

For personal use only

Atomos Limited

**Appendix 4D & Interim Financial Statements
for the half-year ended
31 December 2024**

**ACN: 139 730 500
ASX Code: AMS**

Contents

Appendix 4D	1
Directors' report	3
Auditor's independence declaration	9
Condensed consolidated statement of profit or loss and other comprehensive income	10
Condensed consolidated statement of financial position	11
Condensed consolidated statement of changes in equity	12
Condensed consolidated statement of cash flow	13
Notes to the condensed consolidated financial statements	14
Directors' declaration	23
Independent auditor's review report	24
Company directory	26

Appendix 4D – Half-yearly report

Reporting period

Reporting period: Half-year ended 31 December 2024

Previous corresponding period (PCP): Half-year ended 31 December 2023

Results for announcement to the market

Revenue and loss after tax for the half-year ended 31 December 2024	\$'000	Increase / (Decrease) On PCP	VAR%
Revenue from ordinary activities	18,586	1,173	7%
Profit from ordinary activities after tax attributable to members	(6,641)	893	12%
Profit for the period attributable to members	(6,641)	893	12%

Dividends

No dividends have been paid or declared since the start of the financial year (2023: nil). No recommendation for payment has been made.

Overview of operating results

During the period both revenues and margin increased on the pcpc, and tighter expense control saw a material reduction in expenses. Key highlights were as follows:

- Revenue of \$18.6m, 7% higher than the pcpc
- Gross Profit of \$6.4m, \$0.9m higher than the pcpc
- Expenses of \$11.3m (before non-recurring items) \$3.1m lower than the pcpc
- Reported earnings before interest, tax, depreciation, amortisation and impairment (EBITDA) a loss of \$4.0m (1H FY24: \$12.7m loss)

For a further explanation of the results above please refer to the accompanying Directors' Report.

Appendix 4D – Half-yearly report (continued)

Net tangible assets per security

	31-Dec-24	31-Dec-23
Net tangible assets per security	-\$0.00	\$0.01
Total number of shares on issue at period end	1,215,018,471	402,230,851

(*) 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.

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 associates or joint venture entities.

Dividend reinvestment plans

The Company currently does not have a dividend reinvestment plan.

Independent review

This report is based on the condensed consolidated interim financial statements which have been subject to independent review by Moore Australia Audit (Vic). The independent review report, which is in the form of a disclaimer of conclusion, is included within the Company's Interim Report which accompanies this Appendix 4D.

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 31 December 2024 Interim Report (which includes the Directors' Report) which accompanies this Appendix 4D.

Directors' Report

The Directors of Atomos Limited ('Atomos' or 'the Company') present their Report together with the interim financial statements of the consolidated entity, being Atomos and its Controlled Entities ('the Group') for the half-year ended 31 December 2024.

Directors

The names of the Directors in office at any time during or since the end of the half-year are:

Mr James Joughin (effective 31 December 2024)

Mr Paul Greenberg (up to 31 December 2024)

Mr Jeromy Young

Mr Peter Barber

The above named Directors held office during and since the end of the financial period unless otherwise stated.

Dividends

No dividends have been paid or declared since the start of the financial year (2024: nil). No recommendation for payment has been made.

Company Overview

Atomos is a global video technology company founded in 2009 and which listed on the ASX on 28 December 2018 (ASX:AMS).

Atomos delivers award-winning, simple to use monitor-recorder content creation products. These products give content creators 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.

With the introduction of online services to augment the capabilities of its physical products, Atomos empowers filmmakers and video creators with innovative tools, within a flexible ecosystem of subscription based services that can grow with customers' needs.

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 Melbourne, Australia with a distributed worldwide team and offices in the USA, Japan, China, UK, and Germany and has a worldwide distribution partner network.

Review of operations

During the first half of FY25 the Company achieved \$18.6m in revenue, up 7% on the pcp. While this was a strong result, ongoing headwinds in the global economy saw revenues behind management forecasts. In addition, forecast revenues from new products, the Ninja Phone and Sun Dragon, did not meet expectations. Underlying margins across the half were generally strong and higher than the pcp, however they were lower in Q2 vs Q1 due to discounting and promotions during November and December, required to meet the market, with some competitors offering significant (up to 50%) promotions. Reductions in discretionary spend led to softening demand with increasingly price conscious customers.

