

## ASX Announcement

5 December 2022

### Trading update

Atomos Limited ('ASX:AMS', 'Atomos' or the 'Company') today provides an update in relation to recent trading activity, continued progress of cloud, direct-to-consumer roll-out and an update on the outlook for FY23.

As announced at the AGM and in line with the continued global economic uncertainty, sales continue to be volatile, demonstrated over the Black Friday promotional period where sales were below expectations. This unprecedented Black Friday weakness appears to be a feature across a relatively wide range of consumer and electronics sectors including Professional Video and Imaging according to feedback from channel partners.

Historically, the Black Friday promotion period (covering last week of November) is a material contributor to first half sales. Atomos has taken a conservative approach as a result and is withdrawing financial guidance.

The Company has several new initiatives expected to launch early in the second half of FY23, including Atomos Cloud Studio subscription services and the ecommerce channel which, subject to market conditions, could result in second half FY23 sales consistent with previous highs however it is too early to determine with confidence.

Atomos continues to focus heavily on cost management initiatives – several of which have already been actioned – resulting in the fixed annual cost base being reduced by approximately 30% by the end of FY23. These initiatives will result in the breakeven point for the business reducing to approximately \$60m of annual sales.

Additionally, the Company has received strong interest in its recently announced 8K sensor technology, the result of significant investment over the past 5 years. Atomos' management team is now assessing several options to commercialise its sensor technology to maximize value for the business including licencing, a joint venture arrangement, or an outright sale. The Company is progressing discussions with interested parties currently.

CEO Trevor Elbourne commented: *"We remain very confident about the outlook for our expanded product range and new cloud services that have already garnered significant interest from a host of customers in new markets, validating our connected product and cloud strategy."*

*We will continue to build on this early momentum with sales and marketing initiatives that further target these markets. More broadly, we have seen very tangible evidence that our new marketing discipline and strategies are working, and we look forward to further improvements as we launch our ecommerce strategy in early 2023.*

*Uncertainty around how long weak global conditions persist means we must judiciously prepare ourselves for potentially softer sales this financial year and aggressively manage the areas in the*

*business we can control. This will leave us in a stronger position, enabling us to generate much stronger earnings than last year from a similar revenue base once markets return to normal.”*

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)