



# 1H 2019 Results

28 February 2019

Atomos unlocks creativity and profit for video content creators  
Advanced technology allows faster, higher quality, more flexible productions





## Agenda

Half Year Results	3
Outlook & Board Update	12
Appendix	18

# Half Year Results

“Our **VISION** is to invent and deliver ground breaking products and disruptive technologies that enhance, simplify and ultimately democratise video content creation”



# Atomos – A Snapshot

- Global video technology company that enhances video content creation with products that connect the imaging and computer world together
- Allows video content creators to improve recording quality, save time and maintain greater flexibility and control over the content creation process
- Advanced proprietary technologies underpin the current product suite and will be used to drive future growth into new markets
- Global strategic relationships with leading global tech companies such as: Apple, Adobe and camera makers: Sony, Canon, Panasonic, RED and JVC Kenwood

• Three key market segments:

– **Social:** consumers / prosumers who create and share on free, advertisement driven platforms

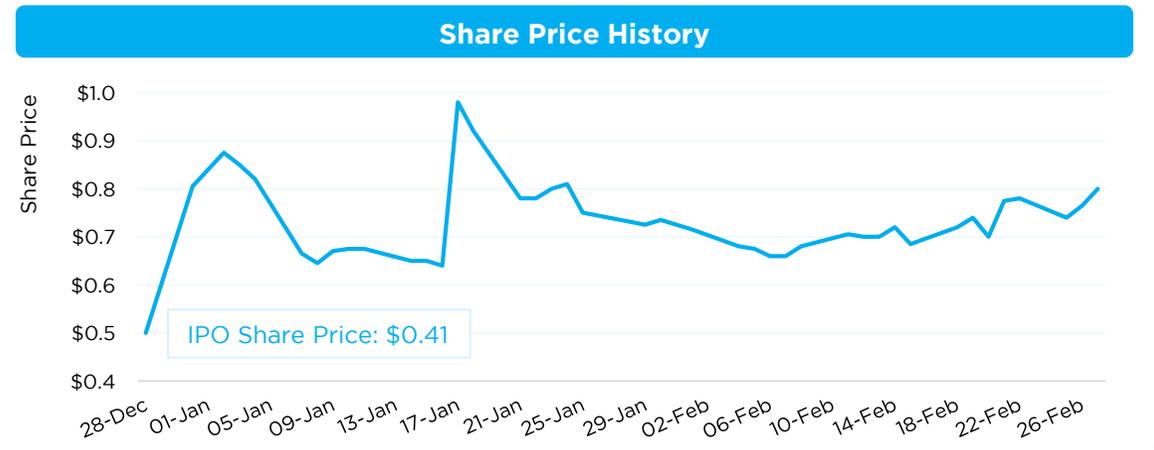


– **Pro Video:** advertising, events, corporate, broadcast and education

– **Entertainment:** production companies producing high-quality content for TV and cinema usually viewed on subscription streaming platforms



Capital Structure (as of 27 Feb. 2019)		Major Shareholders	
Ticker	AMS	Ms Claire Louise Young <sup>2</sup>	12%
Share Price	\$0.80	Ellerston Capital Ltd	11%
Shares on Issue (m)	152.0	Domazet FT3 P/L	11%
<b>Market Capitalisation (m)</b>	<b>\$121.6</b>	Common Sense Computing P/L	8%
Cash Balance (\$m) <sup>1</sup>	\$5.2	Imagination Technologies Ltd	7%
<b>Enterprise Value (\$m)</b>	<b>\$116.4</b>	<b>Top 20</b>	<b>79%</b>
<sup>1</sup> Calculated from 1H'19 Balance Sheet		<b>Board &amp; Management</b>	<b>22%</b>
		<sup>2</sup> Related Party to Board Member (Jeromy Young)	



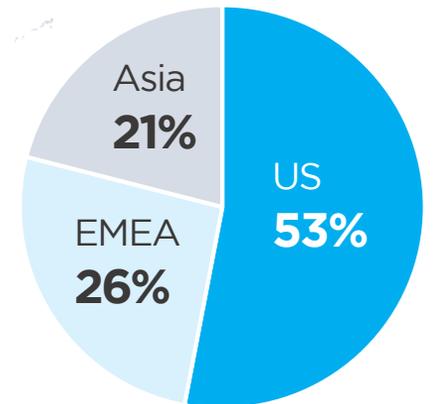
# Global Operations

## Offices in major global locations and strong sales channels

- **77 Staff Globally\***
- **10 Offices in 7 Countries**
- **Strong Global Sales Channel**
- **Broad retailer and reseller network in each region**



