New Debt Funding Secured

Highlights:

- Atomos announces that it has secured a new $12 million working capital facility (with capacity to increase to $16m), replacing its existing $5 million facility
- The increased facility provides greater flexibility to support growth in sales and working capital

Atomos Limited (**ASX: AMS**, '**Atomos**' or the '**Company**') today announces that it has entered into a new long-term debt funding arrangement which provides greater capacity and flexibility in respect of working capital management. This is necessary given current global supply chain dynamics and supports the company's continued growth as it launches new products.

The new $12 million debt funding agreement replaces the existing $5 million facility. It can be increased to $16 million at the company's option once certain conditions are met.

The key terms are:

Lender	Arrowpoint Capital Finance
Facility Amount	$12 million
Capacity to increase	Can be increased to $16 million at the company's option once run rate of $85 million sales achieved and subject to covenants
Key covenants	Quarterly measurement for financial covenants typical for a facility of this nature including: • Gross Leverage: <4.0x to 31 December 2022, and <3.0x thereafter; • Interest Cover: >2.5x; and • Current Ratio >1.1x
Maturity Date	31 December 2024
Capital Repayment	Starting September 2022 and quarterly thereafter at 5% of Facility Amount
Interest Rate, Payment and Calculation	• Undrawn Rate: 2.50% p.a. on the committed, undrawn Facility Amount • Drawn Rate: 10.5% p.a. capitalising monthly in arrears
Exit Fee	None
Early Repayment Fee	None
Warrant	Atomos to issue Lender with 2.4 million options with an expiry date of 30 June 2024 and an exercise price of 30c

Atomos maintains guidance of record FY22 revenues of $80 million - $90 million and FY22 EBITDA margin of 6% - 8%.

Commenting on the announcement, Trevor Elbourne, interim CEO, said: *"Atomos is pleased to secure an increase in debt funding which offers more flexibility in respect of working capital management. This is necessary given the current global supply chain environment. This was highlighted to us as sales slowed at the start of the calendar year, whilst at the same time we built inventory levels.*

Sales have since improved with the reintroduction of the promotional activity in April and the inventory build is planned to unwind early in the next financial year. However, given the global supply chain environment we consider it appropriate to have a long term increased and more flexible facility in place.

It is pleasing that, as a profitable business, Atomos has been able to attract increased debt funding to ensure we have a strong balance sheet. The facility is available for 2.5 years and gives us the funding to execute our growth plans which we believe will reflect in shareholder value over the coming year."

Authorised for ASX release by the Atomos Board of Directors.

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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, UK, Germany, China and Japan and has a worldwide distribution partner network.

For more information please visit **www.atomos.com**