ASX Announcement - Atomos Ltd (ASX:AMS) **29 August 2019**

Atomos exceeds Prospectus Forecast

FY19 vs FY18 (& Prospectus):

- **Revenue*** up 51% to $54.0m; FY18: $35.6m (Prospectus: $42.2m)
- **Gross profit*** up 39% to $24.0m; FY18: $17.3m (Prospectus: $19.9m)
- **Gross margin** of 44.6%; FY18: 48.5% (Prospectus: 47.1%)
- **EBITDA*** of $1.6m; FY18: $0.2m (Prospectus: $0.3m)
- **Key Products Launched**: 7 across 3 target markets, a year ahead of guidance
- **Increased investment** in marketing and support across market segments
- **Continued significant Investment in product research and development**

Atomos Limited (ASX:AMS, "Atomos" or the "Company"), today announced its Full Year 2019 results (12 months to 30 June 2019).

Income Statement - Pro Forma (A$m)	FY18	FY19	Variance	FY19 Prospectus
Revenue	35.6	54.0	51%	42.2
COGS	(18.3)	(29.9)	(63%)	(22.4)
Gross Profit	**17.3**	**24.0**	**39%**	**19.9**
Gross Margin	*48.5%*	*44.6%*		*47.1%*
Other Income	0.3	(0.0)	(108%)	0.2
Distribution expenses	(1.2)	(1.6)	(29%)	(1.6)
Wages & Salaries	(6.5)	(7.7)	(19%)	(7.6)
Marketing	(2.3)	(5.6)	(141%)	(3.3)
General & Administration	(3.6)	(3.4)	7%	(3.2)
Operating Expenses	**(13.3)**	**(18.3)**	**(37%)**	**(15.5)**
EBITDA (pre R&D)	**4.0**	**5.8**	**45%**	**4.4**
R&D Expenses	(3.8)	(4.1)	(10%)	(4.1)
EBITDA	**0.2**	**1.6**	**642%**	**0.3**
Depreciation & Amortisation	(0.3)	(1.5)	(428%)	(1.2)
EBIT	**(0.1)**	**0.2**	**413%**	**(1.0)**

** All figures are Pro Forma and exclude items outside the ordinary course of business. A full reconciliation is contained in slide 14 of the investor presentation. All figures are based on the consolidated financial statements that are in the process of final auditor review.*

The 51% revenue growth was driven by strong consumer pick up in both the existing Pro Video space with Ninja V and Shogun Inferno and in the new Social segment with the Shinobi line.

Gross margin for the year was 44.6% (H1 43.4%, H2 45.3%) with the second half improvement driven by lower Ninja V component costs as advised in the interim results.

Expenses were generally in line with the Prospectus forecast with the exception of Marketing programs which increased to support Atomos' entry into the emerging Social segment in FY19 and to support further growth.

Inventory reduced in the second half to $7.9m from $11.1m at the half year.

Cash at the end of June was $5.1m,complemented by a further $7.5m placement completed June 28 and received July 4. This position will provide strong support for working capital needs and growth initiatives into FY20.

Commenting on the results, Atomos CEO Jeromy Young said:

"We continue to develop and build on our entire suite of core in-house technologies which consist of a new, world-leading, electronic, silicon and screen platform which is showcased in the Ninja V.

We successfully deployed the investment in this advanced platform across seven new products with the identical underlying technology. This enabled entry into the Social market segment (Shinobi line) and will soon see deployment of the Neon range into the Entertainment segment. This common platform ensures faster, stronger deployment of customer requests as we continue the onboard device software (AtomOS) development, with a clear focus on partner expansion in cameras and PC/Mac software supporting our customers' end to end workflows".

Outlook & FY20 guidance:

Following the successful launch of several new products during FY19 which leverage the Ninja platform, the Company is well placed to capitalise on the continued growth of its traditional Pro-Video market and the additional rapid growth across its new target markets in Social and Entertainment.

The Board anticipates continued strong future progress which will be reflected through solid growth in sales, earnings and continued investment in market development.

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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, 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.