



BirdDog

H1 FY24 Presentation

Birddog Technology Limited (ASX:BDT)

28 February 2024





Update – decisive action taken in H1 FY24

Change was needed – aligned for return to growth cycle

Go-to-market changes

- ROI marketing focus
- No forward-looking releases
- Fewer, more planned and structured product releases
- Solutions-based materials
- Tiered dealer engagement program
- Regionalised EU distribution

Next generation product development

- Secured diverse supply chain
- Elevated margins
- Accelerated rollout beginning Q4 FY24
- Ground-up product family

Legal proceedings

- Initiated in November 2023
- Working methodically through this process

New product management and release methodologies

- Josh Bernstein - leading product team
- ~50% Support ticket reduction
- Tighter engineering standards and systems
- Dramatically improved Quality Assurance processes

Operational efficiency program

- \$2 million+ cost reductions already implemented
- Further programs in progress
- Intensified efforts to return to growth

Strengthened Board & governance

- Peter Cooke - MedTech scale-up expertise
- Alan Sparks - Technology and operational effectiveness

Diversification of markets

- Content creation will return, but is concentrated risk
- Remedi brings immediate access to MedTech
- Cloud for post-production provides recurring revenue scale

H1 FY24 Summary



BirdDog remains well-capitalised following decisive actions taken during the half



Well-capitalised

A\$20.6 million
Cash @ 31 December 2023



Revenues

of A\$10.65 million,
maintaining market share &
rationalising old stock



Overhead reduction

program resulting in savings of
A\$2.0 million, further
opportunities remain



Diverse manufacturing

following efforts to secure and
diversify supply chain



Margins

Elevated margins
as shipment of next-generation
products commence



ARR opportunity building

BirdDog Cloud & Remedi



Improved product development

incl. product quality,
measured R&D



Strong Board & governance

appointed 2 new global, tech
NEDs, plus new US tech talent

H1 FY24 Financial Performance



- Core product sales impacted by Europe/UK and supply chain
- Software licensing income up 6% pcp
- R&D \$2.7 million (+35.4% versus pcp of \$ \$1.7 million)
- Professional fees impacted by legal proceedings
- Payroll & overhead reduction of A\$2 million annualised from H2

First Half Year (H1):	H1 FY 2024	Change	H1 FY 2023
Profit & Loss	AUD \$000's	%	AUD \$000's
Core product sales	10,494	(30.9%)	15,181
Cost of sales	(7,999)	27.9%	(11,095)
Gross Margin \$	2,495	(38.9%)	4,086
Gross Margin %	23.8%		26.9%

First Half Year (H1):	H1 FY 2024	H1 FY 2023
Profit & Loss	AUD \$000's	AUD \$000's
Revenue from contracts with customers	10,654	15,332
Other revenue	336	144
Total revenue	10,990	15,476
Cost of sales	7,999	11,095
Depreciation & amortisation expense	219	199
Employee benefits expense	2,658	2,161
Finance costs	97	64
Professional fees	1,027	492
Research and development costs	2,348	1,734
Software licensing fees	719	684
Marketing and travel expenses	691	1,439
Foreign currency translation losses/(gains)	307	(1,016)
Other expenses	215	305
Total expenses	16,280	17,157
Profit/(Loss) before Tax	(5,290)	(1,681)
Income tax (expense)/benefit	(532)	819
Profit/(Loss) from continuing operations	(5,822)	(862)

H1 FY24 Balance Sheet



As at:	31-Dec-23	30-Jun-23
Balance Sheet	AUD \$000's	AUD \$000's
Cash and cash equivalents	20,566	22,586
Receivables	1,785	1,880
Inventories	11,765	15,000
Current tax & other assets	870	415
Current assets	34,986	39,881
Property, plant and equipment	558	576
Lease assets	1,533	1,601
Intangibles assets	400	400
Deferred tax assets & Other non-current assets	166	732
Non-current assets	2,657	3,309
Total assets	37,643	43,190
Trade payables	1,838	775
Contract liabilities - unearned income	42	44
Lease liabilities	222	211
Provisions & current tax liabilities	718	871
Current liabilities	2,820	1,901
Lease liabilities	1,366	1,481
Provisions	119	58
Non-current liabilities	1,485	1,539
Total liabilities	4,305	3,440
Net assets	33,338	39,750
Share capital	45,439	46,133
Reserves	1,026	1,127
Accumulated Losses	(13,127)	(7,510)
Total equity	33,338	39,750