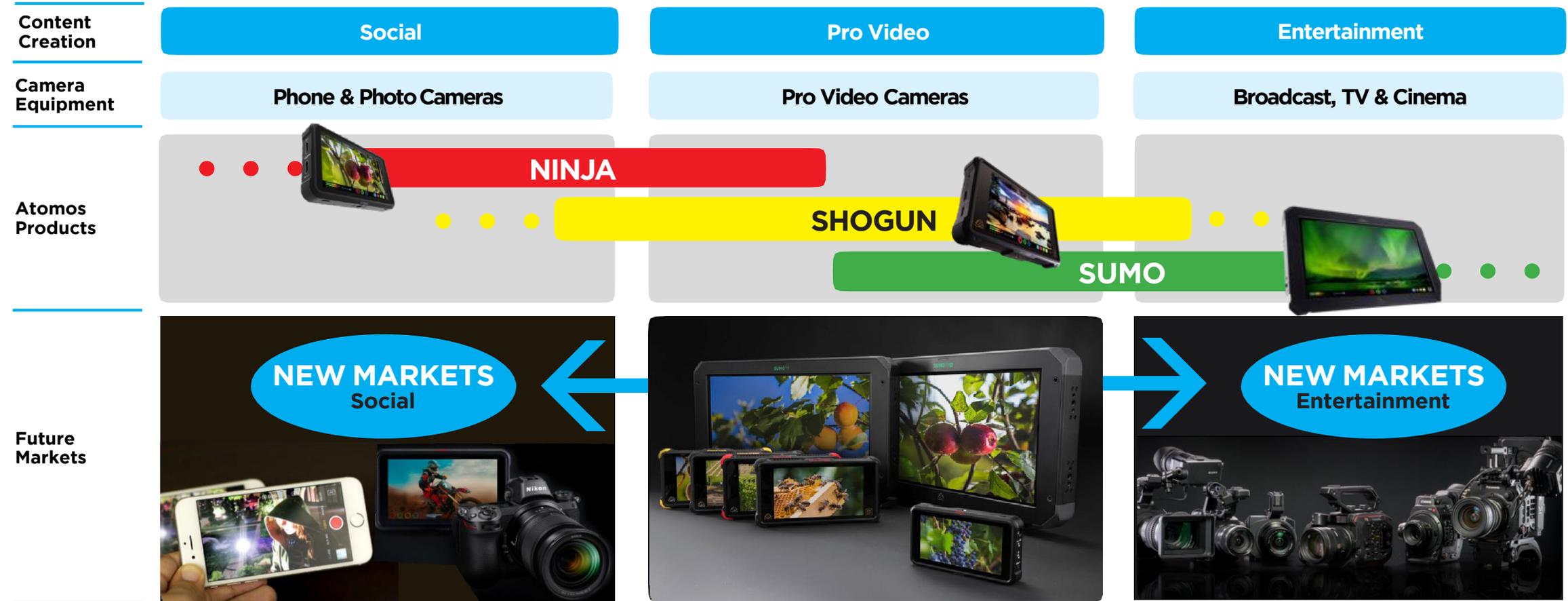
1H'19 Sales by Region



\*As of 31 December 2018

# Target Markets – Current & Future

Atomos' growing product portfolio will address a **US\$10B** camera equipment market<sup>1</sup>



Expansion into growing **Social & Entertainment** video content markets – **Double** core product range in 2 years

# Rapidly Growing Markets

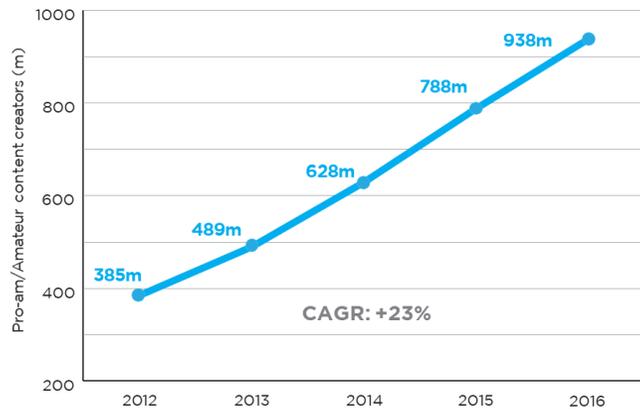
## Social Content

Accessibility of new social media platform allows individuals to produce, share & monetise their content

- New Technology is allowing **Everybody** to create quality video content
- Growing advert driven video capable platforms allow instant mass sharing of video
- Content creators have platforms to build significant followings & monetise their content
  - DanTDM (YouTube) - **US\$16.5m** earnings in FY17



Professional Amateurs & Amateur Content Creators<sup>1</sup>



<sup>1</sup> Boston Consulting Group, "The Future of Television", 20 September 2016

## Pro Video Content

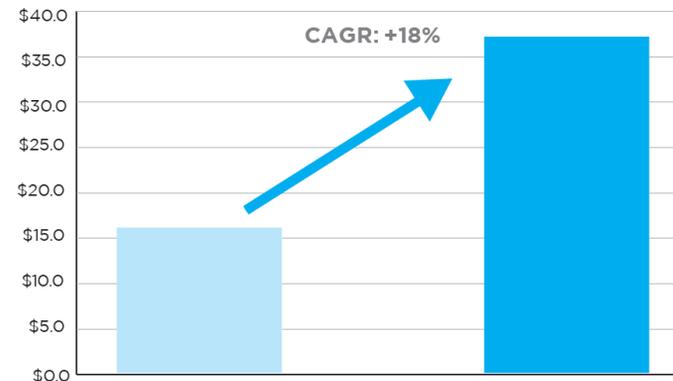
Market wide increase in video-focused corporate marketing, advertising, event and content creation

- **US\$135B<sup>1</sup>** 2017 spend on US digital video marketing
- Advertisers and publishers now 'pivoting to video' for brand exposure and marketing
- ~\$20k ave. estimated spend in 2017 by US businesses on video marketing<sup>1</sup>



- Redefined Video Marketing
- Create great, exciting content that audiences actively seek (Stratos Jump)
- Redbull use Atomos products

