

1. Company details

Name of entity:	BirdDog Technology Limited and controlled entities
ABN:	18 653 360 448
Reporting period:	For the half-year ended 31 December 2021
Previous period:	For the half-year ended 31 December 2020

2. Results for announcement to the market

			\$'000
Revenues from ordinary activities	up	11.3% to	23,983
Loss Before Income Tax Expense	down	119.0% to	(558)
Loss from ordinary activities after tax attributable to the owners of BirdDog Technology Limited and controlled entities	down	135.7% to	(755)
Loss for the half-year attributable to the owners of BirdDog Technology Limited and controlled entities	down	135.7% to	(755)

Dividends

There were no dividends paid, recommended or declared during the current financial period.

Comments

The loss for the consolidated entity after providing for income tax amounted to \$0.755 million (31 December 2020: profit of \$2.117 million).

For the half-year period ended 31 December 2021, BirdDog Technology Limited and its controlled entities (the "Group") reported an increase in revenue of 11.3% to \$23.98 million from \$21.54 million in the previous corresponding period ("PCP"), for the six months ended 31 December 2020).

The directors consider Earnings Before Interest, Tax, Depreciation and Amortisation ('EBITDA') to reflect the core earnings of the Group. EBITDA is a financial measure which is not prescribed by Australian Accounting Standards (AAS) and represents the profit under AAS adjusted for interest, tax, depreciation and amortisation.

Non-IFRS measures

Within this report the Group has included certain non-IFRS financial information, including EBITDA and Underlying Earnings. The Group believes that these non-IFRS measures provide useful information to recipients for measuring the underlying operating performance of the Group. Non-IFRS measures have not been subject to audit or review.

Underlying Earnings represents EBITDA adjusted for additional non-recurring transaction costs associated with the Company's IPO and other items of significance, some of which may not recur.

	Consolidated	
	31 December 2021	31 December 2020
	\$'000	\$'000
Profit/(Loss) after income tax expense for the half-year	(755)	2,117
Interest income	(1)	-
Fair value gain on embedded derivative	(250)	-
Interest expense - Convertible Note	1,961	-
Interest expense - Commercial Facility	135	90
Interest expense - AASB 16	4	2
Income tax expense	197	814
Depreciation and amortisation	56	28
EBITDA	1,347	3,051
<i>Less: Non-recurring items</i>		
Grant income (31 December 2020: EMDG \$100k & CashFlow Boost \$23k)	-	(123)
ASX listing fees	189	-
Underlying Earnings	1,536	2,928

BirdDog reported a strong first half result, with key highlights as follows:

- Record revenues for the half year of \$23.98m notwithstanding the impacts on the business during the half including:
 - COVID-19 on key commercial/sales team members particularly in Q2 of FY22;
 - Global supply chain challenges manifesting in changing consumer buying patterns;
 - Listing the business on 20 December 2021 and the resources imposed specifically on the Executive Leadership Team;
- Increasing the global head-count from 18 to 31 during the half (currently 33, with 2 more commencing in March) was embedded in increasing fixed operating expenses that reflects our strategy around investment for growth and scaling the business. Pertinently, our productive headcount - engineers, commercial/sales and support - rose 50% from 16 to 24 in the half.

3. Net tangible assets

	Reporting period Cents	Previous period Cents
Net tangible assets per ordinary security	22.40	0.68

The net tangible assets per ordinary share amount is calculated based on 204,615,385 ordinary shares on issue as at 31 December 2021. For the comparative period the number of shares used of 120,615,385 has been adjusted retrospectively as a result of the share split undertaken during the current period.

4. Control gained over entities

Not applicable.

5. Loss of control over entities

Not applicable.

6. Dividends

Current period

There were no dividends paid, recommended or declared during the current financial period.

Previous period

There were no dividends paid, recommended or declared during the previous financial period.

7. Dividend reinvestment plans

Not applicable.

8. Details of associates and joint venture entities

Not applicable.

9. Foreign entities

Details of origin of accounting standards used in compiling the report:

Not applicable.

10. Audit qualification or review

Details of audit/review dispute or qualification (if any):

The financial statements were subject to a review by the independent auditor resulting in an unqualified opinion. The review report is attached as part of the half-year financial report.

11. Attachments

Details of attachments (if any):

The Half-year financial report of BirdDog Technology Limited and controlled entities for the half-year ended 31 December 2021 is attached.

12. Signed

A handwritten signature in black ink, appearing to be "John Dixon", written over a horizontal line.

