

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



# Capital Raising

## Investor Presentation

14 May 2020

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

Presenters:

Chris Tait, Executive Chairman

Jeromy Young, Chief Executive Officer

James Cody, Chief Financial Officer





# Executive Summary

## Pre COVID-19

- 1H20 revenue and pro forma EBITDA<sup>1</sup> grew by 35% to \$32.6m and \$1.0m
- AMS was on track to achieve similar growth rates and increased profitability for the FY20

## COVID-19 Impact

- Video production globally has been materially affected by government restrictions
- AMS have seen a ~60% reduction in monthly run-rate (vs. 1H20) sales
- AMS have reduced our monthly cost base by ~60% - half of which is permanent

## Outlook & Strategy

- With our current balance sheet and cost savings, AMS would have sufficient capital to end of CY20 based on a 75% reduction in sales and indefinitely based on a 50% reduction in sales<sup>2</sup>
- As global restrictions ease, expect an improvement in sales, however timing is uncertain
- Looking to accelerate existing product roadmap to expand into 'live/interactive' video streaming market
- Expect to be a larger (existing + new products), more cost-effective business when government restrictions are lifted

## Capital Raising

- A\$10.9m<sup>3</sup> institutional Placement & Share Purchase Plan (SPP) of approximately A\$1.7m
- Funds used for expansion into streaming market and buffer against any further COVID-19 shocks

1. Pro forma EBITDA excludes transaction costs (\$1.2m) and other (\$0.1m)  
2. Cash scenario projections exclude use of the \$5m working capital facility  
3. Before costs of the offer.

# Target Markets – Current & Future

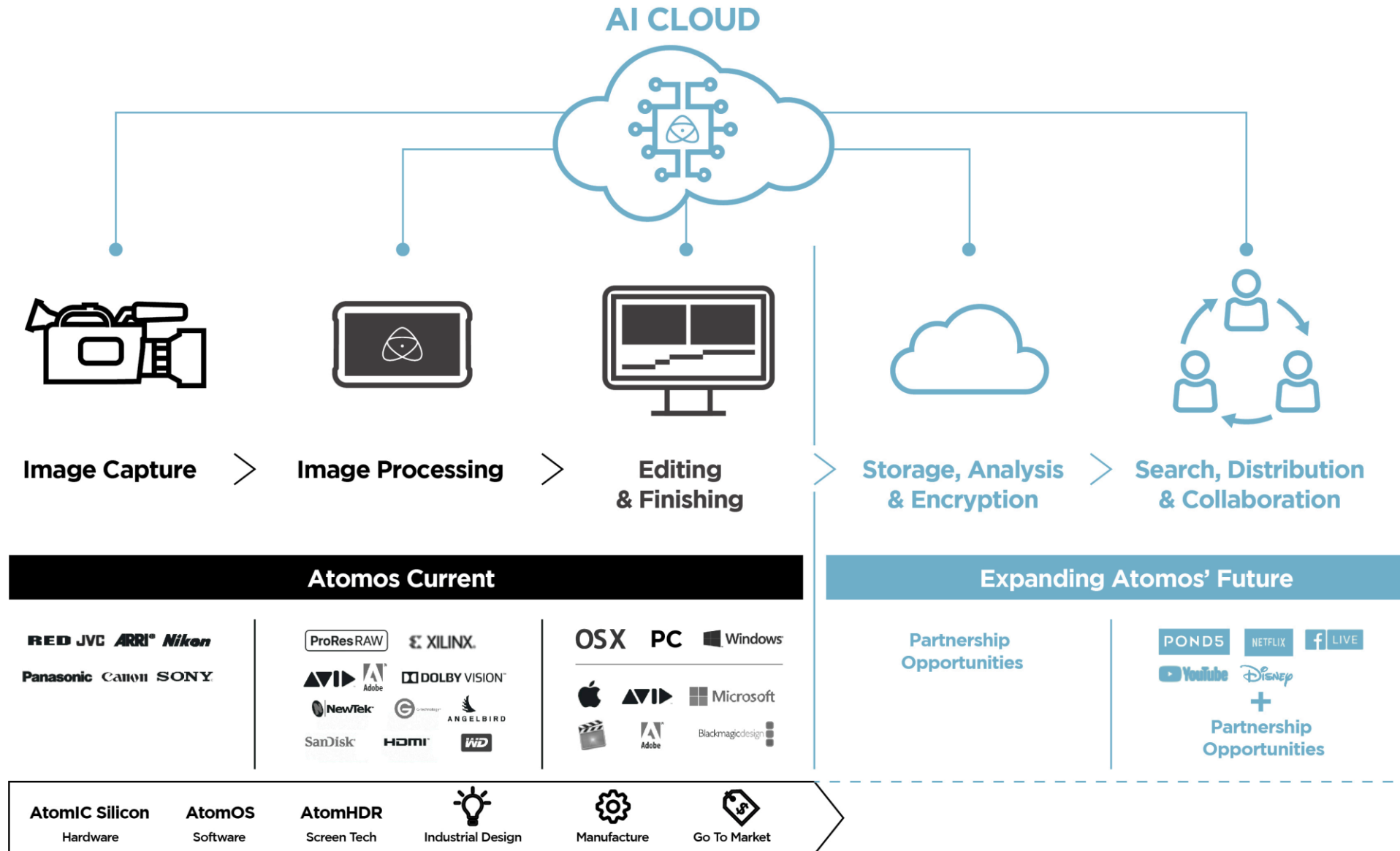
Atomos' growing product portfolio addresses a **US\$10B** camera equipment market<sup>1</sup>