Growth in Online Video Advertising Spend (US\$B)<sup>2</sup>



<sup>1</sup> Magisto Report, Oct 2017 - The Modern Marketing Dilemma and the State of Business Video  
<sup>2</sup> Juniper Research, Future Digital Advertising AI, Ad Fraud & Ad Blocking

## Entertainment Content

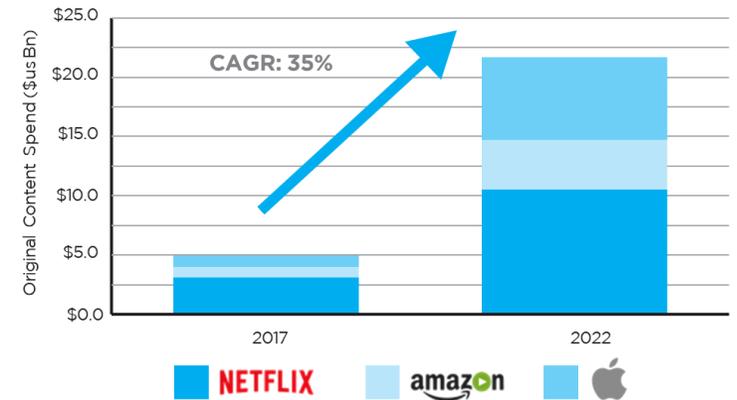
Increased original content by new online streaming platforms is driving demand for enhanced content

- Growth of on demand streaming has driven investment in original content



- Netflix, Amazon and Apple are expected to grow their combined spend for original content from US\$5B in 2017 to >US\$23B in 2022<sup>1</sup>
- Massive growth in production of scripted TV Shows<sup>2</sup>

Forecast growth in original content spend<sup>1</sup>



<sup>1</sup> Loup Ventures - Research, Gene Munster, Nov 21 2017

<sup>2</sup> FX Network Research - Adweek.com article "There's No Stopping Peak TV..."

# 1H'19 Executive Summary (ending 31 December 2018)

## 1H'19 Revenue

**\$24.2m**

↑ 32% pcp

## 1H'19 Gross Profit

**\$10.5m**

↑ 26% pcp

## 1H'19 EBITDA

**\$0.7m**

↑ 194% pcp

## Achievements during 1H'19

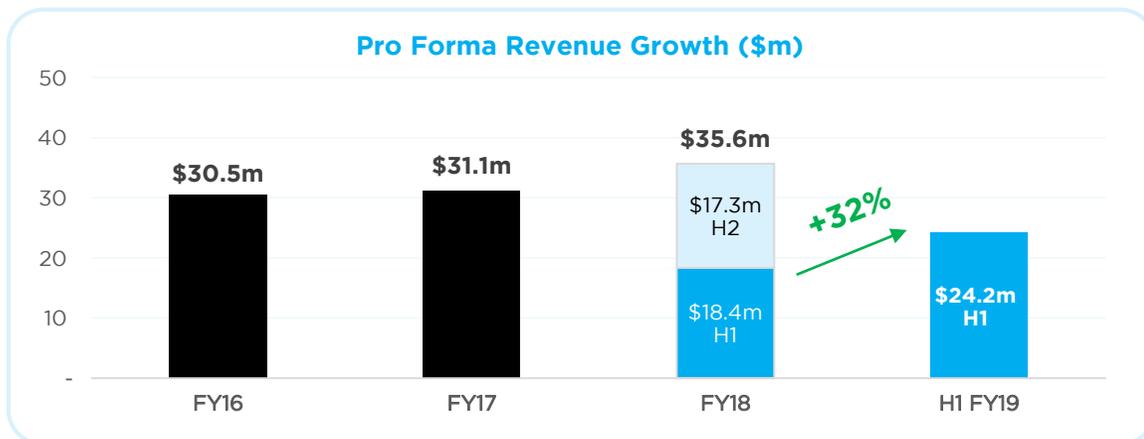
- Completed development of Ninja Platform, launched first monitor recorder product (Ninja V) in September 2018
- Growth drivers:
  - On time new product launch (Ninja V)
  - Higher than forecast camera bundle sales across multiple products (Ninja V, Shogun Inferno)
- Ninja V continues Atomos' push into the rapidly growing 'Social' segment of the video market

# Pro Forma Income Statement

Pro Forma (A\$m)	1H'18	1H'19	Δ pcp
Revenue	18.4	24.2	32%
COGS	(10.0)	(13.7)	(38%)
<b>Gross Profit</b>	<b>8.4</b>	<b>10.5</b>	<b>26%</b>
Gross Profit Margin	45.6%	43.4%	
Wages & Salaries	(3.1)	(3.5)	(12%)
Marketing	(1.2)	(1.8)	(50%)
General & Administration	(1.3)	(2.1)	(56%)
Other	(0.6)	(0.7)	(9%)
<b>Operating Expenses</b>	<b>(6.3)</b>	<b>(8.0)</b>	<b>(28%)</b>
<b>EBITDA (pre R&amp;D)</b>	<b>2.1</b>	<b>2.5</b>	<b>18%</b>
R&D Expenses	(1.8)	(1.7)	5%
<b>EBITDA</b>	<b>0.2</b>	<b>0.7</b>	<b>194%</b>