The fixed cost base restructure is largely finalised, albeit cash outflows will continue into 2H25 whilst redundant employees work out notice periods and legacy contracts and payment plans are completed.

There were a significant number of non-recurring items during 1H25 and these will be outlined in detail in a subsequent accompanying announcement.

Separately the Company has sought additional loan funding and expects to make an announcement in this regard during March. This will likely include the novation of existing loans into a new secured loan facility.

The financial statements have been prepared on the going concern basis which assumes the continuity of normal business activities and the realisation of assets and the discharge of liabilities in the normal course of business.

In the opinion of the directors, the ability of the Group to continue as a going concern is dependent on the following;

- The successful completion of the loan refinancing and additional loan funds being received as noted above
- The Group adhering to the payment plans agreed with key suppliers and having access to their continued supply beyond that on standard payment terms

The financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts or to the amounts and classification of liabilities that might be necessary should the Group not continue as a going concern.

Principal Risks

Atomos considers ongoing risk management to be a core component of the management of the Group. The Group's Audit and Risk Management Committee are responsible in administering and maintaining the Group's risk management program. For further details of Atomos' risk management policy, the policy is made available on Atomos' website at <https://www.atomos.com/investor-center/>.

Risk Area	Risk & Impact	Mitigation & Monitoring
Launch of new products fail to meet market expectations	<p>Atomos always aims to produce products that meet the expectations of customers. Atomos faces a broad range of factors that impact the success of new product launches, including: pricing, changes in customer "user" preferences; competition; our ability to design, develop and deliver products or to support technology changes; delays to product launches affecting reputation and customer confidence, as well as the effectiveness of marketing efforts.</p>	<p>Atomos is continually innovating and developing its strategy for effectively managing the product life cycle and by ensuring upgrades of new product features and technologies are brought to market in a timely manner. New products will be deployed across the remainder of 2025, commencing with a new Camera Monitor product on 1 March.</p> <p>A structured product roadmap is maintained which includes the introduction of new products for new segments and customer demands specifically around connectivity and workflow solutions in the highly changing video technology marketplace.</p> <p>Key ecosystem partners in camera manufacturing are rapidly rolling out new innovations and our integrations to support their new products is critical for ensuring Atomos becomes a stronger and more resilient business.</p>
Insufficient investment in R&D	<p>Atomos operates in a rapidly changing competitive environment and must ensure continuous efforts are maintained in the improvement of existing products and development of new products. Insufficient attraction and retention of talented development staff and under-allocation of resources hinder these efforts.</p> <p>Continuous investment is required in the base product range as well as to bring new products and solutions to market for new and existing market segments.</p>	<p>Atomos has continually focused on high quality products and adding new products to the range. Development research and investment are key to remaining at the leading edge of providing feature rich, affordable products with high user demand. We constantly monitor market and competitive trends in all parts of the ecosystem, building strong relationships with end user ambassadors and influencers.</p>
Supply chain disruptions	<p>Atomos sources components globally for the product range and actively manages component cost to ensure margin retention across the mix of products. A supply shortage in key components can lead to significant cost increases in sourcing alternatives and can negatively impact margin.</p>	<p>Atomos procurement processes include the review of supplier arrangements and component sourcing constraints prior to including a particular component in a product as well as on an ongoing basis.</p> <p>Other key strategies include the development of alternative supplier strategies and stock-piling of key components with longer lead times.</p>