Expansion into growing **Social & Entertainment** video content markets

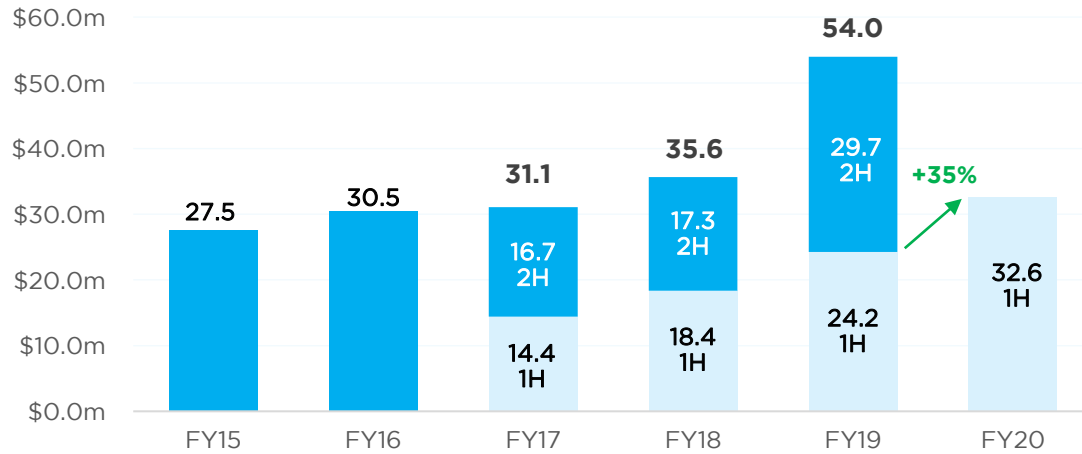


# Strategy Recap: Growing the Atomos Ecosystem...

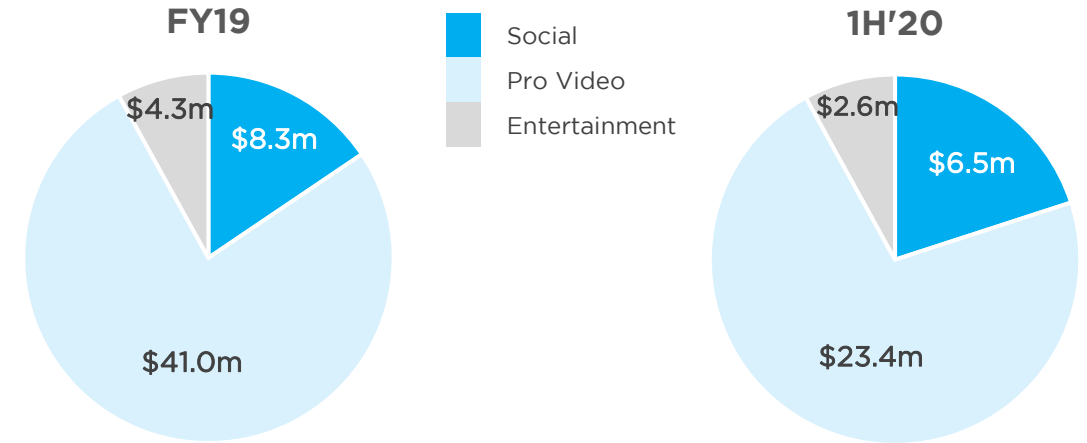


# Financial Snapshot - 1H'20 (Half year ending, 31 December 2019)

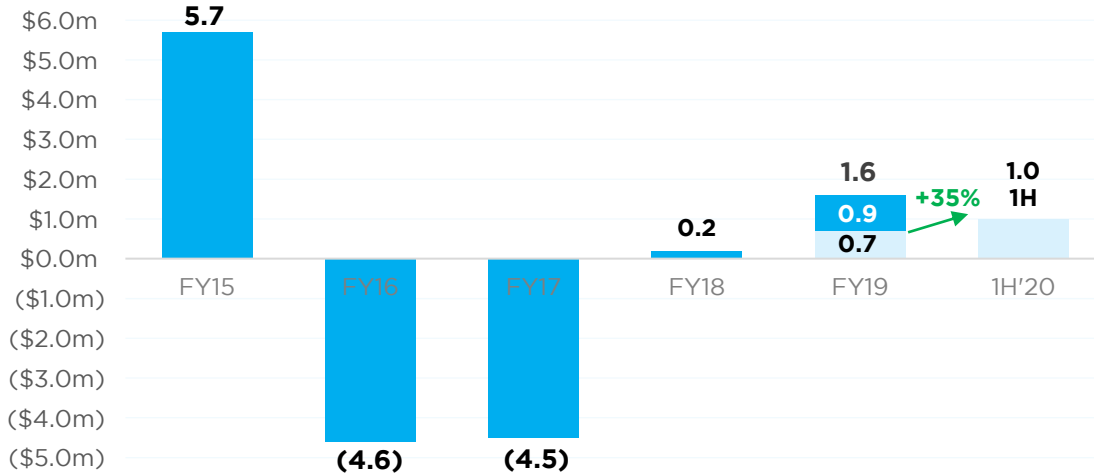
Pro Forma Revenue (\$m)<sup>1</sup>



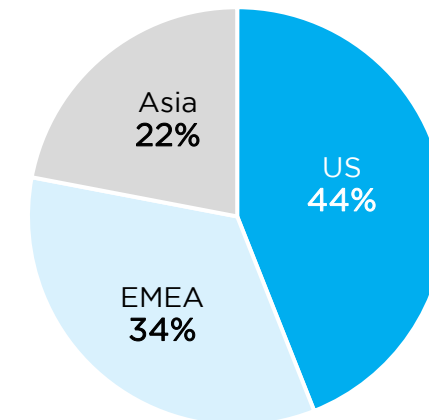
Revenue by Market Segment (FY19 vs. 1H'20)



Pro Forma EBITDA (\$m)<sup>1</sup>



H1'20 Revenue by Geography



<sup>1</sup> FY15, 1H17, 2H17, 1H18 & 2H18 Unaudited



# COVID-19 Impact & Response

## Sales

- Video production globally has been materially affected by government restrictions measures resulting from the COVID-19 pandemic
  - Creative cinema style productions have paused, coupled with events that AMS customers work at being cancelled and/or prohibited (weddings, festivals, sports, corporate events etc.) – a large portion of AMS sales comes from this segment
- Monthly run-rate (vs. 1H20) sales have decreased by ~60%
- Sales are expected to return to normal levels after global government restrictions have been lifted

## Cost Initiatives

- Comprehensive cost reduction initiatives have been implemented resulting in temporary reductions in the monthly cost base by ~60%
  - Half of the cost base reductions will be permanent (i.e. 50% of the 60% are not expected to return when government restrictions are lifted)
- The monthly cost reductions have been fully implemented as at end April 2020

## Cash Management

- With the current Balance Sheet (cash and inventory) and cost saving initiatives already in place, AMS has sufficient headroom:
  1. For the balance of CY20, based on a 75% reduction in monthly sales<sup>1</sup>
  2. Indefinitely, based on a 50% reduction in monthly sales<sup>1</sup>
- As global restrictions ease, AMS expects to see a material improvement in sales, however timing of this is uncertain

