



## H1 FY2024 RESULTS

BirdDog Technology Limited (ASX: BDT) ("**BirdDog**", "**BDT**" or the "**Company**"), the global leader in broadcast quality, software-enabled video solutions, announces its results for the six months ended 31 December 2023 ("**H1 FY24**") and for the relevant prior corresponding period ("**pcp**").

### H1 FY24 HIGHLIGHTS:

- **Revenue of A\$10.7 million, -31% versus pcp**
- **Strong cash balance of A\$20.6 million at 31 December 2023**
- **Diversification of contract manufacturing, stabilisation of supply chain and improved margins locked in**
- **Significant reduction in annualised overhead costs in excess of A\$2.0 million**
- **Appointment of two new global technology NEDs, Alan Sparks and Peter Cooke**
- **Clear pathway to profitability & growth targeting new large-scale global markets including MedTech**
- **First Remedi orders delivered supporting future annual recurring revenue (ARR)**
- **Shipping of next generation products commenced**
- **Investor webinar 2.00pm Wednesday, 28 February 2024 ([register here](#))**

Commenting on the first half, BirdDog CEO and Managing Director Dan Miall said:

*"As outlined in our quarterly updates, it's been a significant period for development of the business while we cycle through the global macro-economic headwinds.*

*While there have been undeniable challenges in revenue in the H1 2023-24 period, I am confident that the strong and impactful decisions and actions over the last 9 months have positioned BirdDog for positive growth. We have the technology, roadmap and capabilities in place for our next phase of growth. We are focused on next generation products for identified target markets with higher margins and recurring revenue.*

*Pleasingly, we enter calendar year 2024 in a strengthened position including;*

- *an optimised cost base;*
- *re-focussed engineering output;*
- *product management integration with next-generation intelligent technology including embedded AI applications;*
- *marketing and go-to-market overhaul with defined key deliverables;*
- *regenerated product release strategy; and*
- *positive steps to diversify our global supply chain including gross margin enhancement.*

*While we started in the broadcast markets focused on hardware, we've moved to using our technology and IP as a platform and an ecosystem of connected workflow solutions and capabilities to open up more lucrative markets."*



## FINANCIAL RESULTS

BirdDog's H1 FY24 revenue was A\$10.7 million, representing a 31% decline versus the prior corresponding period (pcp). The decline in revenues can be attributed to a combination of continued depressed European markets along with the run-down of inventory in camera products due to supply chain disruptions stemming from the Group's former principal camera contract manufacturer.

BirdDog has learnt from and addressed issues such as supply chain security head on. We have also continued to prudently invest in research and development (R&D), including a notable incremental allocation of \$0.23 million towards the Remedi integrated hardware and software solution. Aggregate R&D spend during the half year totalled \$2.35 million (\$1.73 million pcp).

Additionally, in this half year the Group underwent a restructure that yielded substantial cost-reductions of more than A\$2.0 million of annual overhead. This included a 27% reduction in full-time employees and a decrease in other operational expenditure.

The period also saw the de-recognition of \$0.544 million in net deferred tax assets, contributing to an income tax expense of \$0.532 million. The above factors combined and contributed to the decline in revenue for the half-year reported loss after tax, as the Company reported a net loss after tax during the half of A\$5.8 million.

## SUPPLY CHAIN OPTIMISED & NEXT-GEN PRODUCT SHIPMENTS COMMENCE

A critical milestone during the half year was BirdDog's successful implementation of strategic measures to enhance its supply chain, logistics and market access, particularly through the diversification of its camera contract manufacturing. The execution of this diversification strategy has yielded positive outcomes in three key areas: (1) establishing partnerships with three suitable contract manufacturers; (2) realising value through immediate gross margin improvement; and (3) achieving geographical diversification, including leveraging GSA benefits.

We remain committed to our decision to hold one of our contract manufacturers to account - with legal action in the US commenced during the half year.

These pro-active measures have already demonstrated positive effects throughout the Company, leading to reduced engineering costs for baseline work and embedding improved margins. BirdDog is confident of achieving enhanced product margins during H2 FY24 as the delivery and shipment of next generation products continues to gather pace. We are pleased to have met internal revenue targets for December 2023 and January 2024 in our key US market.

Beyond the first phase of next-generation products shipped in December 2023, larger impact product tranches are slated for delivery throughout the remainder of FY24. Collectively, this will result in a complete refresh of BirdDog's industry-leading camera line-up with new embedded software solutions. Pleasingly, we have demonstrably improved product quality with 50% less customer support tickets over the last 9 months.



In parallel, the Company continued to run down its existing camera inventory portfolio during the first half of this FY. This had a short-term negative impact on revenues as stock depleted - beginning in the December quarter.

The Company anticipates the next generation portfolio of BirdDog cameras will transform the market with tailored product market fit at the core of the transformation. New products, growth in recurring revenues and elevated gross margins will drive BirdDog's revenue and EBITDA growth.