## Key Insights:

- 1H'19 sales of \$24.2m, up 32% pcp, driven by:
  - Strong sales of Ninja V which was released in September 2018
  - Product bundling with major camera manufacturers
- Gross Profit of \$10.5m, up 26% pcp
- GP margin lower due to higher than anticipated component costs associated with the Ninja V which was accentuated by strong sales of Ninja V
  - Management have addressed these component costs and envisage monthly run-rate GP margin in line with prospectus forecast by May/June 2019, however full year FY19 GP margin expected to be lower than FY19 prospectus forecast
- EBITDA of \$0.7m, up 194% pcp



# Pro Forma Balance Sheet

Pro Forma (A\$m)	1H'19
Cash and cash equivalents	5.2
Trade and other receivables	6.1
Inventories	11.1
Other assets	2.6
Plant and equipment	0.9
Intangible assets	8.2
<b>Total assets</b>	<b>34.1</b>
Trade and other payables	(10.9)
Provisions	(0.6)
Borrowings	0.0
<b>Total liabilities</b>	<b>(11.5)</b>
<b>Net assets</b>	<b>22.6</b>
Issued capital	44.3
Reserves	1.9
Accumulated losses	(23.6)
<b>Equity</b>	<b>22.6</b>

## Key Insights:

- Strong balance sheet with \$5.2m cash and zero debt
  - Access to a \$1.5m EFIC working capital facility if required
- Inventory levels increased reflecting:
  - Stronger than anticipated Ninja V sales
  - Stock build up of components ahead of Chinese New Year (given various lead times)
- Trade payables also reflects a build up of components (given various lead times) ahead of the Chinese New Year
- \$14.4m of tax losses and R&D tax credits available to offset future tax payable (off balance sheet)

# Statutory Cash Flows

Statutory Cash Flows (A\$m)	1H'19
<b>Operating activities</b>	
Receipts from Customers	23.2
Payments to suppliers and employees	(27.6)
Income taxes paid	(0.1)
<b>Net cash used in operating activities</b>	<b>(4.5)</b>
<b>Investing activities</b>	
Payments for PP&E	(0.2)
Payments for intangible assets	(1.0)
<b>Net cash used in investing activities</b>	<b>(1.2)</b>
<b>Financing activities</b>	
Proceeds from issue of ordinary shares	6.0
Payment for equity raising costs	(1.0)
Proceeds from issue of convertible notes	6.5
Repayments of borrowings	(1.6)
<b>Net cash inflow from financing activities</b>	<b>9.8</b>
<b>Net change in cash and cash equivalents</b>	<b>4.1</b>
Cash and cash equivalents, beginning of period	1.4
<b>Cash and cash equivalents, end of period</b>	<b>5.6</b>

## Key Insights:

- Net cash flows in line with prospectus forecast
- Growth in working capital driven by successful launch of Ninja V:
  - Build in inventory to satisfy demand; and
  - Debtors growth resulting from strong sales
- Working capital to reduce over 2H'19
- Payments for intangibles relate to completion of the Ninja Platform development



# Outlook & Board Update

“At \$399 it won’t break the bank either. It’s bright, very, very light, and has incredibly good battery life. Yep, I like it”

- Redshark News on new Shinobi monitor

## Outlook - Achievements Post End 1H'19 + Full Year FY19

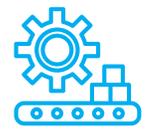
### Achievements post end 1H'19

- Finalised licence agreement with RED.com LLC
- Released 5" Shinobi monitor-only product in February 2019 - continuing drive into the 'Social' market
- Appointed Stephen Stanley and Bradley Whitcomb as Non-Executive Directors

### Full Year FY19 Outlook

- Expect stronger sales than forecast in prospectus lodged 30 November 2018
- Improving GP margin in 2H'19 vs 1H'19, however overall FY19 GP margin expected to be lower than FY19 prospectus forecast
- Comfortable with forecast FY19 Pro Forma EBITDA guidance of \$0.3m given in the prospectus

# Outlook - Growth Initiatives for 2H'19 and beyond

Growth Drivers	Description	Progress	
	<b>Growing Product Portfolio</b>	<ul style="list-style-type: none"> <li>Leverage tech portfolio to develop new future products with goal to double range over next two years</li> </ul>	<ul style="list-style-type: none"> <li>✓ Released flagship 5" Ninja V recorder/monitor</li> <li>✓ Released Shinobi 5" monitor only in Feb. '18</li> </ul>
	<b>Expand into New Adjacent Growth Segments</b>	<ul style="list-style-type: none"> <li>Expand further into adjacent high growth market segments (leveraging existing sales channels) - Social &amp; Entertainment</li> </ul>	<ul style="list-style-type: none"> <li>✓ Released 2 new products targeting the growing 'Social' segment with strong market acceptance</li> </ul>
	<b>Evolve Strategic Relationships</b>	<ul style="list-style-type: none"> <li>Continued relationships / partnerships with global camera makers and software video editing providers</li> </ul>	<ul style="list-style-type: none"> <li>✓ Announced ProRes Raw recording on Ninja V and bundled offering with Nikon camera</li> <li>✓ Licence agreement entered into with RED</li> </ul>
	<b>Continue to Seek exceptional Management &amp; Talent</b>	<ul style="list-style-type: none"> <li>Seek out exceptional talent globally to enable continued development of leading content creation products</li> </ul>	<ul style="list-style-type: none"> <li>✓ Hired two former Apple Final Cut Pro X software engineers</li> <li>✓ Announced two new Board members, Stephen Stanley &amp; Bradley Whitcomb</li> </ul>