1. Cash scenario projections exclude use of the \$5m working capital facility

# Sales & Marketing Initiatives during COVID-19

- 1 Launched New ProRes RAW Camera with Ninja V
- 2 Launched Atomos Educational Website
- 3 1 Month lockdown Promotions on Ninja V

1

Atomos Ninja V enables 5.9K Apple ProRes RAW recording for Panasonic LUMIX S1H



- Full-frame 5.9K ProRes RAW S35 DCI 4Kp59.94
- Full-frame DCI 4Kp59.94 Apple ProRes 422 and DNx

 +  + 

**DUE MAY 25, 2020**

2



**Free webinars & classes from leading cinematographers, creators & educators**

#atomoskeepcreating

Atomos Academy continues • New content weekly • [atomosacademy.com](https://atomosacademy.com)

3

**LOCK-DOWN PRICE-DOWN**

**NINJA V Special Offer**



**Award winning NINJA V only \$499\***

\* LIMITED TIME OFFER - SPRING 2020 - WHILE PROMOTIONAL STOCKS LAST. Exc. Local taxes.



# Expanding Market - Realtime 'Live' Video is **Booming**

## Realtime "LIVE" Production - Booming!

**zoom**  
Video Communications

10m

Dec 19

200m  
daily users

2 April 20

300m +  
daily users

22 April 20

## Virtual Classes – Fitness, Cooking, Social



Modern,  
Melbourne-  
Based Studio  
Universal  
Practice  
Launches  
Virtual Physio,  
Pilates, Yoga  
and More  
ACTIVE



**verizon**

16 April 2020

Signed agreement to acquire:

**B**  
BlueJeans

## Largely, one camera, single user streaming

- One camera streaming using: Zoom, YouTube Live, Vimeo, Facebook Live
- Simple content created with minimal (or zero) preparation time and made with consumer equipment
- Limited freedom of movement, limited locations
- No reliance on people in the same location



## Atomos can democratise... creating low cost 'professional solutions'

- Leveraging the Ninja Platform to create all in one simple, powerful product set – already includes multicamera features
- Record high quality formats at same time as streaming formats for ultimate flexibility for live & curated production

# Opportunity - High-Quality Interactive Streaming

## Streaming is mainly Single Camera now



- Connected multi camera set ups to: Zoom, Facebook Live, YouTube Live, Cisco WebEx
- Better content to stand out is the next generation
- Need to connect to PC/MAC and Smart Devices for streaming = Software Development & partnerships

## Professional is Multi Camera... Atomos have High Quality Multi Camera Technology



- Accelerate the Ninja Platform to include AMS existing high quality multicamera tech
- Combine multicamera + live stream in an all-in-one low-cost professional solution
- Simplify high quality live production for single/few users at home or in the office - enabling higher production value and education
- Leveraging AtomOS touch screen and HDR technology for ease of use

# Accelerating our roadmap

**AMS have the technology platforms, partners and relationships to capture new markets.  
Development is well underway...**

