ATOMOS LTD

ACN 139 730 500

ASX: AMS

Appendix 4E – Preliminary Unaudited Final Report

Reporting period

Reporting period: for the year ended 30 June 2025

Previous corresponding period ('PCP'): for the year ended 30 June 2024

Results for announcement to the market

Atomos Ltd and its controlled entities is referred to as "Atomos", "the Group" or "the Company" within this report.

Revenue and profit/(loss) after tax for the year ended 30 June 2025	2025	2024	% Change	
	$'000	$'000		
Revenue from ordinary activities	32,656	35,721	(9%)	declined
Loss from ordinary activities after tax attributable to members	(14,512)	(22,362)	35%	improved
Earnings before interest, tax, depreciation and amortisation (EBITDA)	(11,833)	(17,336)	32%	improved
Earnings before interest, tax, depreciation, amortisation and items not in the ordinary course of business[1]	(7,403)	(11,840)	37%	improved
Profit/(Loss) from ordinary activities after tax attributable to members before items not in the ordinary course of business[1]	(10,082)	(15,068)	33%	improved

[1]Results have been presented to exclude the impact of items outside the ordinary course of business to allow shareholders to make a meaningful comparison with prior year comparatives. Further details on the material items have been provided in the notes below.

Dividends

No dividends have been paid during the period, and it is not proposed that any dividends be paid.
No dividends were paid during the previous corresponding period.

Overview of operating results

The Group's revenue declined by $3.0 million in FY25, or 9%, compared to the PCP. However, EBITDA (excluding impairments in the current and PCP), was significantly improved with tighter expense control. Key highlights were as follows:

- Revenue of $32.7m, 9% lower than the PCP.
  - Revenue in the second half (H2) of FY25 revenue was $14.1m, 24% lower than the first half (H1) FY25.

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- Gross Profit of $8.5m, $2.7m lower than the PCP. FY25 GP% was 26% compared to 31% for PCP, significantly impact by $3.2m of inventory obsolescence expense and increasing tariffs in the United States. On an underlying basis (i.e. excluding non-recurring items), FY25 gross profit was $11.3m and GP% was 34%. Margins are expected to improve into FY26 following repricing in the US market

- Reported earnings before interest, tax, depreciation, amortisation and impairment (EBITDA) a loss of $11.8m (FY24: 17.3m loss)

- Underlying EBITDA a loss of $7.4m (FY24: $11.8m loss) which excludes non-recurring items

- FY25 had non-recurring costs of $4.4m, primarily related to a $3.2m provision for inventory obsolescence and $2.7m in employee restructure costs, offset by a $1.7m reversal to onerous contracts provision.

For a further explanation of the results above please refer to the accompanying Review of Operations.

Annual General Meeting
In accordance with ASX Listing Rule 3.13.1, the Company advises that its Annual General Meeting will be a physical meeting held on 14 November 2025 and the closing date for receipt of nominations from persons wishing to be considered for election as a director, is 5 September 2025. Other details relating to the AGM will be advised in the notice of meeting to be sent to all shareholders and released to ASX immediately after dispatch.

Net tangible assets per security

	30-Jun-25		30-Jun-24	
Net tangible assets per security	(0.9)	cents	0.3	cents
Total number of shares on issue at period end	1,215,018,471		1,213,662,308	

For the purposes of calculating net tangible assets per security, the carrying values of the Right-of-use assets and the related lease liabilities have been excluded from the calculations.

Entities over which control has been gained or lost during the period
There are no entities over which control has been gained or lost during the period.

Associates and joint venture entities
There are no entities over which control has been gained or lost during the period.

Dividend reinvestment plans
The Company currently does not have a dividend reinvestment plan.

Appendix 4E – Preliminary Unaudited Final Report (continued)

Independent audit report
This report is based on the consolidated financial statements that are in the process of final audit completion. The independent audit report will be included within the Company's Annual Report and an unmodified audit opinion is expected with attention drawn to material uncertainty related to going concern.

Accounting standards
This report has been compiled using Australian Accounting Standards and International Financial Reporting Standards.

Other information required by Listing Rule 4.3A
Other information requiring disclosure to comply with Listing Rule 4.3A is contained in the 30 June 2025 Annual Report (including the Directors' Report) which has not been lodged with this Appendix 4E.