# Board Update



**Chris Tait**  
**Non-Executive Director**  
 Chairman

Director since 2017

- 25+ years experience advising local and multinational companies both private & public
- Co-Founder and Managing Director of Henslow
- Previously, Director of Strategy for WH Smith PLC and CFO of WH Smith's APAC operations
- Chairman of The BlueRock and Neo Products



**Jeremy Young**  
**Executive Director**  
 Co-Founder & CEO

Director since 2009

- 20+ years technology & management experience
- Previously global BDM for Blackmagic growing sales from \$7m to \$30m in two years
- Prior to Blackmagic, global BDM Director for Canopus (GV) Japan growing sales from \$5m to \$60m in four years



**Sir Hossein Yassaie**  
**Non-Executive Director**

Director since 2016

- 35 years in specialised R&D and semiconductors
- Founder & CEO of Imagination Technologies Plc for 18 years, growing the company from £15m to £1bn+
- Received knighthood at 2013 New Year Honours for services to UK Technology

## Recent Board Appointments – 1 February 2019



**Stephen Stanley**  
**Non-Executive Director**

Director since 2019

- 25+ years experience across a number of senior management roles at leading global organisations
- Previously CEO of Mayne Logistics
- Previously, Director for Corp. Development for Toll Holdings, overseeing its development into a leading international logistics player



**Bradley Whitcomb**  
**Non-Executive Director**

Director since 2019

- 25+ years experience in the telecommunications and technology sectors across North America, Japan and Australia
- Spent five years in senior Marketing, Corporate Development and Board roles in Vodafone's Japanese operations
- Chief Customer Officer of NBN Australia

## Neil Chatfield

### Advisor to the Board

Stepped down as a NED on 1 February 2019 (as outlined in the Prospectus), however will remain as an Advisor to the Board



**“If you need an HDR monitor that works both on set and in post-production, you should consider the Atomos Sumo19”**

- [Videomaker.com](#) on SUMO19

Questions  
& Answers



# Contacts

For further information on this presentation, please contact:

## James Cody

Chief Financial Officer

+61 3 9999 5908

[james.cody@atomos.com](mailto:james.cody@atomos.com)

## Matthew Wright

Media relations

+61 451 896 420

[matt@nwrcommunications.com.au](mailto:matt@nwrcommunications.com.au)

## About Atomos

Atomos is a global video technology company delivering award-winning, simple to use monitor-recorder content creation products. These products give content creators across the rapidly growing social, pro-video and entertainment markets a faster, higher quality and more affordable production system.

Atomos' range of seven products take images directly from the sensor of all major camera manufacturers, then enhance, record and distribute them in high-quality formats for content creation using the major video editing software programs. Since being founded in 2010, Atomos has established strategic relationships with key technology providers within the ecosystem including Apple, Adobe, Sony, Canon, Panasonic, Nikon and JVC Kenwood.

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

For more information please visit [www.atomos.com](http://www.atomos.com)

Key upcoming Tradeshows / Conferences:

Name	Location	Dates
Photography Show	Birmingham	16 - 19 March
Games Developer Conference	San Francisco	18 - 22 March
<b>NAB Show 2019</b>	<b>Las Vegas</b>	<b>8 - 11 April</b>
KOBA	Seoul	22 - 25 May
Cine Gear	Los Angeles	31 May - 1 June
Media Production Show	London	11 - 12 June
<b>Electronic Entertainment Expo (E3)</b>	<b>Los Angeles</b>	<b>11 - 13 June</b>
Broadcast Asia	Singapore	18 - 20 June
<b>IBC</b>	<b>Amsterdam</b>	<b>12 - 17 September</b>

 Key Tradeshows

# Appendix



**“This is how you can supercharge any camera... You definitely want to check out the Ninja V. I was thoroughly impressed and I’m definitely going to be using this a lot more from now on.”**

**- YouTube star [Matti Haapoja](#) on Ninja V**

## What We Improve

### Atomos unlocks the **creative and commercial potential** of digital cameras

Despite the advanced technology of modern digital cameras, users are limited by:

- **Heavily compressed recorded data**
- **Not designed for computer workflows**
- **Short record times**
- **Expensive media**
- **Small lower resolution monitors**
- **Complex menus and buttons**





# How We Do It

Atomos devices take images **directly from the camera's sensor**, then enhance, record and distribute them for content creation



BYPASS INTERNAL COMPRESSION

EDIT READY + TAGGED FOOTAGE

Camera Sensor

'RAW' sensor image for recording, display and processing

- UNLOCK
- 4K resolutions
  - Slow motion
  - Brightest colours

- Increased data rate
- Increased quality
- Longer record times
- Accurate monitoring

- Faster
- Simpler
- Higher quality
- Edit friendly data

# Content Creation Workflow

## CAPTURE

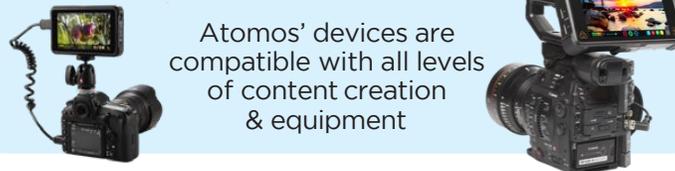
From the sensor of  
all major camera manufacturers



**JVC** **Nikon** **Panasonic** **ARRI**  
**Canon** **SONY** **RED**

## PROCESS & ENHANCE

Atomos products enhance content creation,  
quality and creativity



Atomos' devices are  
compatible with all levels  
of content creation  
& equipment