## Market Challenges

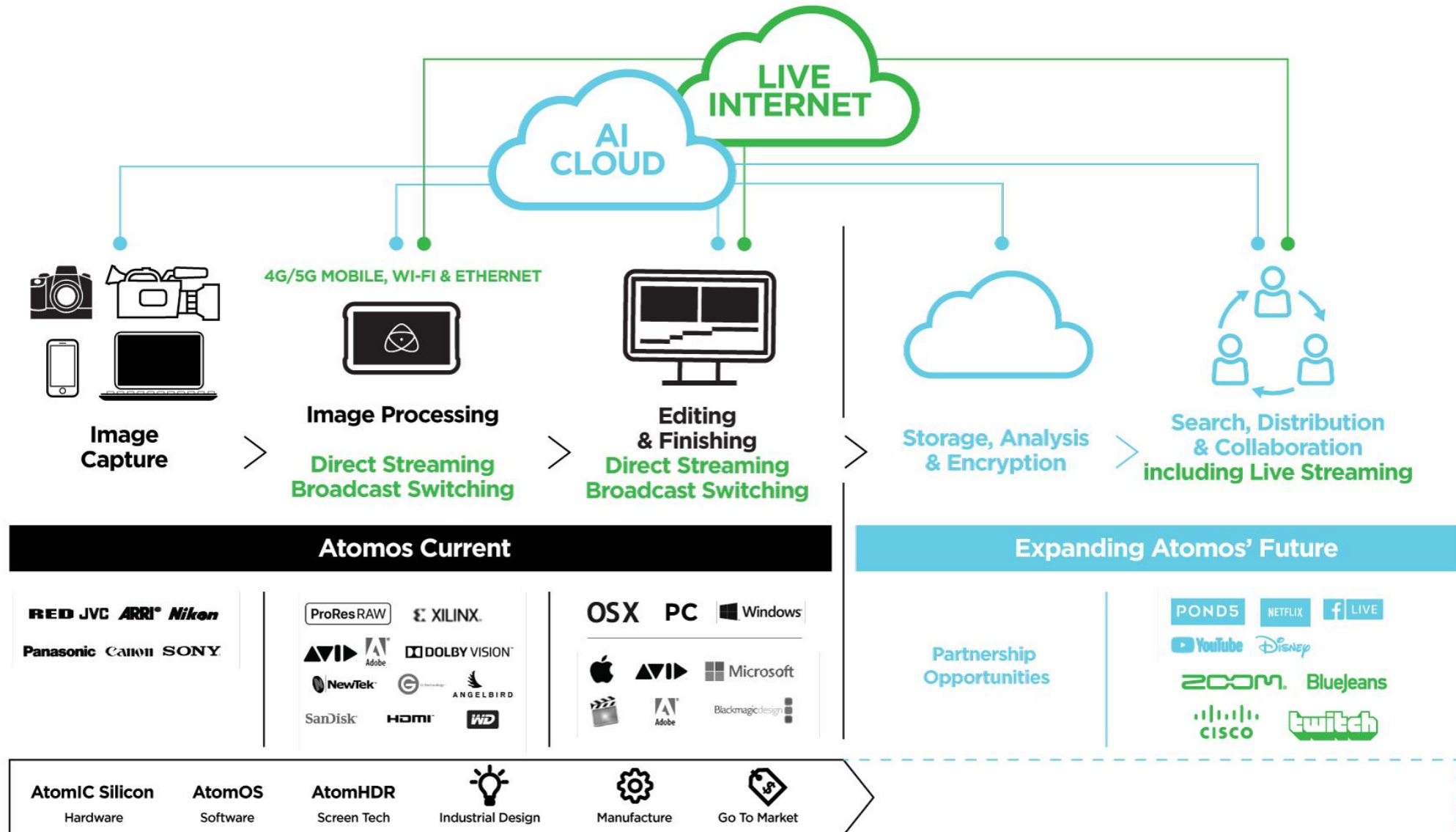
- The use of multicamera systems to create dynamic angles, and emotive content is key to the storytelling process and only expected to become more prevalent
- Switching from people to product to presentations, along with inserting graphics and edits in real time is complex and usually requires a computer
- Record in high-quality and Live Stream is expensive and complex – users compromise today
- Produced and edited live content after streaming is currently low quality
- Professional live set ups are difficult for ‘normal’ customers



## Atomos All-In-One Solutions

- AMS have dynamic touch switching technology included in the current Sumo and Shogun products
- AMS’ product pricing allows a wider customer base to utilise professional live production techniques
- Accelerate Roadmap on existing Ninja Platform
  - Add High quality internet streaming formats in HD or 4K
  - Add Internet connectivity – 5G/4G Mobile, WiFi, Ethernet
- AMS’ ability to record/process 4x HD processing & 1x HD live streaming simultaneously is the same as 4K RAW processing
- Ease of use and low cost allows AMS to target our core professionals, in our core market segments as they change their production techniques to live – then democratise lower
- Same sales and marketing channels AMS have today

