

ATLAS PEARLS

4 October 2024

Update – Kobe Auction October 2024

Atlas Pearls Ltd (ASX: ATP) (“Atlas Pearls” or “the Company”) is pleased to provide an update on a recent auction held in Kobe, Japan.

Highlights of Kobe Auction:

- Kobe auction in October 2024 realised sales of 73,956 pieces at an average price of \$73.50/piece.
- Total revenue \$5.4 million.
- Pricing achieved slightly above previous auction in 2024.

The Company held an auction in Kobe Japan on 1st and 2nd of October 2024. The Company sold approximately 74,000 pearls at an average price of \$73.50/piece which was above the June 2024 auction where sales averaged \$65/piece.

Atlas Pearls chose not to accept bids on all stock at this auction, as we did at the June auction, where stock was also withheld. The Company continues to successfully sell stock into other sales channels, including private sales at the recent Hong Kong Jewellery Fair of loose pearls and value add products.

Stock withheld from this Kobe October auction, of approximately 7,000 pearls, is expected to realise better value than the prices that were offered for these lots during the auction, through the wholesale and value add channels that Atlas Pearls continues to develop. Atlas Pearls is committed to maximising the value of each and every pearl that is produced.

Mr Michael Ricci, CEO, stated - *“This auction result was pleasing as it reflects the continued market pricing stability that we have seen since the start of the calendar year. There was good attendance and activity at the auction despite it coinciding with the start of Golden Week.*

Demand was consistent across categories but, on this occasion it was stronger in the categories where Atlas Pearls has most of its production volume.

In August, the Company also held an auction for lower grade items which yielded higher than expected results.

With the pearls withheld from auction we will place these pearls into our alternative sales channels, either as loose pearls or as value added products, to increase the prices that had been offered at auction. We continue to build our customer base and build stronger relationships with our customers across all of our sales channels. We engaged with our customers at a pre-auction event to celebrate the 30th Anniversary of Atlas

Pearls where a presentation was provided on the scale of the company's operations, whilst also reinforcing the great work that Atlas Pearls is doing in the Community and Sustainability areas with our stakeholders. It certainly resonated with those in the room.

We will look to continue to focus on growing the revenue from our multiple sales channels outside of the auction system, and this will also increase our margins overall."

The next auction to be held is in Kobe in December 2024. Atlas Pearls will continue to sell into wholesale and value add channels.

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This ASX announcement was approved for release by the Board of Atlas Pearls Ltd.

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