Dependence on key distributors	<p>Atomos markets and sells its product range predominantly through an international high profile video technology distributor network. This network is a key supportive sales and marketing channel.</p> <p>While Atomos has a wide end customer user base, the loss of a key distributor could materially impact Atomos’s sales efforts.</p>	<p>Atomos is in constant communication and regularly monitors distributor performance. At the same time Atomos evaluates additional distributors for new and existing markets and products to ensure an effective sales and marketing channel.</p> <p>Atomos is increasing its investment in digital platforms as a means to market directly to end customers.</p>
Ineffective sales and marketing strategy	<p>Atomos continues to adopt a growth strategy supported by a sales and marketing plan. Atomos’ growth is dependent on the ability to reach target customers and capitalising on strategic opportunities.</p> <p>Attracting and retaining talented executives and staff, unclear business strategies, and competitors seizing such opportunities undermine Atomos ability to retain and grow the business and its market share.</p>	<p>Atomos implements various methods to ensure that strategic opportunities are not missed. Atomos ensures that there are sufficient resources allocated to marketing and promotional efforts taking into consideration Atomos’ long-term growth potential. Atomos also continuously works with its global channel partners in promoting and increasing the brand awareness of Atomos and its product range.</p>
Ineffective product lifecycle management	<p>Atomos operates in a rapidly changing competitive environment and inherently Atomos products remain at constant risk of being rendered unattractive by competitive offerings. New Atomos product launches also bring the potential risk of making existing Atomos products unattractive.</p>	<p>Atomos ensures that the lifecycle management of its products are monitored closely supported by production plan. The product management team also performs analysis on competing products prior to the investment and development of new products and gives Atomos the opportunity to implement improvements to existing products where required to meet the needs of customers.</p>
Higher costs of production	<p>Atomos sources components globally for the product range and manufactures products from select key partners to supply the range of hardware products that Atomos sells. Economic pressures and the scarcity of key components give way to the potential of higher costs of production.</p>	<p>Atomos consistently monitors the cost of components and the quantum of inventory held ensuring that sufficient components are maintained.</p>
Reputational damage	<p>Atomos are required to consistently provide products and product support that meets the expectations of its customers. Atomos must also ensure that key partnerships held with its suppliers and channel partners are well maintained.</p>	<p>Atomos continuously aims to provide and improve its product range and support to meet the expectations of customers. Atomos also invests in our people and culture with the aim of attracting and retaining a talented and effective workforce that help to fulfil customer expectations.</p>
Talent – attract and retain	<p>Atomos’s operating and financial performance is dependent on the ability to attract and retain top talent in a competitive environment, particularly in technology roles.</p>	<p>Investment in our people and culture enables Atomos to attract and retain key talent and maintain a motivated and effective workforce. External hiring addresses gaps in experience and capability for more technical roles. The senior management remuneration structure is designed to retain key managers and focus them on Atomos’s long-term growth potential. In addition, fostering a work environment of high engagement and high performance is also critical to attracting top talent and promoting employee retention.</p>

Product warranty

Atomos products can be susceptible to design flaws which Atomos are liable to replace where the product is under warranty. Products which fail can result in a significant cost to Atomos.

Atomos performs extensive product testing pre-production and also maintains quality control processes during production to minimise faulty products.

Cyber security

During FY2023, Atomos announced the introduction of Atomos Cloud providing customers with cloud-based workflow capabilities. Atomos are cognisant of the possibility of data breaches of customers personal information and the resulting impacts.

Atomos Cloud remains in the early stages of adoption and Atomos plan to engage with external professionals to assist in the identification and implementation of mitigants to ensure that customer information remains protected.

Auditor's Independence Declaration

A copy of the Auditor's Independence Declaration as required under s307C of the *Corporations Act 2001* is included on page 9 of this interim financial report and forms part of this Directors' Report.

Rounding of amounts

Atomos is a type of Company referred to in ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191 and therefore the amounts contained in this report and in the financial report have been rounded to the nearest \$1,000 (where rounding is applicable), or in certain cases, to the nearest dollar under the option permitted in the Instrument.

Signed in accordance with a resolution of the Directors, pursuant to section 306(3) of the *Corporations Act 2001*:

On behalf of the Directors



James Joughin
Director
Melbourne
28th day of February 2025

VICTORIA

Level 44, 600 Bourke Street
Melbourne VIC 3000
T +61 3 9608 0100

Level 3, 237 Ryrie Street
Geelong VIC 3220
T +61 3 5215 6800

TASMANIA

161 St John Street
Launceston TAS 7250
T +61 3 6334 0500

victoria@moore-australia.com.au
www.moore-australia.com.au

**AUDITOR'S INDEPENDENCE DECLARATION
UNDER S 307C OF THE CORPORATIONS ACT 2001
TO THE DIRECTORS OF ATOMOS LIMITED AND CONTROLLED ENTITIES**

I declare that, to the best of my knowledge and belief, during the half-year ended 31 December 2024, there have been:

- i. no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and
- ii. no contraventions of any applicable code of professional conduct in relation to the audit.