Atomos Limited
Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the year ended 30 June 2025

	Notes	2025 $'000	2024 $'000
Revenue		32,656	35,721
Cost of sales		(24,162)	(24,517)
Gross profit		**8,494**	**11,204**
		26%	*31%*
Other income		-	349
Net foreign exchange gain/(loss)		(1,191)	302
Employee benefits expense		(8,929)	(10,326)
Research and development expense		(1,579)	(2,348)
Advertising and marketing expense		(2,471)	(3,543)
Finance costs		(1,426)	(1,224)
Administration and other expense		(313)	(6,702)
Distribution expense		(2,252)	(2,258)
Warranty and royalty expense		(746)	(936)
Occupancy expense		(492)	(343)
Legal and professional services		(2,340)	(2,114)
Transaction costs		(14)	(621)
Depreciation and amortisation		(1,210)	(1,610)
Fair value adjustment		-	(1,798)
Loss before income tax		**(14,469)**	**(21,968)**
Income tax benefit/(expense)		(43)	(394)
Loss for the year		**(14,512)**	**(22,362)**
Other comprehensive income, net of income tax			
Items that will not be reclassified subsequently to profit or loss:		-	-
Items that may be reclassified subsequently to profit or loss:			
- Exchange differences on translating foreign operations		1,108	(349)
Other comprehensive (loss)/profit for the year		**1,108**	**(349)**
Total comprehensive loss for the year		**(13,404)**	**(22,711)**
Earnings per share			
Basic loss per share		(0.01)	(0.06)
Diluted loss per share		(0.01)	(0.06)

Atomos Limited
Consolidated Statement of Financial Position
As at 30 June 2025

	Notes	2025 $'000	2024 $'000
Assets			
Current assets			
Cash and cash equivalents		1,813	2,900
Trade and other receivables		1,828	4,970
Inventories		9,054	8,714
Other current assets		1,962	3,346
Total current assets		**14,657**	**19,930**
Non-current assets			
Property, plant and equipment		226	876
Right-of-use assets		1,322	4,158
Intangible assets		-	-
Financial assets		-	-
Total non-current assets		**1,548**	**5,034**
Total assets		**16,205**	**24,964**
Liabilities			
Current liabilities			
Trade and other payables		6,702	11,314
Borrowings		181	136
Provisions		2,685	4,603
Lease liabilities		594	916
Income taxes payable		1,566	1,456
Total current liabilities		**11,728**	**18,425**
Non-current Liabilities			
Borrowings		14,208	-
Provisions		95	83
Lease liabilities		1,196	4,114
Income taxes payable		-	-
Non-current Liabilities		**15,499**	**4,197**
Total liabilities		**27,227**	**22,622**
Net assets		**(11,022)**	**2,342**
Equity			
Issued capital		134,077	134,037
Foreign currency translation reserve		463	(645)
Share based payments reserve		3,627	3,627
Options reserve		264	264
Accumulated losses		(149,453)	(134,941)
Total equity		**(11,022)**	**2,342**

Atomos Limited
Consolidated Statement of Changes in Equity
For the year ended 30 June 2025

	Issued capital (Ordinary shares)	Accumulated losses	Foreign currency translation reserve	Share based payments reserve	Options reserve	Total equity
	$'000	$'000	$'000	$'000	$'000	$'000
Balance at 1 July 2023	119,301	(112,579)	(296)	3,072	264	9,762
Transactions with owners						
Share-based payments	-	-	-	555	-	555
Issue of new share capital	16,215	-	-	-	-	16,215
Transaction costs relating to issue of share capital	(1,479)	-	-	-	-	(1,479)
Total transactions with owners	**14,736**	**-**	**-**	**555**	**-**	**15,291**
Comprehensive income						
Loss for the period	-	(22,362)	-	-	-	(22,362)
Other comprehensive income	-	-	(349)	-	-	(349)
Total comprehensive income/(loss)	**-**	**(22,362)**	**(349)**	**-**	**-**	**(22,711)**
Balance at 30 June 2024	**134,037**	**(134,941)**	**(645)**	**3,627**	**264**	**2,342**
Balance at 1 July 2024	134,037	(134,941)	(645)	3,627	264	2,342
Transactions with owners						
Share-based payments	-	-	-	-	-	-
Issue of new share capital	40	-	-	-	-	40
Transaction costs relating to issue of share capital	-	-	-	-	-	-
Total transactions with owners	**40**	**-**	**-**	**-**	**-**	**40**
Comprehensive income						
Loss for the period	-	(14,512)	-	-	-	(14,512)
Other comprehensive income	-	-	1,108	-	-	1,108
Total comprehensive income/(loss)	**-**	**(14,512)**	**1,108**	**-**	**-**	**(13,404)**
Balance at 30 June 2025	**134,077**	**(149,453)**	**463**	**3,627**	**264**	**(11,022)**

