hereby appoint:

☐

the **Chair of the Meeting** (mark box)

OR if you are **NOT** appointing the Chair of the Meeting as your proxy, please write the name of the person or body corporate (excluding the registered securityholder) you are appointing as your proxy below.

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chair of the Meeting as my/our proxy at the Annual General Meeting of the Company to be held at the offices of **Henslow, Level 15, 25 Bligh Street, Sydney on Thursday 16 May, 2024 at 11:00am (AEST)** and at any adjournment of that meeting, to act on my/our behalf and to vote in accordance with the following directions or if no directions have been given, as the proxy sees fit.

Chair of the Meeting authorised to exercise undirected proxies on remuneration related matters: If I/we have appointed the Chair of the Meeting as my/our proxy or the Chair of the Meeting becomes my/our proxy by default and I/we have not directed my/our proxy how to vote in respect of Resolution 3, I/we expressly authorise the Chair of the Meeting to exercise my/our proxy in respect of this Resolution even though Resolution 3 is connected with the remuneration of a member of the key management personnel for the Company. The Chair of the Meeting will vote all undirected proxies in favour of all Items of business (including Resolution 3). If you wish to appoint the Chair of the Meeting as your proxy with a direction to vote against, or to abstain from voting on an item, you must provide a direction by marking the 'Against' or 'Abstain' box opposite that resolution.

STEP 2 VOTING DIRECTIONS

* If you mark the Abstain box for a particular item, you are directing your proxy not to vote on your behalf on a show of hands or on a poll and your vote will not be counted in calculating the required majority if a poll is called.

		For	Against	Abstain*
Resolution 1	Approval to issue securities to Directors under the Placement	☐	☐	☐
Resolution 2	Approval to issue securities to Institutional Investors under the Placement	☐	☐	☐
Resolution 3	Approval to issue Options to Executive Directors under the Executive Director Offer	☐	☐	☐
Resolution 4	Approval to issue Options to Lead Manager under the Broker Offer	☐	☐	☐

STEP 3 SIGNATURE OF SECURITYHOLDERS

This form must be signed to enable your directions to be implemented.

Individual or Securityholder 1

Sole Director and Sole Company Secretary or Sole
Director and no Company Secretary

Securityholder 2

Director

Securityholder 3

Director / Company Secretary

Contact Name.....

Contact Daytime Telephone.....

Date / / 2024