ANDREW JOHNSON
Partner – Audit and Assurance
[Moore Australia Audit \(VIC\)](#)
Melbourne, Victoria
28 February 2025

Moore Australia
Moore Australia Audit (VIC)
ABN 16 847 721 257
Chartered Accountants

Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the half-year ended 31 December 2024

	Notes	Consolidated Half-year ended	
		31-Dec-24 \$'000	31-Dec-23 \$'000
Revenue	4	18,586	17,413
Cost of sales		(12,943)	(11,956)
Gross profit		5,643	5,457
Other income	4	182	167
Net foreign exchange gain/(loss)		(313)	317
Employee benefits expense		(5,396)	(5,954)
Advertising and marketing expense		(1,560)	(1,005)
Administration and other expense		(1,185)	(1,065)
Distribution expense		(1,005)	(1,127)
Legal and professional services		(996)	(1,218)
Depreciation and amortisation		(675)	(850)
Warranty and royalty expense		(520)	(563)
Finance costs		(320)	(760)
Occupancy expense		(239)	(162)
Transaction costs		(14)	(671)
Profit/(loss) before income tax		(6,600)	(7,434)
Income tax benefit/(expense)	5	(41)	(100)
Profit/(loss) for the period		(6,641)	(7,534)
Items that may be reclassified subsequently to profit or loss:			
- Exchange differences on translating foreign operations		496	(116)
Other comprehensive profit/(loss) for the period		496	(116)
Total comprehensive profit/(loss) for the period		(6,145)	(7,650)
Earnings per share			
Basic profit per share	8	(0.55) cents	(2.00) cents
Diluted profit per share	8	(0.55) cents	(2.00) cents

Note: This statement should be read in conjunction with the notes to the interim financial statements.

Condensed Consolidated Statement of Financial Position

As at 31 December 2024

	Notes	Consolidated as at	
		31-Dec-24	30-Jun-24
		\$'000	\$'000
Assets			
Current assets			
Cash and cash equivalents		1,386	2,900
Trade and other receivables	9	4,871	4,970
Inventories		10,663	8,714
Other current assets		1,896	3,346
Total current assets		18,816	19,930
Non-current assets			
Property, plant and equipment		742	876
Right-of-use assets	10	3,669	4,158
Total non-current assets		4,411	5,034
Total assets		23,227	24,964
Liabilities			
Current liabilities			
Trade and other payables		11,436	11,306
Borrowings	11	6,878	136
Provisions	12	2,766	4,603
Lease liabilities	13	883	916
Income Taxes Payable		1,372	1,456
Total current liabilities		23,335	18,417
Non-current Liabilities			
Provisions	12	93	83
Lease liabilities	13	3,561	4,114
Non-current Liabilities		3,654	4,197
Total liabilities		26,989	22,614
Net assets		(3,762)	2,350
Equity			
Issued capital	14	134,077	134,037
Foreign currency translation reserve		(149)	(645)
Share based payments reserve		3,627	3,627
Options Reserve		264	264
Accumulated losses		(141,581)	(134,933)
Total equity		(3,762)	2,350

Note: This statement should be read in conjunction with the notes to the interim financial statements.

Condensed Consolidated Statement of Changes in Equity

For the half-year ended 31 December 2024

Notes	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	(112,571)	(296)	3,072	264	9,770
Transactions with owners						
Share-based payments	-	-	-	(45)	-	(45)
Total transactions with owners	-	-	-	(45)	-	(45)
Comprehensive income						
Loss for the period	-	(7,534)	-	-	-	(7,534)
Other comprehensive income	-	-	(116)	-	-	(116)
Total comprehensive income	-	(7,534)	(116)	-	-	(7,650)
Balance at 31 December 2023	119,301	(120,105)	(412)	3,027	264	2,075
Balance at 1 July 2024	134,037	(134,940)	(645)	3,627	264	2,343
Transactions with owners						
Issue of options	40	-	-	-	-	40
Total transactions with owners	40.00	-	-	-	-	40
Comprehensive income						
Loss for the period	-	(6,641)	-	-	-	(6,641)
Other comprehensive income	-	-	496	-	-	496
Total comprehensive income	-	(6,641)	496	-	-	(6,145)
Balance at 31 December 2024	134,077	(141,581)	(149)	3,627	264	(3,762)

Note: This statement should be read in conjunction with the notes to the interim financial statements.