Atomos Limited
Consolidated Statement of Cash Flows
For the year ended 30 June 2025

	Notes	2025 $'000	2024 $'000
Operating activities			
Receipts from customers		35,814	37,554
Payments to suppliers and employees		(49,061)	(45,551)
Interest received		18	17
Income taxes paid		(39)	(1,139)
Net cash used in operating activities		**(13,268)**	**(9,119)**
Investing activities			
Payments for property, plant and equipment		(3)	(41)
Net cash used in investing activities		**(3)**	**(41)**
Financing activities			
Proceeds from issue of equity instruments in the company		40	16,215
Payment for equity raise costs		-	(1,479)
Interest paid on borrowings and lease liabilities		(479)	(1,224)
Repayment of lease liabilities		(695)	(1,145)
Proceeds of borrowings		21,981	5,100
Repayment of borrowings		(8,723)	(8,323)
Net cash generated by financing activities		**12,124**	**9,144**
Net change in cash and cash equivalents		(1,147)	(16)
Cash and cash equivalents, beginning of period		2,900	2,943
Exchange differences on cash and cash equivalents		60	(27)
Cash and cash equivalents, end of period		**1,813**	**2,900**

* Minor Reclassifications between Cashflow and previously reported Appendix 4C's

Notes to the Consolidated Financial Statements

Review of Operations

FY25 revenue of $32.7 million was $3.0m or 9% lower compared to revenue of $35.7m in the PCP. Revenue was lower in FY25 due to ongoing headwinds in the global economy, as well as the introductions of additional tariffs in the United States from February 2025 and increasing competition from lower cost competitors, softening demand from increasingly price conscious customers.

Revenue was $14.1m in H2 FY25, following revenue of $18.6m in H1 FY25. The US tariffs had a significant impact on H2 FY25 following a conscious decision to pause all sales into the US during April and May with the fluid tariff situation.

Forecast increases in revenues from new products, Ninja Phone and Sun Dragon, did not eventuate as each product failed to resonate with customers. Accordingly, obsolescence provisions of $1.5m and $0.5m respectively, were raised during FY25.

Gross Profit margin was 26% compared to 31% for PCP, significantly impact by $3.2m of inventory obsolescence expense and increasing tariffs in the United States.

On an underlying basis (i.e. excluding non-recurring items), FY25 gross profit margins were consistent with FY24 at 34%. Margins are expected to improve into FY26 following repricing in the US market.

Operating expenses were $8.6m or 30% lower in FY25 compared to FY24 on a reported basis. Excluding non-recurring costs, operating costs were $5.6m or 23% lower in FY25 compared to FY24. The Company has finalised its comprehensive cost restructure having already significantly reduced staff costs with headcount now under 55, down from around 90 in December 2024. The restructure is now complete, with the full financial benefit being realised from 1H26.

FY25 EBITDA loss of $11.8m was $5.5m or 32% favourable to EBITDA loss of $17.3 in FY24. The FY25 underlying EBITDA loss after adjusting for one-off/non-recurring items was $7.4m which was $4.4m or 37% favourable compared to FY24.

Finance costs increased by $0.2m to $1.4m in FY25 primarily due to the drawdown on the new debt facility during the year ended 30 June 2025.

Total debt as at 30 June 2025 was $14.389m (including $181k for credit cards) compared to $136k (credit cards) as at 30 June 2024.

Depreciation and amortisation decreased by $0.4m in FY25 due to lower fixed asset acquisitions in FY25 as well as the closure of several offices including Melbourne Connect, Germany, US and UK.

Income tax expense in FY25 relates tax payments made by non-Australian 100% owned subsidiaries.

The consolidated loss of the Group for the financial year after providing for income tax amounted to $14.5 million (2024: loss $22.4 million).

