



BirdDog Technology Limited

ACN 653 360 448

Registered Office

C/o JM Corporate Services

Level 21, 459 Collins Street

Melbourne VIC 3000

25 February 2022

ASX ANNOUNCEMENT

H1 FY'22 Results for the financial half-year ending 31 December 2021

BirdDog Technology Limited (ASX: BDT) ("**BirdDog**" or "**the Company**") 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), is pleased to provide an update on its progress for the financial half-year ending 31 December 2021 (H1 FY'22).

Highlights

- Record revenues reported for the half to 31 December 2021 of \$24.0m (reviewed, by auditors) representing a 11.3% increase on a PCP basis
 - USD Revenue of USD \$17.8m for the half to 31 December 2021 represented a 12.6% increase on a PCP (USD \$15.5m) basis
 - A revenue cut-off adjustment for a significant shipment that left our warehouse in Hong Kong on Wednesday, 29 December 2021 but was not placed on a cargo flight until Monday, 3 January 2022 was identified, with the revenue being recognised in the half to 30 June 2022
 - The deferral of revenue recognition for this single shipment was A\$0.5m (USD \$0.4m)
 - Absent this single shipment, our growth was 13.8% PCP in AUD and 15.1% PCP (in USD)
- Growth of 32.9% on a PCP basis in the key North American market, which represented 46.3% of core product sales for BirdDog in H1 FY'22
- Strong unit sales growth across Converters (+25.9%), Cameras (+17.3%) and Controllers (+110.5%) on a PCP basis
- Significant investment undertaken to build-up inventory throughout H1 FY'22, with inventory increased 209% on a PCP basis and 146% when comparing 31 December 2021 to 30 June 2021
- \$1.3m EBITDA, Underlying Earnings of \$1.5m and \$1.9m after excluding the foreign exchange (FX) loss
 - After adding back the gross margin derived on the single shipment subject to the deferral of revenue recognition, the Underlying Earnings - excluding FX - as a % of Revenue is 8.8%
- Supply chain de-risked by placing purchase orders through to the December 2023 quarter and paying deposits through to the December 2022 quarter
- Secured a material 5-year extension to the licensing agreement with NewTek
- Multiple new product launches including PF120 Box Camera, Cloud Connect platform, SDM Embedded NDI modules, BirdDog Play 4K NDI Player, and Cam Control 3.0 software rolled-out to all BirdDog cameras providing users with AI camera tracking
- Multiple key hires made across Sales, Engineering and Product Development
- Eleven new products - hardware and software - scheduled to be released in H2 FY'22



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H1 FY'22 Achievements

H1 FY'22 represented a significant half of achievements for the Company. BirdDog successfully listed on the ASX following a \$33.0m capital raise, providing the Company with the necessary funding to continue its global growth strategy. Following the IPO capital raise, management have continued the process of investing in supply chain enhancement via the build out of inventory in anticipation of the continued growth in the sales volumes of its core products.

During the half the Company also successfully launched multiple new products, including the PF120 Box Camera, SDM Embedded NDI modules, BirdDog Play 4K NDI Player, the proprietary Cloud Connect BirdDog software platform, and Cam Control 3.0 software; rolled-out to all BirdDog cameras providing users with AI camera tracking.

In the half, BirdDog expanded its team considerably with the hire of multiple salespeople, product engineers and designers, facilitating the continued execution of the Company's extensive product roadmap. Headcount increased from 14 in the prior corresponding period to 31 in H1 FY'22, and now sits at 34.

Importantly, BirdDog also successfully secured a material 5-year extension to its licensing agreement with NewTek, resulting in more favourable licensing fees and default conditions and providing an improvement on margins for all NDI® enabled products.

The Company continued to see strong take-up of its existing products across PTZ Cameras, Converters, and Controllers via both existing and new customers, with unit sales up 25.9%, 17.3%, and 110.5% on the prior corresponding period respectively.

The BirdDog team continued to progress multiple initial opportunities with its SDM product, the sales of which are expected to deliver materially higher margins than historical products.

Financial Performance

BirdDog's revenue growth remained relatively strong throughout the half at 11.3% on the prior corresponding period, with significant revenue growth of 32.9% achieved in the key Americas region, representing 46.3% of total core product sales revenue in the half.

Gross margin dipped slightly to 28.2%, down from 28.6% in the prior corresponding period. BirdDog experiences continuous pricing pressure through its supply chain, which is being managed daily.

H1 FY'22 saw an increase to the Company's fixed cost base primarily due to the increased employee headcount with a PCP impact to NPBT of \$1.9m, however the Company views this as an essential investment to fast-track the materialisation of its product roadmap, which will ultimately expand BirdDog's addressable market and increase revenues.



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EBITDA for H1 FY'22 ended at \$1.3m (down 55.8%), primarily impacted by increased costs associated with the headcount and FX losses of \$350k. The Company posted a net loss before tax in H1 FY'22 of \$558k, compared to a net profit before tax of \$2.9m for the prior corresponding period, largely due to a one off \$2.0m 'book' entry recognising the discount provided to Convertible Note holders at IPO.

Despite posting a loss, the Company achieved record revenue for the half, secured supply chain through longer dated inventory deposits and made the necessary investments to position the Company for strong growth going forward. With the IPO now complete and borders reopening, Management's focus can return solely to delivering on its product roadmap and sales.

BirdDog Managing Director & CEO, Dan Miall, commented:

"Having spent the last 3 weeks in the USA visiting our key partners - the team, our Distributors, some of our manufacturers and a host of large media organisations and corporates multinationals - I have been blown away by the customer love for our products and the sheer scale and multitude of opportunities in our largest market.

Our product portfolio, including our roadmap, is well-aligned with industry directions and we anticipate being in a position to update our shareholders with more news by April 2022.

As a business, we are strapping ourselves in for an exciting and action packed 2022 and 2023."

- Ends -

Authorised for release by the BirdDog Technology Board

For further information on BirdDog, please visit the Company's website at www.bird-dog.tv or contact:

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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 high-quality, low-latency manner, that is frame accurate and suitable for switching in a live production environment.

BirdDog develops and manufactures a range of solutions, including:

- Pan-tilt-zoom (PTZ) Cameras
- Box Cameras
- Converters
- AV Products
- Controllers & Accessories
- 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.