Condensed Consolidated Statement of Cash Flows

For the half-year ended 31 December 2024

	Consolidated	
	31-Dec-24	31-Dec-23
	\$'000	\$'000
Operating activities		
Receipts from customers	18,872	19,453
Payments to suppliers and employees	(26,202)	(21,112)
Interest received	18	12
Income taxes paid	(8)	(351)
Net cash (used in) / generated by operating activities	(7,320)	(1,998)
Investing activities		
Payments for property, plant and equipment	(48)	(35)
Net cash used in investing activities	(48)	(35)
Financing activities		
Proceeds from issue of equity instruments in the company	40	-
Proceeds of borrowings	6,559	2,100
Repayment of borrowings	-	(570)
Interest paid	(137)	(317)
Repayment of lease liabilities	(608)	(631)
Net cash inflow / (outflow) from financing activities	5,854	582
Net change in cash and cash equivalents	(1,514)	(1,451)
Cash and cash equivalents, beginning of period	2,900	2,943
Cash and cash equivalents, end of period	1,386	1,492

Note: This statement should be read in conjunction with the notes to the interim financial statements.

The end of period cash and cash equivalents includes restricted amounts of \$0.48m being monies held on term deposit in support of bank guarantees issued to landlords of office premises.

Notes to the Condensed Consolidated Financial Statements

1. General information

Atomos Limited (Atomos) is a public company limited by shares, incorporated and domiciled in Australia. Atomos is the Group's ultimate holding Company. The Group listed on the ASX on 28 December 2018 (ASX:AMS).

The principal activities of the Group were the manufacture and wholesaling of video equipment. There have been no significant changes in the nature of these activities during the year. The address of its registered office and principal place of business is Level 4, 350 Queen Street, Melbourne, Victoria 3000.

The Consolidated Interim Financial Statements for the half-year ended 31 December 2024 were approved and authorised for issue by the board of Directors on 28th February 2025.

2. Significant Accounting Policies

Statement of compliance

The half-year financial report is a general purpose financial report prepared in accordance with the *Corporations Act 2001* and AASB 134 *Interim Financial Reporting*. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 *Interim Financial Reporting*. The half year report does not include the type of notes normally included in the annual report. This should be read in conjunction with the most recent annual financial report.

Basis of preparation

The condensed consolidated financial statements have been prepared on the basis of historical costs. Cost is based on the fair values of the consideration given in exchange for assets. All amounts are presented in the functional currency of Australian dollars.

The company is a company of the kind referred to in *ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191*, dated 24 March 2016, and in accordance with that Corporations Instrument amounts in the financial report are rounded off to the nearest thousand dollars, unless otherwise indicated.

The accounting policies and methods of computation adopted in the preparation of the half-year financial report are consistent with those adopted and disclosed in the company's 2024 annual report for the financial year ended 30 June 2024. Several amendments and interpretations apply for the first time, however they do not have an impact on the interim financial statements.

Where required by Accounting Standards, comparative amounts have been adjusted to conform to changes in presentation in the current financial year.

Going concern

The financial statements have been prepared on the going concern basis which assumes the continuity of normal business activities and the realisation of assets and the discharge of liabilities in the normal course of business.

In the opinion of the directors, the ability of the Group to continue as a going concern is dependent on the following;

- For personal use only
- The successful completion of the loan refinancing and additional loan funds being received as noted below;
 - The Group adhering to the payment plans agreed with key suppliers and having access to their continued supply beyond that on standard payment terms

The financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts or to the amounts and classification of liabilities that might be necessary should the Group not continue as a going concern.

For the half year ended 31 December 2024, the Group generated revenue of \$18.6m (December 2023 \$17.4m), incurred a loss after tax of \$6.6m (December 2023 loss \$7.5m), and reported negative cash flows of \$7.3m (December 2023 negative cash flows of \$2.0m) from operating activities. The Group had a net current liability position at 31 December 2024 of \$4.5m (30 June 2024 net current asset position of \$1.5m).

During the first half of FY25 the Group experienced weaker than expected sales and slower than anticipated momentum from the company's most recently released products, Ninja Phone and Sun Dragon. In light of this, the following initiatives were successfully undertaken:

- Reduced the cost base of the business compared to the previous half year period, resulting from the Company's ongoing restructuring plans;
- Adjusted production plans and stock management to continue release of working capital through a structured run-down of inventory from currently high levels;
- Received continued support from key suppliers through payment plans.