## FINISH & DELIVERY

Edit, Colour Grade, Titles,  
Graphics Finish in Post



# Product Suite

4K Monitor Recorders		Production / Studio	Broadcast, Pro AV, Accessories & O
 			  
Ninja Range	Shogun Range	SUMO Range	Shogun Studio + Converters + Accessories
<ul style="list-style-type: none"> <li>• HDMI only</li> <li>• Broad market application due to portability</li> <li>• Both 5" and 7" screen options</li> <li>• Record ProRes®, DNxHR at 60p frame rates</li> <li>• AtomHDR monitoring</li> <li>• Includes recently released 5" Shinobi monitor only</li> </ul>	<ul style="list-style-type: none"> <li>• HDMI &amp; Quad SDI inputs</li> <li>• Broad market application due to portability</li> <li>• 7" high brightness screen</li> <li>• Record ProRes, DNxHR at 60p frame rates</li> <li>• ProRes RAW capability</li> <li>• AtomHDR monitoring</li> </ul>	<ul style="list-style-type: none"> <li>• Larger format 19" monitor recorder               <ul style="list-style-type: none"> <li>– targeting studio usage</li> </ul> </li> <li>• Quad SDI &amp; HDMI in/out</li> <li>• Record ProRes/ProRes RAW, DNxHR, among others</li> </ul>	<p><u>Shogun Studio</u></p> <ul style="list-style-type: none"> <li>• Rack mount 4K monitor recorder solution</li> <li>• Dual 7" screens with touchscreen interface</li> </ul> <p><u>Converters</u></p> <ul style="list-style-type: none"> <li>• Range of 4K converters</li> <li>• SDI to HDMI or vice versa</li> </ul> <p><u>Accessories (Cables, Caddies &amp; Adaptors)</u></p> <ul style="list-style-type: none"> <li>• Range of accessories to compliment monitor recorder range</li> <li>• Media caddies (SSD)</li> </ul>
Social / Pro-Video Segment	Pro-Video / Entertainment	Pro-Video / Entertainment	Various



We have worked hard to ensure our **Brand Strength** matches our **Product Strength**



# Senior Management



## Jeromy Young

**Co-Founder & CEO**

Location: Australia

- 20+ years technology & management experience
- Previously global BDM for Blackmagic growing sales from \$7m to \$30m in two years
- Prior to Blackmagic, global BDM Director for Canopus (GV) Japan growing sales from \$5m to \$60m in four years



## James Cody

**Chief Financial Officer**

Location: Australia

- 20+ years financial & accounting experience in both private & public businesses
- Previously CFO and Principal at Henslow, a corporate advisory firm in Melbourne
- Prior to Henslow, CFO at Funtastic, an ASX listed supplier of children's products with revenue of \$200m+



## Trevor Elbourne

**Chief Technology Officer**

Location: Australia

- 23+ years experience as a hardware engineer with particular focus on IC and ASIC design
- At Atomos Trevor started as a Senior Hardware Engineer before moving to Director of Systems Engineering
- Previously, Engineering and Hardware manager at Canon and various electronic firms



## Stephan Kexel

**Global Sales Director**

Location: Germany

- 25+ years experience in business development and sales primarily focused in the video and electronics industry
- Previously, Senior Manager of EMEA channel sales for Grass Valley
- Prior to Grass Valley, General Manager of Canopus GmbH



## Naofumi Yoneda

**Chief Design Officer**

Location: Japan

- 20+ years industrial design experience in consumer electronics, professional cameras & broadcast equipment
- Previously, acting Chief Art Director at Sony Corporation developing products for the Professional Solution Business Division
- Prior to that role, Naofumi was Art Director designing consumer products (cameras, portable & home audio, TV, laptop)



## Frankie Liu

**Global Production Manager**

Location: China

- 23+ years experience in electronics production and quality control - currently leads Atomos' production operation in China
- Previously, General Manager for a high-tech electronics manufacturer based in China
- Worked at both Mobile Tech & Seiko Instruments in senior positions responsible for production & process control

# A Few Key Terms Explained

## “4k60p”

Refers to: **Resolution / Frame Rates**

- **Resolution** refers to the number of pixels displayed within each frame - simplistically, greater pixels (higher resolution) results in a sharper, clearer and more detailed image (video)

Standard	Resolution (W x H)
Standard Definition (SD)	720 x 480
Full High Definition (HD)	1920 x 1080
4K (UHD)	3840 x 2160
8K	7680 x 4320

- 4K contains 8 million pixels compared to 2 million pixels for Full HD
- The ‘p’ stands for progressive scanning and is increasingly become the standard over ‘i’ (or interlaced) which was popular in the early TV era
- **Frame Rates** refers to the frequency (no. of frames) that an image is recorded per second - the higher the frame rate the smoother the video appears
- There is a often a trade off between resolution & frame rate depending on application, setting, budget and editing software

Frame rates p/s (fps)	Usage
24 / 30	Standard for home movies
60	Suited for faster paced video, e.g. sports
240	Slow motion video