- Strong cash position at \$20.6 million at half year-end, a reduction of \$2.0 million versus prior corresponding period, after investing:
 - \$0.7 million in the share buy-back; and
 - \$2.4 million in R&D
- Inventory reduced by >20%+ to \$11.8 million
- Current assets represent ~93% of total assets
- Net assets down ~16% to \$33.3 million, reflecting the H1 loss and the on-market buy-back

H1 FY24 Cash Flows



First Half Year (H1):	H1 FY 2024	H1 FY 2023
Statement of Cash Flows	AUD \$000's	AUD \$000's
<u>Cash flow from operating activities</u>		
Receipts from customers	10,661	15,341
Payments to suppliers and employees	(11,853)	(19,032)
Interest received	336	144
Income tax payments	(43)	(268)
Finance costs	(58)	(64)
Net cash used in operating activities	(957)	(3,879)
<u>Cash flow from investing activities</u>		
Payment for property, plant and equipment	(71)	(349)
Net cash used in investing activities	(71)	(349)
<u>Cash flow from financing activities</u>		
On-market share buy-back	(694)	(23)
Principal portion of lease payments	(103)	(88)
Net cash used in financing activities	(797)	(111)
<u>Reconciliation of cash</u>		
Net decrease in cash held	(1,825)	(4,339)
Cash at beginning of the financial half-year	22,586	23,168
Effects of exchange rate changes on cash and cash equivalents	(195)	920
Cash at end of the financial half-year	20,566	19,749

- Cash Receipts -30.5% versus prior corresponding period, mirroring revenue
- Cash used in operating activities of \$0.96 million, after investing \$2.35 million in R&D (pcp: \$1.7 million)
- Funds used for on-market share buy-back during the half of \$0.69 million (purchasing ~5.4 million BDT shares at an average of \$0.1278 per share)
- Holding \$20.6 million cash as at 31 December 2023, an increase of \$0.8 million versus 31 December 2022

Progress



Through FY23 and into FY24, BirdDog has made significant investment in internal systems & capabilities, continuing to learn and optimising go-to-markets and tailored responses to challenging headwinds



Strengthened Management

- Appointed new Silicon Valley talent - Josh Bernstein
- Strengthened engineering
- Improved sales capability



Improved Sales / Distribution

- Empowered in-region teams with focus on large customers
- Regionalised distribution in Europe
- US revenues stabilising



Strong Marketing / Creative

- Developed structured, outcome-driven strategic marketing strategy & team
- Deliberate shift to solutions-based marketing

Progress (cont'd)



Engineering/Product

- Established rigorous advanced engineering processes
- Renewed product development team
- Overhauled product release process and quality



Operations/Logistics

- Completed roll out of enterprise-wide ERP & CRM systems to improve operational efficiency and accountability
- Strengthened global supply chain to;
 - Reduce organisational risk
 - Increase available margins, and
 - Accelerate speed & delivery of next generation products to market



Support/Customer Success

- Invested in customer service training, metrics
- Regional repair center rollout reducing product returns, improved customer experience
- ~50% reduction in support tickets



Securing our Manufacturing & Supply Chain

During the half, BirdDog directed significant efforts to diversify its manufacturing supply chain

- Key learnings from our experience with first manufacturer
- 3 new manufacturing contracts – different companies, capabilities, geographies
- Significantly improved margins
- Improved volume & speed to market for new products
- Spreads and reduces potential risks
- New inventories build

US Market focus

Core revenue increasing derived from region

Country of Origin focus

Includes GSA approval - pre-requisite for USA federal, state & local governments, e.g. education, hospital, military markets

Additional benefits include:

- Optimised freight, environmental impacts
- Faster delivery to core U.S. market
- Increased direct goods handling (vs 3PL)
- Supply chain security.