Given the continued uncertainties which exist in the current economic environment, management have prepared detailed cash flow forecasts through to June 2026. The cash flow forecasts have been presented to and approved by the Board.

The key assumptions in Atomos' forecasts are dependent on:

- The ability to generate the level of revenues forecast and receive payment from customers in accordance with standard trading terms and conditions;
- Receiving a new secured debt facility of \$5 million in addition to the unused facility available to the company as detailed in Note 11 – Borrowings to provide short-term working capital;
- Successful finalisation of cost reduction measures; and
- Continued adherence to the agreed payment plans and ongoing support from suppliers if these are not met.

The cashflow forecast conservatively assumes trading in the second half of FY25 to be lower than the first half of FY25, given current global headwinds and reduced discretionary spend. However, revenues are forecast to recover into 1H26 following release of new products. The company will release its first new product on Monday 3 March, and the first production run of 3,000 units have already been sold to distributors and resellers.

In the opinion of the directors, the ability of the Group to continue as a going concern is dependent on the following;

- The Group continues to rationalise the business by achieving short term revenue growth, inventory reduction and cost reduction with the view of returning to positive cash inflows from operations.
- Receiving a new secured debt facility to provide short-term working capital;
- The Group adhering to the payment plans agreed with key suppliers and having access to their continued supply beyond that on standard payment terms.
- The launch of new products in March 2025 and Q126.

If the Group is unable to achieve successful outcomes in respect of the above matters, in the directors' opinion the Group could pursue the following additional actions:

- Further accommodation from suppliers with regards to extending the repayment plans;
- Source a working capital facility;
- Further cost reductions to the fixed cost base are executed should sales continue to be below expectations.

In the event the Company is unable to achieve the matters set out above, there is a material uncertainty whether it will be able to continue as a going concern. The financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts or to the amounts and classification of liabilities that might be necessary should the Group not continue as a going concern.

3. Segment reporting

The Group operates in one segment being the manufacture and sale of video equipment. No operating segments have been aggregated in arriving at the reportable segment of the Group.

The Company reports revenues from external customers attributable to the following geographic regions:

- North America
- Europe, the Middle East and Africa (EMEA)
- Asia Pacific (APAC)
- Other

4. Revenue

	Consolidated	
	31-Dec-24	31-Dec-23
	\$'000	\$'000
Revenue		
Sale of goods	18,329	16,980
Sale of software upgrades	230	383
Other revenue	26	50
Total revenue	18,586	17,413
Other income		
Interest	18	12
Gain on modification of lease	3	48
Other income	161	107
Total other income	182	167
Total revenue and other income	18,768	17,580

5. Income tax expense

	Consolidated	
	31-Dec-24	31-Dec-23
	\$'000	\$'000
(Loss)/Profit before tax	(6,600)	(7,434)
Domestic tax rate for Atomos Ltd - 30%		
Expected tax benefit/(payable)	1,980	2,230
Adjustments:		
· Effect of income that is not assessable in determining taxable profit	-	(617)
· Effect of expenses that are not deductible in determining taxable profit	(2)	13
· Effect of different tax rates of subsidiaries operating in other jurisdiction	-	313
· Other Adjustments	-	(38)
· Recognition/(de-recognition) of tax losses	(1,937)	(2,001)
Actual tax (expense)/benefit	41	(100)

Net deferred tax assets relating to losses and timing differences continue to be de-recognised in the statement of financial position due to uncertainty as to the timing of their recoupment from sufficient future taxable income.

6. Change in accounting estimates

There have been no significant changes in accounting estimates during the period.

7. Dividends

There were no dividends paid or declared to equity holders during or since the half-year ended 31 December 2024. There were no dividends paid during the comparative period.

8. Earnings per share

The calculation of the basic and diluted earnings per share is based on the following:

	Consolidated	
	31-Dec-24	31-Dec-23
	\$'000	\$'000
Profit/(loss) attributable to the owners of the Company	(6,641)	(7,534)
	No.	No.
Weighted average number of shares used in calculating basic EPS	1,214,467,495	401,847,949
Weighted average of potential dilutive ordinary shares		
Options	-	-
Weighted average number of shares used in calculating diluted EPS	1,214,467,495	401,847,949

In the half-year ended 31 December 2024, the potential ordinary shares are deemed anti-dilutive as the Company is in a loss position and therefore excluded from the weighted average number ordinary shares for the purposes of diluted earnings per share.