## “ProRes recording”

Refers to: **Recording Format**

- **Recording Format** or “**Codec**” refers to how a video is captured & recorded by the camera or recording device
- The codec (abbreviation for Coder/Decoder) describes the type of compression used to record a video - the codec encodes a video stream thereby making the video file smaller & easier to manage/transport to editing software
- The editing software (assuming the codec is supported) is then able to decode (unpack) the video file based on the rules set by that codec, providing the user access to all the video information during post production (editing)
- For professionals some of the main codec’s include:
  - ProRes or ProRes RAW → Apple
  - DNxHR → Avid
  - CinemaDNG → Adobe
- For simplicity, we are only referring to codec’s typically used by video professionals – that is users who require video to be edited via an editing suite in post production
- For ‘amateur’ video requiring only minimal editing with the aim of uploading to a video streaming site other codec’s may be more applicable (e.g. H.264)
- RAW refers to uncompressed video footage taken directly from a camera’s sensor. Although it provides the highest level of colour and image detail, it requires huge data capability and therefore is impractical for most users

## “1,500 Nits brightness & HDR”

Refers to: **Screen Brightness (Nits) / HDR**

- **Nits** refers to a measurement of light that a screen sends to your eyes (luminance) within a given area - the greater Nits the more light output the screen can display
- Tabled below are few examples for comparison:

Device	Nits
iPhone X	625
Galaxy Note 8	1,200
Shogun Inferno	1,500
Samsung QLED Q9F TV	Up to 1,800

- **HDR (High Dynamic Range)** refers to the brightness range of an image and aims to present a similar range of colour and brightness to that experienced by the human eye
- In HDR video each pixel can capture a much wider and more granular range of light (whites appear whiter and darks appear darker)
- Atomos invented the ability to view (on an in-field monitor) what HDR video will look like once it has been through post-production
- Prior to Atomos, the only way to ‘approximate’ HDR while shooting in the field was to apply a LUT (colour style filter) to the video image

# 1H'19 Income Statement – Statutory to Pro Forma

## Pro forma adjustments to the statutory consolidated statements of profit or loss and other comprehensive income

\$ thousand	Notes	Actual	Forecast
		HY2019	FY2019
<b>Statutory EBITDA</b>		<b>(146)</b>	<b>(1,932)</b>
Incremental listed company costs	1	(127)	(129)
Financial instruments movements	2	(1,203)	1,770
Employee share plan costs	3	370	131
Transaction costs	4	1,833	448
<b>Pro forma EBITDA</b>		<b>726</b>	<b>288</b>
<b>Statutory loss after tax</b>		<b>(2,292)</b>	<b>(3,849)</b>
Incremental listed company costs	1	(127)	(129)
Financial instruments movements	2	(472)	1,770
Employee share plan costs	3	370	131
Transaction costs	4	1,833	448
Capital structure	5	675	644
<b>Pro forma loss after tax</b>		<b>(13)</b>	<b>(985)</b>

### Notes:

1. Incremental listed company costs include ASX listing fees, audit fees, registry costs, board fees and insurance
2. Inclusive of movement in fair value of derivatives and interest attributable to underlying financial liability
3. Accelerated vesting charge
4. Transaction costs - prospectus forecast excluded pre IPO transaction costs (\$545k) and recorded a higher proportion of costs (\$538k) directly in equity
5. Interest on Convertible Notes and unwinding of capitalised borrowing costs



# 1H'19 Balance Sheet - Statutory to Pro Forma

## Statutory historical and pro forma historical consolidated statement of financial position

\$ thousand	Notes	31 December 2018		
		Statutory	Redeemed Notes payable	Pro forma
<b>Current assets</b>				
Cash and cash equivalents	1	5,595	(358)	5,237
Trade and other receivables		6,086	-	6,086
Inventories		11,065	-	11,065
Other assets		2,591	-	2,591
<b>Current assets - total</b>		<b>25,337</b>	<b>(358)</b>	<b>24,979</b>
<b>Non-current assets</b>				
Property, plant & equipment		871	-	871
Intangible assets		8,245	-	8,245
<b>Non-current assets - total</b>		<b>9,116</b>	<b>-</b>	<b>9,116</b>
<b>Assets - total</b>		<b>34,453</b>	<b>(358)</b>	<b>34,095</b>
<b>Current liabilities</b>				
Trade and other payables		(10,889)	-	(10,889)
Borrowings	1	(358)	358	0
Provisions		(544)	-	(544)
Other financial liabilities		0	-	0
<b>Current liabilities - current</b>		<b>(11,791)</b>	<b>358</b>	<b>(11,433)</b>
<b>Non-current liabilities</b>				
Provisions		(64)	-	(64)
<b>Non-current liabilities - total</b>		<b>(64)</b>	<b>-</b>	<b>(64)</b>
<b>Liabilities - total</b>		<b>(11,855)</b>	<b>358</b>	<b>(11,497)</b>
<b>Net assets</b>		<b>22,598</b>	<b>-</b>	<b>22,598</b>
<b>Equity</b>				
Issued capital		44,293	-	44,293
Share issue reserve		1,549	-	1,549
Foreign currency translation reserve		350	-	350
Accumulated losses		(23,594)	-	(23,594)
<b>Equity - total</b>		<b>22,598</b>	<b>-</b>	<b>22,598</b>

### Notes:

1. Remaining balance payable on redeemed convertible notes at IPO, paid in January 2019

# Disclaimer

The information contained in this document (“Document”) has been prepared by Atomos Limited ACN 139 730 500 (referred to as “Atomos” or “Company”). This Document is current as at the date of this Document and should be read in conjunction with other Atomos periodic and continuous disclosure announcements filed with the Australian Securities Exchange (ASX), available at [www.asx.com.au](http://www.asx.com.au).