Signed

Date: 25 February 2022

John Dixon
Non-executive Chairman

BirdDog Technology Limited and controlled entities

ABN 18 653 360 448

Half-year financial report - 31 December 2021

Directors	John Dixon (Non-executive Chairman) Dan Miall (Managing Director and Chief Executive Officer) Andrew Baxter (Non-executive Director) Joanne Moss (Non-executive Director)
Company secretary	Justin Mouchacca
Chief Financial Officer	Barry Calnon
Registered office	Level 21, 459 Collins Street Melbourne VIC 3000
Principal place of business	Unit 5 38 Down Street Collingwood VIC 3066
Share register	Automic Pty Ltd
Auditor	Pitcher Partners Level 13, 664 Collins Street Docklands VIC 3008
Stock exchange listing	BirdDog Technology Limited and controlled entities shares are listed on the Australian Securities Exchange (ASX code: BDT)
Website	https://birddog.tv/

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The directors present their report, together with the condensed financial statements of the consolidated entity consisting of BirdDog Technology Limited (the "company" or "parent entity") and controlled entities (the "Group") for the half-year ended 31 December 2021.

BirdDog Technology Limited became the holding company of the Group replacing BirdDog Australia Pty Ltd following a corporate restructure ("the Restructure") which was implemented in November 2021. Under the Restructure, the shareholders in BirdDog Australia Pty Ltd exchanged their shares in BirdDog Australia Pty Ltd for a proportionate number of shares in BirdDog Technology Limited. The Restructure has been accounted for as a capital re-organisation. The financial statements of the Group present a continuation of the historical financial statements of BirdDog Australia Pty Ltd and its controlled entities.

Directors

The following persons were directors of BirdDog Technology Limited during the whole of the financial half-year and up to the date of this report, unless otherwise stated:

Mr John Dixon - Non-executive Chairman (appointed 6 September 2021)
Mr Dan Miall - Managing Director and Chief Executive Officer (appointed 2 September 2021)
Mr Andrew Baxter - Non-executive Director (appointed 3 September 2021)
Ms Joanne Moss - Non-executive Chairman (appointed 6 September 2021)

Principal activities

During the financial half-year the principal continuing activities of the consolidated entity consisted of:

- developing and manufacturing global video technology that enhances the quality, speed and flexibility of video through a range of solutions, augmented with NDI®. These solutions are then sold through a network of distributors and resellers and direct, to individuals and organisations within professional video, corporate AV and digital signage markets who demand broadcast quality video content.

Review of operations

The loss for the consolidated entity after providing for income tax amounted to \$0.755 million (31 December 2020: profit of \$2.117 million).

For the half-year period ended 31 December 2021, the Group reported an increase in revenue of 11.3% to \$23.98 million from \$21.54 million in the previous corresponding period ("PCP", for the six months ended 31 December 2020).

Since listing, the company has expedited the investment in supply chain enhancement via the build out of inventory in anticipation of the continued growth in the sales volumes of core products, along with ensuring continued minimal impact from ongoing global supply chain challenges by continuing to place deposits on purchase orders up to 12 months ahead of scheduled deliveries from our key manufacturing partners. Supply chain management and inventory build-up programs continue to gather pace, specifically focusing attention on core product components, which would otherwise present near and long-term manufacturing challenges. The BirdDog team remains highly confident in the continued timely supply of all current and upcoming products to market.

The company has continued to expand its development team, with the hire of multiple product engineers and designers, facilitating the continued execution of the company's extensive product roadmap.

The Company has observed an increase in customers deploying in-venue NDI® systems, built around BirdDog products and platforms, in addition to existing remote or hybrid workflows. This has resulted in an even larger addressable market for BirdDog's products and a faster than anticipated acceleration of product demand.

We are particularly excited about the trajectory we are plotting for new products and the impact this will have on the business overall. Since the beginning of calendar year 2022 we have already announced and shipped the first of many near-term pivotal product releases, Cam Control 3. This software system combines our inherent NDI® expertise with Machine Learning and Neural Network technology allowing the BirdDog camera system to lock onto an individual within a video frame and automatically control our robotic PTZ cameras to continue focussing on the target, similar to an autopilot. This is a truly revolutionary advancement in remote and physically distanced video production and will enhance BirdDog's position as the system of choice for users from low budget internet streaming through to the largest of broadcasters.

Throughout the remainder of this financial year and beyond we will be continuing with our release schedule of next-generation products based on extensive cumulative in-house R&D, including Cloud SaaS, cameras and additional enterprise infrastructure products.

