

28 November 2024

AGM Trading Update

Highlights:

- **New Products Shipping** - Ninja Phone and SunDragon shipped in November with expanded feature sets, these customer requested improvements delayed release. While too early to update on sales, we are confident that focused promotion and education will drive traction in H2'25.
- **Product Development** – Shinobi II success exceeded expectations and opened wider social content creation markets where Atomos are now developing further products.
- **Further reduction in operating costs** – In addition to the already advised restructuring initiatives, Atomos recently undertook a further restructure, removing select non-core operational wages and prioritising lower trade show investments and increased social content marketing.
- **Direct to Consumer (D2C)** - Launched new D2C website targeted at the growing social content creation market. The omni-channel strategy is expected to broaden consumer touchpoints whilst maintaining key distribution relationships.
- **Core products** - Core product suite traded well in Q1, however aggressive competitor pricing has resulted in softer than expected Q2 sales. Combating this with reduced pricing strategies will impact gross profit margin in the short to medium term.

Atomos Limited (**ASX:AMS**, 'Atomos' or the 'Company') is pleased to provide a trading update for shareholders as part of the Annual General Meeting (**AGM**) to be held at 11:00am (AEDT) today.

Atomos Chair, Paul Greenberg, said:

"FY24 was a transformative year for Atomos resulting in profound change across all areas of the business. The changes, albeit some are still being implemented, have driven a more streamlined, capital-efficient, and operationally resilient business with the capability to deliver sustainable value to shareholders over time."

Atomos Managing Director and CEO, Jeromy Young, commented:

"Since re-joining the business in January, the initial key focuses of the Board and senior management has been to restructure, recapitalise and stabilise the business resulting in a maintainable platform for growth moving forward. This process has taken almost a year, however pleasingly, we have resolved many of these issues and now have clear focus on product innovation, marketing and driving new sales."

"Our new products – Ninja Phone and SunDragon – are now shipping and whilst the delay to enable us to incorporate some additional features, such as 4K capability, has impacted sales of these products, we are confident these changes position the new products to better meet user needs, laying the groundwork for next-generation improvements and new product development aligned with evolving user demands."

"We have had strong success with our Shinobi II product in the fast turnaround influencer driven content creation market and this led to new roadmap developments. Together with Ninja Phone, these targeted products are aimed squarely at fast turnaround markets, and we are excited to start the journey of taking our market position."

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“These customers also buy more from online sites and this is reflected in our transition and the recent launch of our D2C website. We stress that this is a combined strategy with our existing global distribution channel. In the medium term any incremental margin upside is expected to be offset by increased marketing spend, however over time we do expect improved margin flexibility with our products.”

“Sales from our core product line have been maintained in line with 2H’24 levels, which considering the depressed discretionary consumer environment globally is a sound result. However, in early Q2’25 we have seen some aggressive competitor pricing which has resulted in softer recent sales, with strategies to combat this likely to put pressure on gross profit margins in the medium term.

“In addition to new market and products, we continue to manage our operating costs and have undertaken further restructuring in recent weeks through 2 key initiatives. Firstly, we have reviewed our global operations with non-core offices and staff being reduced. Secondly, we have adjusted our marketing spend with a greater focus on media, video influencers and education marketing rather than trade show investments.”

“In summary, we have achieved a lot throughout this year and are extremely excited about delivering new products to new markets for growth. While we face some short-term market competition, we are working tirelessly to overcome these hurdles and maintain our leadership position.”

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

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Atomos’ Interactive Investor Hub

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

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

About Atomos

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

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

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

For more information, please visit www.atomos.com

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