9. Trade and other receivables

	31-Dec-24	30-Jun-24
	\$'000	\$'000
<u>Current</u>		
Trade receivables, gross	4,623	4,698
Less: loss allowance	(294)	(335)
Trade receivables, net	4,329	4,363
Other receivables	542	607
Trade and other receivables	4,871	4,970

10. Right-of-use assets

	Consolidated Half-year ended		Total \$'000
	Buildings \$'000	Vehicle \$'000	
Cost			
At 1 July 2024	7,867	68	7,935
Additions	-	-	-
Disposals / Modifications	92	-	92
At 31 December 2024	7,959	68	8,027
At 1 July 2023	8,264	68	8,332
Additions	-	-	-
Disposals / Modifications	(31)	-	(31)
At 31 December 2023	8,233	68	8,301
Accumulated depreciation			
At 1 July 2024	3,709	68	3,777
Charge for the half-year	499	-	499
Disposals / Modifications	82	-	82
At 31 December 2024	4,290	68	4,358
At 1 July 2023	3,007	56	3,063
Charge for the half-year	553	7	560
Disposals / Modifications	(31)	-	(31)
At 31 December 2023	3,529	63	3,592
Carrying amount			
At 31 December 2024			3,669
At 31 December 2023			4,709

11. Borrowings

	Consolidated as at	
	31-Dec-24 \$'000	30-Jun-24 \$'000
Current (Unsecured):		
Related Party Loan *	6,733	-
Credit card facility	145	136
Total current borrowings	6,878	136
Total borrowings	6,878	136

* Includes Capitalised Interest

Financing arrangements

Unrestricted access was available at the reporting date to following lines of credit:

Total facilities

Related Party – unsecured facility	9,600	-
Financial institution – credit card facility	500	500
	10,100	500

Used at reporting date

Related Party – unsecured facility	6,550	-
Financial institution – credit card facility	145	136
	6,695	136

Unused at reporting date

Related Party – unsecured facility	3,050	-
Financial institution – credit card facility	355	364
	3,405	364

The Company measures financial liabilities initially at fair value less transaction costs, subsequently financial liabilities are measured at amortised cost using the effective interest rate method.

The Company has received Letters of Funding commitments in the amount of \$9.6m from entities associated with the major shareholder, Domazet FT3 Pty Ltd, along with Atomos Directors, Peter Barber and Jeromy Young. As at 31 December 2024 \$6.6m has been drawn under the Commitments.

The Commitments have a fixed interest rate of 14% per annum on drawn funds (interest being accrued until repayment). The interest rate is consistent with Atomos' prior working capital facility provided by Arrowpoint, however superior on all other terms, notably that it is unsecured with no financial covenants

The cashflow forecast as detailed in the going concern note is reflective of the above, in addition to the recapitalisation plan contemplated.

12. Provisions

	31-Dec-24	30-Jun-24
	\$'000	\$'000
<i>Current:</i>		
Warranty	895	720
Employee benefits	364	635
Onerous Contracts	1,507	3,248
	2,766	4,603
<i>Non-current:</i>		
Employee benefits	38	28
Make good	55	55
	93	83

13. Lease liabilities

	31-Dec-24	30-Jun-24
	\$'000	\$'000
Lease liabilities		
Maturity analysis		
Year 1	916	1,023
Year 2	892	887
Year 3	746	824
Year 4	758	745
Year 5	670	771
Onwards	886	1,159
	4,868	5,409
Analysed as:		
Current	883	916
Non-current	3,561	4,114
Total	4,444	5,030

14. Issued capital

	31-Dec-24	30-Jun-24
	\$'000	\$'000
Ordinary shares – fully paid	134,077	134,037

Movements in issued capital

	Half year ended 31-Dec-24		Half year ended 31-Dec-23		
	No.	\$'000	No.	\$'000	
Balance at beginning of period	1,213,662,308	134,037	401,821,079	119,301	
Shares issued on exercise of options	1,356,163	40	409,772	-	
Balance at end of period	1,215,018,471	134,077	402,230,851	119,301	

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

15. Related party transactions

Transactions with substantial shareholders and Directors

Refer to note 11 for details of Funding Commitments.