Non-IFRS measures

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Underlying Earnings represents EBITDA adjusted for additional non-recurring transaction costs associated with the Company's IPO and other items of significance, some of which may not recur.

	31 December 2021 \$'000	31 December 2020 \$'000
Profit/(Loss) after income tax expense for the half-year	(755)	2,117
Interest income	(1)	-
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- Increasing the global head-count from 18 to 31 during the half (currently 33, with 2 more commencing in March) was embedded in increasing fixed operating expenses that reflects our strategy around investment for growth and scaling the business. Pertinently, our productive headcount - engineers, commercial/sales and support - rose 50% from 16 to 24 in the half.

Significant changes in the state of affairs

During the half-year period the Company issued 50,769,231 new fully paid ordinary shares to investors under a Bookbuild with an issue price of \$0.65 (65 cents) per share as part of the Company's IPO on ASX, raising \$33 million before costs.

The Company was incorporated on 2 September 2021 to become the ultimate holding company of the Group following the corporate restructure required to facilitate the IPO (the Restructure). Under the Restructure, the Company entered into contracts in November 2021 to acquire all of the issued shares in BirdDog Technology Australia Limited from its shareholders, as well as the shares in BirdDog Australia Limited held by other parties. As part of the Restructure, the Company performed a share split of its fully paid ordinary shares (Shares) on issue resulting in 125,641,026 Shares upon completion of the IPO.

In December 2021 the Company issued 28,205,128 fully paid ordinary shares to investors following conversion of convertible notes with a face value of \$13,750,000. The conversion price for the fully paid ordinary shares was \$0.4875 (48.75 cents) per share.

On 16 December 2021 the Company's securities were admitted to the ASX official list and commenced trading on 20 December 2021.

There were no other significant changes in the state of affairs of the consolidated entity during the financial half-year.

Matters subsequent to the end of the financial half-year

On 19 January 2022, BirdDog Australia Pty Ltd entered into an eight (8) year lease with a third party landlord on commercial terms, including a lease incentive to the commercial benefit of the company and a fitout cost to be borne by the company. The average rental payments over the term of the lease amounts to \$246,000 per annum before outgoings.

No other matter or circumstance has arisen since 31 December 2021 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

Rounding of amounts

The company is of a kind referred to in Corporations Instrument 2016/191, issued by the Australian Securities and Investments Commission, relating to 'rounding-off'. Amounts in this report have been rounded off in accordance with that Corporations Instrument to the nearest thousand dollars, or in certain cases, the nearest dollar.

Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out immediately after this directors' report.

This report is made in accordance with a resolution of directors, pursuant to section 306(3)(a) of the Corporations Act 2001.

On behalf of the directors

A handwritten signature in black ink, appearing to read "John Dixon", with a horizontal line extending to the right.

John Dixon
Non-executive Chairman

25 February 2022

BIRDDOG TECHNOLOGY LIMITED AND CONTROLLED ENTITIES
ABN: 18 653 360 448

AUDITOR'S INDEPENDENCE DECLARATION
TO THE DIRECTORS OF BIRDDOG TECHNOLOGY LIMITED AND CONTROLLED ENTITIES

In relation to the independent auditor's review for the half-year ended 31 December 2021, to the best of my knowledge and belief there have been:

- (i) no contraventions of the auditor independence requirements of the *Corporations Act 2001*; and
- (ii) no contraventions of APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)*.

This declaration is in respect of BirdDog Technology Limited and the entities controlled during the period.



T LAPHORNE
Partner



PITCHER PARTNERS
Melbourne

Date: 25 February 2022

BirdDog Technology Limited and controlled entities
Condensed consolidated statement of profit or loss and other comprehensive income
For the half-year ended 31 December 2021



		Consolidated	
		31 December 2021	31 December 2020
	Note	\$'000	\$'000
Revenue	5	23,983	21,543
Other income		250	124
Expenses			
Cost of sales		(17,227)	(15,374)
Depreciation and amortisation expense		(56)	(28)
Employee benefits expense		(2,144)	(1,044)
Occupancy expenses		(37)	(26)
Finance costs		(2,100)	(92)
Professional fees		(480)	(103)
Research and development costs		(602)	(412)
Software licensing fees		(1,258)	(981)
Other expenses		(538)	(57)
Foreign currency translation losses		(349)	(621)
Total expenses		(24,791)	(18,737)
Profit/(loss) before income tax expense		(558)	2,931
Income tax expense		(197)	(814)
Profit/(loss) after income tax expense for the half-year attributable to the owners of BirdDog Technology Limited and controlled entities		(755)	2,117
Other comprehensive income			
<i>Items that may be reclassified subsequently to profit or loss</i>			
Exchange differences on translation of foreign operations		3	48
Other comprehensive income for the half-year, net of tax		3	48
Total comprehensive income/(loss) for the half-year attributable to the owners of BirdDog Technology Limited and controlled entities		(752)	2,165
		Cents	Cents
Basic earnings per share	13	(0.57)	1.75
Diluted earnings per share	13	(0.57)	1.75