# Opportunities - **New** Live individual broadcast/streaming, Market Strategy





# Capital Raising





# Capital Raising – Offer Details

Offer structure	<ul style="list-style-type: none"> <li>• A\$10.9m institutional placement (“Placement”)</li> <li>• Approx. 24.3 million new ordinary shares to be issued, representing 13.0% of AMS’ existing ordinary shares on issue (“Placement Shares”)</li> <li>• Placement Shares will rank equally with existing Atomos ordinary shares on issue</li> <li>• A non-underwritten share purchase plan (“SPP”) will also be offered to eligible shareholders to raise approximately A\$1.7m (together with the Placement, the “Offer”)</li> <li>• The Placement is within the Company’s existing placement capacity under ASX Listing Rule 7.1</li> </ul>
Placement Pricing	<ul style="list-style-type: none"> <li>• Placement Shares will be issued at a price of A\$0.45 per Placement Share (“Placement Price”)</li> <li>• The Placement Price represents a: <ul style="list-style-type: none"> <li>– 34.3% discount to AMS’ last closing price on ASX on 11 May 2020 of A\$0.685 per share;</li> <li>– 26.0% discount to AMS’ 5-day VWAP on ASX to the close of trade on 11 May 2020 of A\$0.608 per share; and</li> <li>– 18.9% discount to AMS’ 10-day VWAP on ASX to the close of trade on 11 May 2020 of A\$0.555 per share; and</li> </ul> </li> </ul>
SPP	<ul style="list-style-type: none"> <li>• The issue price per new fully paid ordinary share under the SPP (“SPP Shares”) will be the Placement Price</li> <li>• Maximum application size of A\$30,000 per Eligible Shareholder across all holdings</li> <li>• Further information regarding the SPP will be provided in the SPP booklet, expected to be sent to eligible shareholders from 25 May 2020</li> </ul>
Use of Funds	<p>The Placement funds are expected to be used as follows:</p> <ul style="list-style-type: none"> <li>• Expansion into the streaming market;</li> <li>• Buffer against any further COVID-19 shocks; and</li> <li>• Capital raising costs.</li> </ul>

# Offer Timetable<sup>1</sup>

Trading halt	Tuesday, 12 May 2020 – Wednesday, 13 May 2020
Placement bookbuild	Tuesday, 12 May 2020 – Wednesday, 13 May 2020
Record date for SPP	7:00pm (AEST) Wednesday, 13 May 2020
Announcement of the Placement	Thursday, 14 May 2020
Trading halt lifted	Before 10:00am (AEST) Thursday, 14 May 2020
Settlement of Placement	Tuesday, 19 May 2020
Allotment and normal trading of Placement Shares	Wednesday, 20 May 2020
SPP offer opening date and despatch of offer booklet to eligible shareholders	9:00am (AEST) Monday, 25 May 2020
SPP offer closing date	5:00pm (AEST) Friday, 12 June 2020
Allotment date for SPP Shares	Friday, 19 June 2020
Expected quotation of SPP Shares on ASX	Friday, 19 June 2020

<sup>1</sup> This timetable is indicative only and is subject to change. AMS may alter the dates above, to withdraw or vary the Offer, or to accept applications for SPP Shares that are received after the SPP closing date, in each case in AMS' absolute discretion, subject to the ASX Listing Rules and the Corporations Act. All references to time are to Melbourne time

# Key Risks





## General risks associated with Atomos

<b>Impact of COVID-19 on the Company and its Operations</b>	<p>The current COVID-19 disruptions and Government imposed restrictions are directly and indirectly impacting the Company's business. In particular, the Company has seen social distancing restrictions preventing end users of the Company's products from operating their businesses (e.g. video production at large public gatherings, events, festivals, sports, etc). A prolonged reduction in business activity across the businesses' key markets will continue to result in reduced demand for the Company's products and is likely to materially adversely impact the Company's financial performance and revenues.</p> <p>There is continued uncertainty as to the further impact of COVID-19 including in relation to the duration of existing and further governmental action, work stoppages, lockdowns, quarantines, travel restrictions and other unforeseen changes. Whilst the impact these disruptions will have on the Company and its operations is not yet clear, the Company expects there may be: continued reduction in demand for the Company's services as people follow the Government's recommendations and restrictions, potential supply chain disruptions and interruptions to manufacturing and distribution of the Company's products to the extent government imposed shut downs impact the Company's manufacturing and distribution chains. Any of these factors will adversely affect the Company's operational and financial performance and consequently the value of an investment in the Company is likely to be adversely affected.</p>
<b>Impact of COVID-19 on market and share price</b>	<p>The events relating to COVID-19 have recently resulted in a decline in general economic conditions together with significant market falls and volatility including in the prices of securities trading on the Australian Securities Exchange and other foreign share markets. There is continued uncertainty around the duration and extent of further impacts of COVID-19 governmental action, work stoppages, lockdowns, quarantines, travel restrictions and other unforeseen changes and the impact these will have on the Australian and global economy and share markets. However, the continuation of these impacts will likely have a material adverse effect on global economic conditions and share markets and may materially adversely affect the price of the Company's shares trading on the ASX.</p>
<b>Competition risk</b>	<p>Atomos competes against other video technology companies. Atomos faces the risk that (amongst other things) existing competitors could increase their market share through aggressive sales and marketing campaigns, product research and development or price discounting, Atomos may fail to anticipate and respond to changing opportunities, technology or customer requirements as quickly as its competitors or new market entrants into the video technology industry could develop products which compete with Atomos' products.</p>
<b>Ability to retain or attract key personnel</b>	<p>The loss of key members of the management team or members of the design and engineering teams, or any delay in their replacement, may adversely affect Atomos' ability to implement its strategies and may also adversely affect Atomos' future financial performance. Atomos performance and future success depends on its continuing ability to identify, hire, develop, motivate and retain highly skilled personnel for all areas of the organisation. Competition for qualified employees in Atomos' industry is intense.</p>
<b>Launch of new products</b>	<p>The development and release of new products, including TCS technologies, or the adoption of these new products by OEM licensees and end users, may take longer than expected or such new products may not be well received by customers as a result of various reasons including (amongst others) the new products not being well priced when compared with competing products or the new products lacking a strong feature that resonates with customers.</p>