The information in this Document is not intended to form the basis of any investment decision in relation to the Company or its assets and should not be considered as a recommendation to the Recipient to acquire securities in the Company. This Document is not a prospectus, profile statement or disclosure document and does not constitute an offer or invitation to acquire securities or otherwise invest in the Company, and no agreement to subscribe for securities will be entered into on the basis of this Document.

No representation or warranty, expressed or implied, is or will be made, and no responsibility or liability is or will be accepted by the Company, any of their respective officers, servants, agents or advisers (collectively “Limited Parties”) as to or in relation to the accuracy, reasonableness, completeness or reliability of the information in this Document or any other written or oral information made available to any Recipients or their advisers. Any liability therefore is hereby expressly disclaimed. In particular, no representation or warranty is given as to the achievability or reasonableness of any future projections, management estimates or plans, prospects, returns or forecasts.

To the fullest extent permitted by law, the Limited Parties will not have any responsibility or liability for any loss or damage (whether foreseeable or not), however arising (including as a result of negligence), in relation to or in connection with the provision of this Document, the Recipient’s or any other person’s purported reliance on this Document, the failure to provide information of which any of the Limited Parties becomes aware or any errors in or omissions from this Document.

None of the Limited Parties makes or gives any representation, warranty or guarantee, express or implied, that the information in this Document is accurate, current, reliable or complete, has been or will be audited or independently verified, or that reasonable care has been taken in compiling, preparing or furnishing it. Various statements in this Document constitute statements relating to intentions, future acts and events including forecast financial information (“Forward Looking Statements”). Forward Looking Statements involve subjective judgment and analysis, known and unknown risks, uncertainties and other important factors that may cause those future acts, events and circumstances to differ from the way or manner in which they are expressly or impliedly portrayed herein. The Limited Parties do not make or give any representation, warranty or guarantee, express or implied, that any Forward Looking Statements will be achieved or proven correct, or that any assumptions or projections on which the Forward Looking Statements are based are reasonable. No historical financial information, forecast financial information, estimates or projections contained in this Document or any other financial information derived from that information, can be relied upon as a promise or representation, as to the past, present or the future. Past performance is not necessarily a guide to future likelihood of achievement or reasonableness of any Forward Looking Statement, forecast financial information or other forecast.

The Limited Parties do not undertake any obligation to (and expressly disclaim any obligation to) provide the Recipients with access to any additional information or to correct any inaccuracies herein which may become apparent or to disseminate any updates or revisions to any Forward Looking Statements in this Document to reflect any change in expectations in relation to any such statements or any change in events, conditions or circumstances on which any such statement is based.

This document also contains statistics, data and other information relating to markets, market sizes, market shares, market positions and other industry data pertaining to the Company’s business and markets. Such information is generally based on independent market and industry data or research. The Company has not independently verified, and cannot give any assurances as to the accuracy and completeness of the information sourced from market and industry data or research contained herein. Accordingly, the accuracy and completeness of such information is not guaranteed. There is no assurance that any of the forecasts or projections contained in the independent market and industry data or research will be achieved. Forecasts and projections involve risks and uncertainties and are subject to change based on various factors. You should note that market data and statistics are inherently predictive and subject to uncertainty and not necessarily reflective of actual market conditions.

Neither the receipt of this Document by any person nor any information contained in it or supplied with it or subsequently communicated to any person in connection with a proposed investment in the Company constitutes, or is to be taken as constituting, the giving of investment or financial product advice (or any other advice) to any such person. Each such person should make their own independent assessment of the merits or otherwise of investing in the Company and should seek their own professional advice in respect of any future investment opportunity and not act on the basis of any matter contained in this Document. In providing this Document, the Company has not considered the objectives, financial position, taxation situation or other needs of any particular Recipient.

The distribution of this document in jurisdictions outside Australia may be restricted by law. Persons who come into possession of this document who are not in Australia, should seek advice on and observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws. In particular, this document does not constitute an offer to sell, or a solicitation of an offer to buy, any securities in the United States.

## Non-IFRS financial measures

Recipients should note that certain financial data included in this Document is not recognised under the AAS, and is classified as ‘non-IFRS financial information’ under Regulatory Guide 230 ‘Disclosing non-IFRS financial information’ published by ASIC. The Company believes that this non-IFRS financial information provides useful information to users in measuring the financial performance and condition of Atomos. The non-IFRS financial measures do not have standardised meanings under AAS, and therefore may not be comparable with similarly titled measures presented by other entities, nor should these be interpreted as an alternative to other financial measures determined in accordance with AAS. Investors are cautioned not to place undue reliance on any non-IFRS financial information, ratios and metrics included in this Document.

## Non-IFRS information descriptors:

- EBITDA (before R&D expenditure) is earnings before research and development expenditure, interest, taxation, depreciation, amortisation and impairment charges;
- EBITDA is earnings before interest, taxation, depreciation, amortisation and impairment charges;
- EBIT is earnings before interest, taxation and impairment charges;
- Working capital is defined by the Company as trade and other receivables, inventory and other current assets less trade and other payables and other current liabilities;
- Net cash flows from operations: the operating cash flows generated by the Company calculated as EBITDA excluding non-cash items and allowing for changes in working capital; and
- Net cash flows before financing activities: being net cash flows from operations less capital expenditure and other investing expenditure.