The above condensed consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes

BirdDog Technology Limited and controlled entities
Condensed consolidated statement of financial position
As at 31 December 2021



		Consolidated	
		31 December	
	Note	2021	30 June 2021
		\$'000	\$'000
Assets			
Current assets			
Cash and cash equivalents		30,453	9,258
Receivables		6,789	621
Inventories	6	16,430	11,270
Other assets		802	187
Total current assets		54,474	21,336
Non-current assets			
Property, plant and equipment		87	63
Right-of-use assets		88	122
Intangibles	7	400	-
Deferred tax assets		666	108
Total non-current assets		1,241	293
Total assets		55,715	21,629
Liabilities			
Current liabilities			
Payables		2,107	1,649
Contract liabilities - unearned income		567	46
Lease liabilities		28	54
Current tax liabilities		498	302
Provisions		375	256
Borrowings	8	5,106	13,964
Other financial liabilities	9	-	4,833
Total current liabilities		8,681	21,104
Non-current liabilities			
Lease liabilities		63	73
Provisions		65	37
Total non-current liabilities		128	110
Total liabilities		8,809	21,214
Net assets		46,906	415
Equity			
Issued capital	10	46,956	250
Reserves		789	249
Accumulated losses		(839)	(84)
Total equity		46,906	415

The above condensed consolidated statement of financial position should be read in conjunction with the accompanying notes

BirdDog Technology Limited and controlled entities
Condensed consolidated statement of changes in equity
For the half-year ended 31 December 2021



Consolidated	Issued capital \$'000	Reserves \$'000	Retained earnings / (accumulated losses) \$'000	Total equity \$'000
Balance at 1 July 2020	250	18	(1,438)	(1,170)
Profit after income tax expense for the half-year	-	-	2,117	2,117
Other comprehensive income for the half-year, net of tax	-	48	-	48
Total comprehensive income for the half-year	-	48	2,117	2,165
<i>Transactions with owners in their capacity as owners:</i>				
Share-based payments	-	12	-	12
Balance at 31 December 2020	250	78	679	1,007

Consolidated	Issued capital \$'000	Reserves \$'000	Retained earnings / (accumulated losses) \$'000	Total equity \$'000
Balance at 1 July 2021	250	249	(84)	415
Loss after income tax expense for the half-year	-	-	(755)	(755)
Other comprehensive income for the half-year, net of tax	-	3	-	3
Total comprehensive income for the half-year	-	3	(755)	(752)
<i>Transactions with owners in their capacity as owners:</i>				
Contributions of equity, net of transaction costs (note 10)	46,706	-	-	46,706
Share-based payments	-	537	-	537
Balance at 31 December 2021	46,956	789	(839)	46,906

The above condensed consolidated statement of changes in equity should be read in conjunction with the accompanying notes

BirdDog Technology Limited and controlled entities
Condensed consolidated statement of cash flows
For the half-year ended 31 December 2021



		Consolidated	
		31 December 2021	31 December 2020
	Note	\$'000	\$'000
Cash flows from operating activities			
Receipts from customers (inclusive of GST)		18,572	20,033
Payments to suppliers and employees (inclusive of GST)		(27,507)	(23,725)
Government grants received		-	365
Finance costs		(137)	(91)
Net cash used in operating activities		(9,072)	(3,418)
Cash flows from investing activities			
Payments for property, plant and equipment		(38)	(28)
Net cash used in investing activities		(38)	(28)
Cash flows from financing activities			
Proceeds from issue of shares	10	33,000	-
Principle portion of lease payments		(45)	(74)
Repayment of related party loans		-	(487)
Proceeds from borrowings		4,928	5,147
Repayment of borrowings		(5,455)	(1,757)
Share issue transaction costs		(2,035)	-
Net cash from financing activities		30,393	2,829
Net increase/(decrease) in cash and cash equivalents		21,283	(617)
Cash and cash equivalents at the beginning of the financial half-year		9,258	789
Effects of exchange rate changes on cash and cash equivalents		(88)	-
Cash and cash equivalents at the end of the financial half-year		<u>30,453</u>	<u>172</u>

The above condensed consolidated statement of cash flows should be read in conjunction with the accompanying notes

Note 1. General information

The financial statements cover BirdDog Technology Limited and controlled entities as a consolidated entity consisting of BirdDog Technology Limited and controlled entities at the end of, or during, the half-year. The financial statements are presented in Australian dollars, which is BirdDog Technology Limited and controlled entities functional and presentation currency.