Product Roadmap



BirdDog's current product roadmap combines the best of BirdDog hardware and software in connected solutions

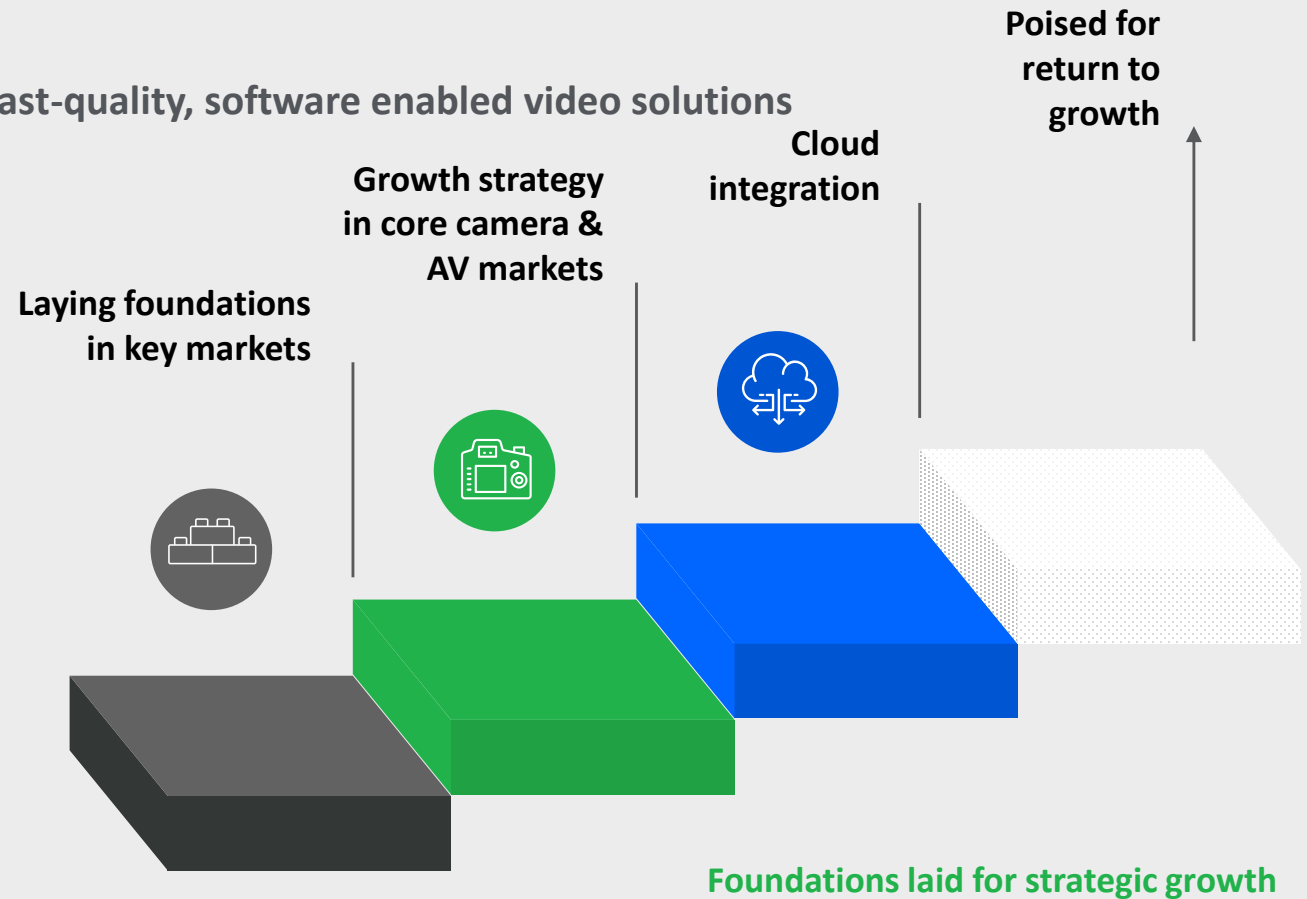
- **Evolving flexible, cost-effective solutions platform:**
 - Integrated BirdDog hardware, software and IP
- **More rigorous product development process**
- **Strong innovation pipeline - be the 1st, be the best, AI focus**
- **Revenue growth from hardware and recurring revenue (from software)**
- **Targeting large-scale organisations and markets with un-met needs**
- **Leading with MedTech – Remedi**
- **High potential targets for those who need:**
 - Both security and event screening – *eg. schools, casinos*
 - Efficiencies, safety and ability to operate remotely – *eg. mining, building*