Summary of results for 2025 compared to prior period

Consolidated Statement of Profit or Loss and Other Comprehensive Income	2025	2024	Change $	Change %
	$'000	$'000	$'000	
Revenue	**32,656**	**35,721**	**(3,065)**	**(9%)**
Cost of sales	(24,162)	(24,517)	355	(1%)
Gross profit	**8,494**	**11,204**	**(2,710)**	**(24%)**
Gross Margin %	**26%**	**31%**		**(5%)**
Operating expenses	(20,327)	(28,889)	8,562	(30%)
Other income	0	349	(349)	(100%)
EBITDA	**(11,833)**	**(17,336)**	**5,503**	**(32%)**
Depreciation and amortisation	(1,210)	(1,610)	400	(25%)
Impairment of associate	0	(1,798)	1,798	N/A
Finance costs	(1,426)	(1,224)	(202)	17%
Loss before income tax	**(14,469)**	**(21,968)**	**7,499**	**(34%)**
Income tax benefit / (expense)	(43)	(394)	351	(89%)
Loss for the year	**(14,512)**	**(22,362)**	**7,850**	**(35%)**

Review of Operations (continued)

Gross Profit compared to prior period – Underlying basis

Underlying Gross Profit - excluding non-recurring inventory write-downs	2025 $'000	2024 $'000	Change $ $'000	Change %
Revenue	**32,656**	**35,721**	**(3,065)**	**(9%)**
Cost of sales	(21,395)	(23,680)	2,285	(10%)
Gross profit	**11,261**	**12,041**	**(780)**	**(6%)**
Gross Margin %	**34.5%**	**33.7%**		**0.8%**

Revenue, Gross Profit and Gross Margin H2 FY24 compared to H1 FY24 – Underlying basis

Revenue, Gross Profit and Gross Margin	2HFY25 $'000	1HFY25 $'000	Change $ $'000	Change %	FY25 Total $'000
Revenue	**14,070**	**18,586**	**(4,516)**	**(24%)**	**32,656**
Cost of sales	**(9,878)**	(11,518)	1,640	(14%)	(21,395)
Gross profit	**4,192**	**7,068**	**(2,876)**	**(41%)**	**11,261**
Gross Margin %	**30%**	**38%**		**(8%)**	**34%**

Included in the 2025 and 2024 results were certain items which were significant and/or not incurred in the ordinary course of business and are fully detailed in the normalised earnings section on pages 13 and 14. The impact of excluding these items from the Consolidated Statement of Profit or Loss and Other Comprehensive Income is as follows:

Normalised Consolidated Statement of Profit or Loss and Other Comprehensive Income	2025 $'000	2024 $'000	Change $ $'000	Change %
Revenue	**32,656**	**35,721**	**(3,065)**	**(9%)**
Gross profit	**11,261**	**12,041**	**(780)**	**(6%)**
Gross Margin %	34%	34%		1%
Operating expenses	(18,664)	(24,230)	5,566	(23%)
Other income	0	349	(349)	(100%)
Normalised EBITDA	**(7,403)**	**(11,840)**	**4,437**	**(37%)**

Inventories

Inventories	2025 $'000	2024 $'000	Change $ $'000	Change %
Inventories on hand at cost	17,157	14,336	2,821	20%
Provision for obsolescence	(8,103)	(5,622)	(2,481)	44%
Inventories on hand - written down value	**9,054**	**8,714**	**340**	**4%**

Movements in provision for obsolescence	**$'000**
Balance at 1 July 2023	(4,785)
Increase in inventory obsolescence - FY2024	(837)
Balance at 30 June 2024	**(5,622)**
Increase in inventory obsolescence - FY2025	(3,184)
Decrease due to stock disposal - FY2025	703
Balance at 30 June 2025	**(8,806)**

The cost of inventories recognised as an expense for the 2025 financial year was $21.6m (2024: $20.6m). The cost of inventories recognised as an expense includes $2.5m of net inventory write-downs in 2025 (2024: $0.8m).

Other Key Balance Sheet Movements

Trade Debtors

Trade Debtors decreased by $3.14m from $4.97m in FY24 to $1.83m in FY25. The decrease includes the early settlement of June Invoices and lower sales in the May/June Period year-on-year.

