



ASX Announcement

ATOMOS LIMITED (ASX:AMS)

30 April 2020

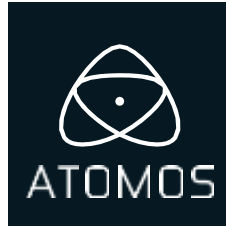
Update on COVID-19 Response

Further to the COVID-19 announcement on 30 March 2020, Atomos Limited ('ASX: AMS') today provides an update on the ongoing impact of COVID-19 and their response.

Key Points:

- Video production globally has been materially affected by government restrictions and social distancing measures resulting from the COVID-19 pandemic.
- AMS' core market of Pro Video, where our customers create video content for weddings, social events, sports, conferences/trade shows & corporate promotions has largely been shut down during the quarantine period.
- AMS first half performance of revenue growth of 35% pcp to \$32.6m demonstrated in normal market conditions the growing nature of the video content market and strong demand for AMS products globally.
- With the change in market conditions AMS has experienced a short-term material softening in demand for its products, primarily impacted by:
 - Supply disruptions from our Chinese manufacturing facilities;
 - Government restrictions and social distancing being applied globally.
- In response to the changing market conditions, AMS has reacted quickly by implementing a number of operational initiatives to reduce costs and optimise cash reserves, including reducing staffing levels through stand-down procedures, undertaking redundancies, and implementing widespread salary reductions across the remainder of the workforce. AMS is supporting all staff working from home, consistent with Government restrictions that prohibit normal office working conditions and the advice of local health authorities.
- AMS has also reviewed and renegotiated where possible reductions to other business expenses including consultancy, professional services, marketing and property rentals to lower cost bases.
- Based on the revised sales run-rate continuing and recent cost initiatives, AMS has sufficient cash reserves to operate the business for the remainder of the 2020 calendar year.
- AMS is maintaining a strong focus and continues to review alternatives and options in relation to cash preservation and liquidity.
- AMS continues to focus on building the ecosystem around their product suite, including the integration and proliferation of the Timecode Systems technology





which is becoming more relevant as we all increasingly engage virtually with each other and where cost efficient support for multi-cameras in the home is becoming a growing requirement.

- With the growth in online streaming as a result of COVID-19, AMS is bringing forward its product roadmap and is developing new products tailored to the online streaming market.
- Despite the short-term impacts of COVID-19 on the business, AMS believe it is now even more evident that the video market that it targets (including online streaming) will provide AMS with exciting growth opportunities in the future to further itself as a leading global provider of video content creation technologies. AMS is well poised to take advantage of organic and inorganic opportunities that present themselves.

Atomos CEO and Managing Director, Jeromy Young, said:

“This is a very challenging period for all of us and on behalf of the Atomos Board we would like to thank our employees for their understanding and continued work ethic to make Atomos a leading provider of global content creation tools and technologies. We are highly sympathetic to the impact these changes have had and would not be implementing them unless we deemed it necessary to ensure the longer-term momentum and growth of AMS.”

Authorised for ASX release by the Atomos Board of Directors.

-- ENDS --

For further information please contact:

James Cody

Chief Financial Officer
+61 407 048 514
james@atomos.com

Chris Tait

Chairman
+61 438 862 355
chris.tait@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

Forward looking statements:

This announcement contains forward looking statements. All statements that address events or developments that Atomos expects or anticipate will or may occur in the future and guidance on financial performance are forward looking statements. These forward looking statements are based on the Board or management's beliefs and expectations based on information currently available to the Board and management. The Company believes that these forward looking statements are reasonable as and when made. However, you should not place undue reliance on any such forward looking statements which are inherently uncertain. Atomos does not undertake any obligation to publicly update or revise any forward looking statements whether as a result of new information, future events or otherwise except as required by law or the ASX Listing Rules. Forward looking statements are subject to certain risks and uncertainties, many of which are outside its control that could cause actual results, events and developments to differ materially from Atomos' historical experience, or its present expectations or projections.