### NEW MARKETS & REVENUE STREAMS

BirdDog's next generation of flexible, adaptable, cost-effective integrated hardware and software solutions are targeting new large-scale global markets building on its initial focus on broadcast and live video production. BirdDog is well placed to provide solutions for neighbouring markets including post-production, AV and medical technology (MedTech) - building resilience to future industry-specific slow-down events. A powerful example of this strategy is BirdDog's feature-rich, interactive, medical remote collaboration tool - Remedi.

The Memorandum of Understanding with Phenox for rollout of Remedi in its APAC region has not progressed into an agreement, with Phenox having trimmed their business globally. There is therefore risk attached to the opportunity disclosed to the market in its 22 August 2023 announcement. BirdDog confirms it continues to be in discussions with multiple other global MedTech competitors in relation to Remedi installations.

Pleasingly, Remedi delivered its first revenue during the December quarter as forecast. Moving forward, the Company views a meaningful Remedi market opportunity across two core customer groups: Medical Device companies (for training purposes) and hospitals (for use in medical settings). Remedi enables remote training, not only with a new piece of equipment or device, but in surgical and diagnostic techniques - from anywhere, globally.

Remedi is a powerful illustration of BirdDog Cloud's capacity to solve real-world problems. Additionally, over recent months the Company has integrated BirdDog Cloud's capability into its hardware products, creating an 'on-ramp' for all existing and future customers (100,000+) to sign on to BirdDog's cloud platform, earning annual recurring revenues (ARR).

BirdDog's post-production solution further demonstrates BirdDog Cloud's applicability in adjacent markets. With similar functionality to Zoom and Microsoft Teams, it is built specifically for creative interaction and provides the only 'live and interactive' review and approval system that is fully integrated into the edit suite. Like Remedi, it combines hardware (BirdDog cameras) and software-based ARR streams.

### NEAR-TERM FOCUS

The Board and management's focus areas for the near-term include but are not limited to:

- Continued and significant investment in R&D, to accelerate the next-generation portfolio of products to market;
- Commercialising next generation products delivering revenue results;



- Investment in Remedi, to accelerate the commercialisation of BirdDog's integrated hardware and software solution with immediate and proven medical applications;
- Geographic diversification of its contract manufacturing, stabilising supply chain disruptions, and elevating historical margins; and
- Overhead optimisation, which has to-date included a reduction in payroll through the above-mentioned redundancies, coupled with other cost improvement initiatives implemented in December 2023, represented an annualised overhead saving of more than \$2.00 million from these measures.

### BOARD ADDITIONS

At the end of January 2024 BirdDog announced the appointment of two new highly experienced and qualified non-executive directors (NEDs): Alan Sparks and Peter Cooke. Alan is an expert in technology businesses encompassing a versatile combination of operational, management and director roles in many countries with governance at his core. Peter is a distinguished leader in the global MedTech arena with an unparalleled wealth of knowledge, expertise and connections, which will assist the accelerated commercialisation of our Remedi solution.

These appointments demonstrate BirdDog's commitment to a well-balanced, independent, seasoned and synergistic team of NEDs dedicated to driving the company forward and seamlessly collaborating with the management team.

### RESULTS WEBINAR

An investor webinar will be hosted at 2:00pm (AEDT) on 28 February 2024. Investors and interested parties can register:

[https://us02web.zoom.us/webinar/register/WN\\_lhRFBj5uQbiBxHktoQTj6A](https://us02web.zoom.us/webinar/register/WN_lhRFBj5uQbiBxHktoQTj6A)

Investors can submit questions prior to the webinar to [sam@nwrcommunications.com.au](mailto:sam@nwrcommunications.com.au) or do so via the Q&A functions on Zoom.

- Ends -

**Authorised for release by the BirdDog Technology Board**

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## ABOUT BIRDDOG

BirdDog is a global video technology company that enhances the quality, speed and flexibility of video through a range of solutions, augmented with NDI® (Network Device Interface).

This enables video-compatible products to communicate, deliver and receive high-definition video over a computer network in a broadcast-quality, low-latency manner, that is frame accurate and suitable for switching in a live production environment.

BirdDog develops and manufactures a range of connected solutions, including:

- Pan-tilt-zoom (PTZ) Cameras
- Box Cameras
- Converters
- AV Products
- Controllers & Accessories
- Monitors
- NDI® Embedded Smart Display Modules
- Cloud Software Platforms

End users of BirdDog's products cover a wide range of market segments, including Professional Video, Broadcast, Audio Visual and large private and public sector organisations.

For more information on BirdDog, please visit [www.birddog.tv](http://www.birddog.tv)

**WELCOME TO THE WORLD OF NDI®. WE'VE BEEN EXPECTING YOU.**