Trade and other Payables

Trade and other payables decreased by $4.61m from $11.31m in FY24 to $6.70m in FY25. The prior year figure included an amount of $3.3m relating to Aged Creditors on Payment Plans which were settled in FY25 as well as the accruals for legals costs and settlement in relation to the former CEO.

Right-of-use assets

Right of use assets decreased by $2.84m from $4.16m in FY24 to $1.32m in FY25. The decrease reflects cancellation of the Melbourne Connect lease and the closure of Global Offices in Germany, US and UK.

Issued Capital – Ordinary Shares

	30-Jun-25 $'000	30-Jun-24 $'000
Ordinary shares – fully paid	134,078	134,037

Movements in issued capital

All shares are equally eligible to receive dividends and the repayment of capital and represent one vote at a shareholders' meeting of the Company.

Reconciliation of underlying earnings for 2025 and the prior financial year

			2025	
	Issue Date	Issue Price	Shares	$'000
Balance at beginning of year			1,213,662,308	134,037
Shares issued on exercise of listed options	13-Sep-24	$0.03	1,297,500	39
Shares issued on exercise of listed options	30-Sep-24	$0.03	57,840	1
Shares issued on exercise of listed options	1-Nov-24	$0.03	823	-
Balance at end of year			**1,215,018,471**	**134,077**

Earnings before interest, tax, depreciation and amortisation (EBITDA) is a non-IFRS term which the Group uses to measure performance. Additionally, the reported 2025 and 2024 results included a number of items that were significant and/or not considered to be in the ordinary course of business and the tables below quantify these to provide a view of the underlying trading results.

$'000	2025	Items that were significant and/or not in the ordinary course of business[1]	Underlying Result
Revenue	32,656	-	32,656
Cost of sales	(24,162)	2,767	(21,395)
Gross profit	**8,494**	**2,767**	**11,261**
Gross Margin %	26%		34%
Operating expenses	(20,327)	1,663	(18,664)
Other income	0		-
EBITDA	**(11,833)**	**4,430**	**(7,403)**
Depreciation and amortisation	(1,210)	-	(1,210)
Finance costs	(1,426)	-	(1,426)
Loss before income tax	**(14,469)**	**4,430**	**(10,039)**
Income tax expense	(43)		(43)
Loss for the year	**(14,512)**	**4,430**	**(10,082)**

[1]Items that were significant and/or not in the ordinary course of business (2025)	$'000
Inventory Write-downs, Operating Expenses and Impairment Charges	
Provision for inventory obsolescence	3,184
Obsolescence reduction due to stock disposal	(703)
One off Inventory write-off	286
Employee restructure costs	2,663
Debt facility legal fees	221
Non-recurring tradeshow marketing expenses	398
Reversal of onerous contract provisions	(1,714)
Legal fees relating to historic contractual matters	96
Inventory Write-downs, Operating Expenses and Impairment Charges	**4,430**
Total Items not in the ordinary course of business	**4,430**

$'000	2024	Items that were significant and/or not in the ordinary course of business[1]	Underlying Result
Revenue	35,721	-	35,721
Cost of sales	(24,517)	837	(23,680)
Gross profit	**11,204**	**837**	**12,041**
Gross Margin %	31%		34%
Operating expenses	(28,889)	4,659	(24,230)
Other income	349		349
EBITDA	**(17,336)**	**5,496**	**(11,840)**
Depreciation and amortisation	(1,610)	-	(1,610)
Impairment charge	(1,798)	1,798	-
Finance costs	(1,224)	-	(1,224)
Loss before income tax	**(21,968)**	**7,294**	**(14,674)**
Income tax expense	(394)		(394)
Loss for the year	**(22,362)**	**7,294**	**(15,068)**

[1]Items that were significant and/or not in the ordinary course of business (2024)	$'000
Inventory Write-downs, Operating Expenses and Impairment Charges	
Employee restructure costs	773
Ex-CEO separation and legal claim	1,145
Debt facility novation and legal fees	259
Fees related to strategic review	134
Bad debts related to prior periods	291
Provision for inventory obsolescence	837
Provision for legacy purchase orders for component inventory	2,057
Impairment of associate	1,798
Inventory Write-downs, Operating Expenses and Impairment Charges	**7,294**
Total Items not in the ordinary course of business	**7,294**

-End of Appendix 4E – preliminary Unaudited final report-