## General risks associated with Atomos


<b>Failure to manage growth</b>	Atomos will need to continue to invest in sales and marketing and other systems and processes to support the development of its business if Atomos gains significant market share over and above its current short-term expectations. If this is not done in a timely, robust and efficient way to handle projected growth it may negatively impact on Atomos' financial performance.
<b>Intellectual property</b>	The value of Atomos' products is dependent on Atomos' ability to effectively identify, protect, defend and in certain circumstances keep secret, its intellectual property. Actions Atomos takes to protect its intellectual property may not be adequate or enforceable and therefore may not prevent the misappropriation of its IP and proprietary information.
<b>Breach of third-party intellectual property rights</b>	There is a risk that third parties may allege that Atomos' products use intellectual property derived by them or from their products without their consent or permission. Atomos may be the subject of claims which could result in dispute or litigation, which could result in monetary damages, cause delays and increase costs, and have an adverse impact on Atomos' operations, reputation or financial performance.
<b>Inability to pay dividends</b>	There is no guarantee that dividends will be paid on shares in Atomos in the future, as this is a matter to be determined by the Board in its discretion and the Board's decision will have regard to, amongst other things, the financial performance and position of Atomos, relative to its capital expenditure and other liabilities.
<b>Risk of shareholder dilution</b>	Atomos may in the future elect to issue new shares or engage in capital raising to fund ongoing working capital requirements of Atomos or acquisitions that Atomos may decide to make. While Atomos will be subject to the constraints of the ASX Listing Rules regarding the percentage of its capital that it is able to issue within a 12-month period, Shareholders at the time may be diluted as a result of such issues of shares and capital raisings.
<b>Supply chain risk</b>	There are certain components for which Atomos has a single or limited source of supply. Accordingly, there is a risk that if the supplier was to cease supply, this could cause a disruption to Atomos' ability to deliver its products. Further to this, Atomos would have difficulty in sourcing alternative suppliers for certain of these components which are only available from a single source.
<b>Reliance on key distributors</b>	Atomos does not have formal written contracts in place with a majority of its distributors who order and purchase products from Atomos on an ad hoc basis with no minimum purchase order obligations. This represents a risk of current sales revenue not being replicated. Atomos' customers and distributors may decide not to continue to place purchase orders in the future or at the same level as in prior periods. As a result, Atomos' operating performance may vary from period to period and may fluctuate significantly in the future.