Strategy Overview



BirdDog's strategy is to be the global leader in broadcast-quality, software enabled video solutions

- BirdDog is a key solutions innovator for organisations that consume or deliver media
- Growth areas include additional markets with capability to rapidly expand – eg. medical – driving ARR contribution
- Committed to measured R&D investment – BirdDog's IP remains our competitive advantage
- Focus on demonstrable ROI across sales and marketing, expand market reach
- Drive BirdDog ecosystem awareness via targeted partnerships & product advancements



Remedi – solving real world challenges



BirdDog's integrated, ultra-high quality, connected medical technology workflow solution – enables remote, networked training & communication for medical device manufacturers and in-theatre/hospital deployment



Feature-rich
interactive, medical
remote
collaboration tool



User-experience
customised for
medical device
companies and
operating theatres



**Speeds clinical
adoption**
of AV technology in
the operating field



Targeted use cases

- proctoring
- consultative expertise on-hand
- education for next-generation surgeons



Phenox MoU
not progressed to
agreement - Phenox
global business
trimmed.

Other MedTech
competitors engaged



**Designed and built on
BirdDog Cloud**
combining hardware
and solutions-based
revenue streams (ARR)

Post-production



Continued push in BirdDog's post-production solution



Collaborative

Similar functionality to Zoom and/or Microsoft Teams, built specifically for creative interaction



Integrated

directly into the edit software for seamless communication



Producers and Directors

enabled to view what they want allowing real-time comments & feedback



Unique Live review and approval

BirdDog's provides the only fully-integrated system into the edit suite



Targeted use cases

- Episodic TV
- Feature films
- Commercials
- Corporate promotions
- Social campaigns



Designed and built on BirdDog Cloud platform, combining hardware and solutions-based revenue streams (ARR)

Enables globally-located video editors - across episodic television, feature films and commercials - to interact directly via cloud tools, including *Avid Media Composer* or *Adobe Premiere Pro*



Summary



BirdDog's Board & Management remain confident in the Company's key value drivers:



END TO END, UNIQUE SOFTWARE-LED SOLUTIONS

Deep ecosystem of products centred around connected, remote workflow solutions



GLOBAL MARKETS ACCESS

Diverse industries, eg. enterprise, content creation and medical (> 95% revenues ex Australia)



CUSTOMISABLE SOLUTIONS

Cloud-native software offering widespread appeal with compounding ROI across multiple market verticals



INNOVATION-FOCUSED

Leveraging significant investment in R&D and company-owned IP for next generation products



KEY PARTNERSHIPS & ALLIANCES

with leading global tech businesses, amplifying capability, reach and opportunities



LICENCEABLE AND SCALEABLE

Leveraging first-to-market competitive advantages globally, increasing ARR



STRONG BALANCE SHEET

Strong combined cash and inventory balance



POISED FOR GROWTH

Re-aligned to return to growth with optimised supply chains, costs and access to new markets

Disclaimer



The information in this presentation does not constitute personal investment advice. The presentation is not intended to be comprehensive or provide all information required by investors to make an informed decision on any investment in BirdDog Technology Limited ACN 653 360 448 (Company). In preparing this presentation, the Company did not take into account the investment objectives, financial situation and particular needs of any particular investor.

