

## ASX Announcement

5 October 2022

# Chair's letter to shareholders

Dear Investor,

I am writing to you to provide some background into recent events effecting Atomos, express our regret about the impact on your shareholding and to explain what we are doing to recover and improve the Company.

The most recent significant event occurred late Friday afternoon when our auditors Deloitte asked us to recognise certain revenue one month later than we had, that is, from June 2022 to July 2022. This required us to amend our draft financial statements for the 2022 financial year and to shift \$8.7m of revenue from Q4FY22 to Q1FY23.

The adjustment relates to a pre-approved change to shipping terms for some of our customers which took place in June 2022. Delays in production had occurred that month due to slow component deliveries and lockdowns in China. We asked customers to pick up their orders from their local airports rather than wait for them to arrive in their warehouses several days later.

Investors familiar with technology companies will know that minor adjustments in shipping terms are common in the electronics industry. Customers were happy to agree to this change as it meant they could satisfy their customer back orders, including the much-anticipated new Atomos products, earlier than otherwise possible.

As a listed company we welcome the rigour of an audit however it was disappointing to have this matter raised at such a late stage. Learning from it, we are determined now to build more flexibility into our shipping terms in the future so we can adapt more quickly to changing circumstances.

The other news you would have seen is some changes on our board. Trevor Elbourne, Atomos' CEO, has joined as a director and we have initiated a search for a Chair who will take over from me in due course. I also want to thank our recently departed directors, Stephen Stanley and Lauren Williams who contributed significantly during what has been a stressful time. We wish them well and appreciate that they have both expressed their continued support for the board.

It is important that I acknowledge the employment claim made by the former CEO and the adverse press you may have seen. We are working through the legal process calmly and are committed to addressing the claim without letting it be too much of a distraction from executing our strategic plan for growing the business. I want to reinforce that we will refute the unfounded allegations made within the claim and we are investigating our own legal options. We will keep you informed of any developments.

On a positive note, you would have seen that in August we appointed Trevor Elbourne as Chief Executive Officer after four years as Chief Technology Officer and serving as interim CEO following the departure of Estelle McGeachie. Trevor was a founding employee and oversaw the creation of our ground-breaking core products, the Ninja V and Shinobi. Trevor is a qualified systems engineer with over 25 years' experience. He is the central architect of the Company's innovative product roadmap, which sets us up for the future. Trevor leads a strong and stable core team, with a laser focus on execution.

Our board and management team are working side by side. We have a clear plan and an exceptional new connected product range – the Series 2 - which uses the cloud and puts Atomos products and services in the centre of all video production workflows.

We are building a direct-to-consumer sales platform to enhance our e-commerce activities. We are leveraging our close partnerships with global technology leaders such as Adobe, Apple, Sony, Panasonic, Nikon and Canon to amplify our marketing and increase our competitive advantage. Strategically we are in an expansion phase, with new products, new customer segments and new ways of going to market. We must not forget that despite our recent missteps, global geo-political challenges, rising inflation and cost of living challenges, demand for video content creation remains strong and continues to grow. We are part of that rising tide.

As we put FY22 behind us we are excited by FY23. We have a lot of work to do, and we start immediately from the board down. My fellow board directors, Sir Hossein Yassaie, Megan Brownlow and I intend to be more actively involved in the short term to support Trevor, James Cody our exceptional CFO and the rest of the team.

Another change we're implementing is an increased level of transparency with you, our shareholders. To that end we have set up the Atomos Investor Hub, an interactive location where you can engage with the Atomos team to leave questions and add comments. Please go to <https://announcements.atomos.com>.

Finally, I would like to thank you, our shareholders, for your continued support through what has been a tougher period. With the positive changes underway, we look forward to delivering on the Company's considerable and exciting opportunities, navigating the external challenges and delivering long term shareholder value in the years ahead.

Kind Regards,



Chris Tait  
Chair

Authorised for ASX release by the Atomos 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 and other news <https://announcements.atomos.com>.

We welcome investors to ask questions and add comments to which our team can respond where possible.

**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](http://www.atomos.com)