# Appendices





# Atomos – A Snapshot

- Global video technology company that enhances video content creation with products that connect the imaging and computer worlds 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
- Strategic relationships with leading tech companies such as: Apple, Adobe & camera makers: Sony, Canon, Panasonic, RED & 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 13 May 2020)

Ticker	AMS
Share Price	\$0.685
Shares on Issue (m)	186.7
Market Capitalisation (m)	\$127.8

## Major Shareholders

	%
Perennial Value Mgmt	14%
Ms Claire Louise Young <sup>2</sup>	9%
Domazet FT3 P/L	9%
Ellerston Capital Ltd	9%

**Top 20** ~70%

<sup>2</sup> Related Party to Board Member (Jeromy Young)

## Share Price History





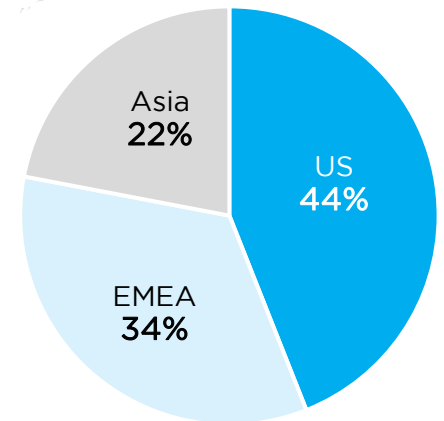
# Global Operations

## Offices in major global locations and strong sales channels

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



**1H'20 Sales by Region**



\* As of 30 April 2020 (17 staff currently stood down due to COVID-19)

# Product Suite

## 4K Monitor Recorders



## Production / Studio



## Broadcast & Accessories



NINJA + SHINOBI Range	SHOGUN Range	SUMO Range	NEON Cinema Series	Shogun Studio + Converters + Accessories
<ul style="list-style-type: none"> <li>Ninja HDMI only – includes AtomX adaptor range</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> <li>Shinobi available in both HDMI &amp; SDI capability</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> <li>Touch Screen Switching</li> </ul>	<ul style="list-style-type: none"> <li>Larger format 19” monitor recorder – targeting studio usage</li> <li>Quad SDI &amp; HDMI in/out</li> <li>Record ProRes/ProRes RAW, DNxHR, among others</li> </ul>	<ul style="list-style-type: none"> <li>HDR Professional monitor-recorder range for on-set and in-studio usage</li> <li>Four screen size options – 17”, 24”, 31” and 55”</li> <li>Bluetooth controlled by using Atomos iOS App</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>SDI to HDMI or vice versa</li> </ul> <p><u>Accessories</u></p> <ul style="list-style-type: none"> <li>Cables, Caddies &amp; Adaptors</li> </ul>
Social / Pro-Video Segment	Pro-Video / Entertainment	Pro-Video / Entertainment	Entertainment	Various

# The TCS Opportunity...

## The Problem

Synchronising footage from multiple video & audio sources is **difficult, expensive, time consuming & you need to be a pro!**

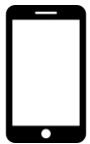
## The Opportunity

Democratise multiple capture device productions across all market segments - **Social, Pro Video & Entertainment**

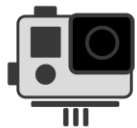
## The Solution

Enable multi-device wireless timecode synchronisation capability into **EVERY video and audio capture device**

### Expanding the Atomos Ecosystem - Via either direct product sales or licencing



Smartphones



Wearable /  
Action cameras



DSLRs



Monitor  
recorders



Broadcast &  
Cinema cameras



Bodycams



Audio recorders



# Contacts

For further information on this presentation, please contact:

## James Cody

Chief Financial Officer

+61 3 9999 5908

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

## Simon Hinsley

Media relations

+61 401 809 653

[simon@atomos.com](mailto:simon@atomos.com)

---

## 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 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, France and Germany and has a worldwide distribution partner network.

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



# 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.

This Document is provided to you as a person who is either a holder of an Australian financial services licence or an authorised representative of such a licensee, or either a "professional investor" or "sophisticated investor" who is also a "wholesale investor" as those terms are defined in section 708(11), 708(8) and 761A respectively of the Corporations Act 2001 (Cth) (Corporations Act), to whom a prospectus is not required to be given under Chapter 6D of the Corporations Act. If you are not such a person, you are not entitled to receive this Document, and you must promptly return all materials received from Atomos (including this Document), without retaining any copies. By receiving this Document, you warrant that you are an investor within the scope of this paragraph, and you accept this Document on the basis set out in it.

This Document and the information in this Document (Confidential Information) is strictly confidential. You must not copy, reproduce, quote or refer to the Confidential Information or give it to another person, in whole or in part, without the prior written consent of Atomos, which may withheld in its absolute discretion.