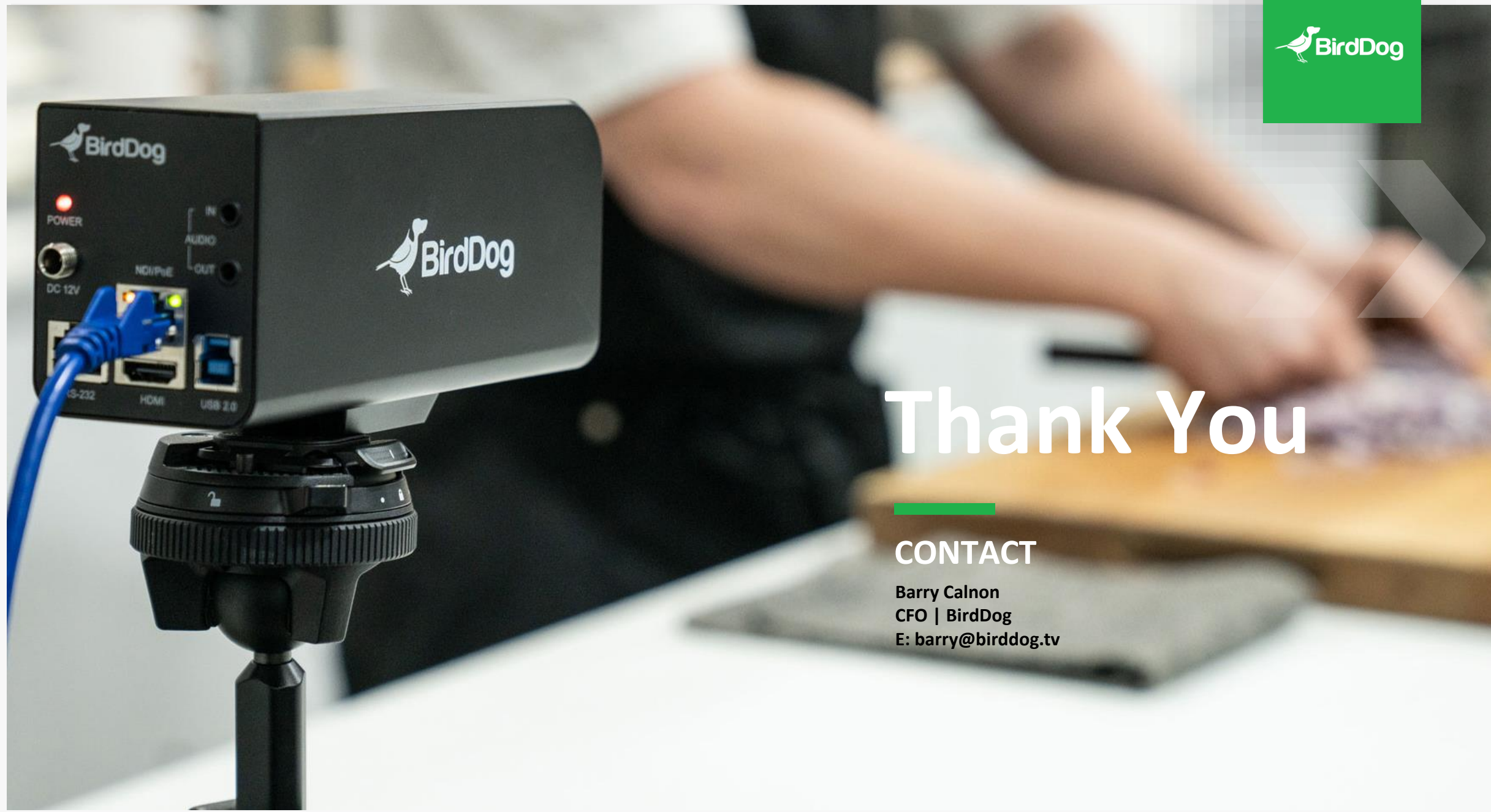
Further advice should be obtained from a professional investment adviser before taking any action on any information dealt with in this presentation. Those acting upon any information without advice do so entirely at their own risk.

Whilst this presentation is based on information from sources which are considered reliable, no representation or warranty, express or implied, is made or given by or on behalf of the Company, any of its directors, or any other person about the accuracy, completeness or fairness of the information or opinions contained in this presentation. No responsibility or liability is accepted by any of them for that information or those opinions or for any errors, omissions, misstatements (negligent or otherwise) or for any communication written or otherwise, contained or referred to in this presentation.

Neither the Company nor any of its directors, officers, advisers, associated persons or subsidiaries are liable for any direct, indirect or consequential loss or damage suffered by any person as a result of relying upon any statement in this presentation or any document supplied within this presentation, or by any future communications in connection with those documents and all of those losses and damages are expressly disclaimed.

Any opinions expressed reflect the Company's position at the date of this presentation and are subject to change.

Past performance is not indicative of future performance and no guarantee of future returns is implied or given.



Thank You

CONTACT

Barry Calnon
CFO | BirdDog
E: barry@birddog.tv