Transactions with director-related entities

There have been no significant transactions since the end of the last annual reporting period where disclosure is necessary for an understanding of the interim period (1H FY24: \$nil).

16. Contingent assets and liabilities

There are no other contingent assets or liabilities as at 31 December 2024 that will have a material effect on the Group.

17. Subsequent events

Since the end of reporting period the Company successfully negotiated an increase in the unsecured debt facilities to \$8.25m and expects an extension in the term of the advances to 30 June 2025. The Company is also well advanced in the finalisation of additional loan funding to meet the future cashflow requirements of the business. To this end, an announcement is expected in March 2025.

There are no other matters or circumstances have arisen since the end of the period that have significantly affected or may significantly affect either:

- the entity's operations in future financial years;
- the results of those operations in future financial years; or
- the entity's state of affairs in future financial years.

Directors' declaration

The directors of Atomos Limited declare that:

- a. in the directors' opinion, there are reasonable grounds to believe that Atomos Limited will be able to pay its debts as and when they become due and payable; and
- b. in the directors' opinion, the attached interim financial statements and notes thereto are in accordance with the Corporations Act 2001, including compliance with accounting standards and giving a true and fair view of the financial position and performance of the consolidated entity.

Signed in accordance with a resolution of the directors made pursuant to s303(5) of the Corporations Act 2001.

On behalf of the Directors



James Joughin

Director

Melbourne

28th day of February 2025

VICTORIA

Level 44, 600 Bourke Street
Melbourne VIC 3000
T +61 3 9608 0100

Level 3, 237 Ryrie Street
Geelong VIC 3220
T +61 3 5215 6800

TASMANIA

161 St John Street
Launceston TAS 7250
T +61 3 6334 0500

victoria@moore-australia.com.au
www.moore-australia.com.au

INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF ATOMOS LIMITED

Report on the Half-Year Financial Report

Conclusion

We have reviewed the half-year financial report of Atomos Limited (**the Company**) and its subsidiaries (together **the Group**), which comprises the consolidated statement of financial position as at 31 December 2024, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half-year ended on that date, a material accounting policies and other explanatory information, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the accompanying half-year financial report of the Group does not comply with the *Corporations Act 2001* including:

- a. giving a true and fair view of the company's financial position as at 31 December 2024 and of its performance for the half-year ended on that date; and
- b. complying with Australian Accounting Standard AASB 134: *Interim Financial Reporting* and *Corporations Regulations 2001*.

Basis of Conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the Auditor's Responsibilities for the Review of the Financial Report section of our report.

We are independent of the Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001* which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's review report.

Material Uncertainty Related to Going Concern

We draw attention to Note 2 of the interim financial report, which identifies that during the half-year ended the Group incurred a consolidated net loss of \$6,641,000 (2023: loss \$7,534,000) and had net cash outflows from operating activities of \$7,320,000 (2023: outflow of \$1,998,000), negative net assets of \$3,762,000 (June 2024: positive \$2,350,000) and negative net current assets of \$4,519,000 (2023: positive \$1,513,000). These events and conditions, along with other matters as set forth in Note 2 indicates a material uncertainty exists that may cast doubt on the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Responsibility of the Directors for the Financial Report

The directors of the Company responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001 and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility for the Review of the Financial Report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the Corporations Act 2001 including giving a true and fair view of the Group's financial position as at 31 December 2023 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations 2001. A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures.

A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.



ANDREW JOHNSON
Partner – Audit and Assurance
[Moore Australia Audit \(VIC\)](#)
Melbourne, Victoria
28 February 2025

Moore Australia
Moore Australia Audit (VIC)
ABN 16 847 721 257
Chartered Accountants

Company directory

Company

Atomos Limited
Level 4, 350 Queen Street,
Melbourne VIC 3000
Email: info@atomos.com
Web: www.atomos.com

Registered Office

Level 4, 350 Queen Street,
Melbourne VIC 3000

ASX Code

AMS

Directors

Mr James Joughin - Chair
Mr Jeromy Young – Executive Director
Mr Peter Barber - Executive Director

Company Secretary

Natalie Climo

Auditor

Moore Australia Audit (Vic)
600 Bourke Street
Melbourne VIC 3000

Registry

Boardroom Pty Ltd
Level 12, 225 George Street
Sydney NSW 2000