BirdDog Technology Limited is a listed public company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business are:

Registered office

Level 21, 459 Collins Street
Melbourne VIC 3000

Principal place of business

Unit 5, 38 Down Street
Collingwood VIC 3066

A description of the nature of the consolidated entity's operations and its principal activities are included in the directors' report, which is not part of the financial statements.

The financial statements were authorised for issue, in accordance with a resolution of directors, on 25 February 2022.

Note 2. Significant accounting policies

(a) Basis of preparation of the half-year financial report

The financial statements for the half-year reporting period ended 31 December 2021 have been prepared in accordance with Australian Accounting Standard AASB 134 'Interim Financial Reporting' and the Corporations Act 2001, as appropriate for for-profit oriented entities. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'.

These condensed consolidated financial statements do not include all the notes of the type normally included in annual financial statements. Accordingly, these financial statements are to be read in conjunction with the annual financial report for BirdDog Australia Pty Ltd for the year ended 30 June 2021 and any public announcements made by the BirdDog Technology Limited during the interim reporting period in accordance with continuous disclosure requirements of the Corporations Act 2001.

The principal accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, except for the policies stated below.

Historical Cost Convention

The financial report has been prepared under the historical cost convention, as modified by revaluations to fair value for certain classes of assets and liabilities as described in the accounting policies.

(b) Comparatives

BirdDog Technology Limited became the holding company of the Group replacing BirdDog Australia Pty Ltd following a corporate restructure ("the Restructure") which was implemented in November 2021. Under the Restructure, the shareholders in BirdDog Australia Pty Ltd exchanged their shares in BirdDog Australia Pty Ltd for a proportionate number of shares in BirdDog Technology Limited. The Restructure has been accounted for as a capital re-organisation. The financial statements of the Group present a continuation of the historical financial statements of BirdDog Australia Pty Ltd and its controlled entities.

Where necessary, comparative information has been reclassified and repositioned for consistency with current half-year disclosures.

(c) Rounding of amounts

The Group is of a kind referred to in Corporations Instrument 2016/191, issued by the Australian Securities and Investments Commission, relating to 'rounding-off'. Amounts in this report have been rounded off in accordance with that Corporations Instrument to the nearest thousand dollars, or in certain cases, the nearest dollar.

Note 2. Significant accounting policies (continued)

(d) Intangibles

Intangible assets acquired as part of a business combination, other than goodwill, are initially measured at their fair value at the date of the acquisition. Intangible assets acquired separately are initially recognised at cost. Indefinite life intangible assets are not amortised and are subsequently measured at cost less any impairment. Finite life intangible assets are subsequently measured at cost less amortisation and any impairment. The gains or losses recognised in profit or loss arising from the derecognition of intangible assets are measured as the difference between net disposal proceeds and the carrying amount of the intangible asset. The method and useful lives of finite life intangible assets are reviewed annually.

Changes in the expected pattern of consumption or useful life are accounted for prospectively by changing the amortisation method or period.

(e) Earnings per share

Basic earnings per share

Basic earnings per share is calculated by dividing the profit attributable to the owners of BirdDog Technology Limited, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the financial year.

Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

(f) Employee benefits

Share-based payments

Equity-settled and cash-settled share-based compensation benefits are provided to employees.

Equity-settled transactions are awards of shares, or options over shares, that are provided to employees in exchange for the rendering of services. Cash-settled transactions are awards of cash for the exchange of services, where the amount of cash is determined by reference to the share price.

The cost of equity-settled transactions are measured at fair value on grant date. Fair value is independently determined using the Binomial, Black-Scholes or Monte Carlo simulation option pricing model that takes into account the exercise price, the term of the option, the impact of dilution, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option, together with non-vesting conditions that do not determine whether the consolidated entity receives the services that entitle the employees to receive payment. No account is taken of any other vesting conditions.

The cost of equity-settled transactions are recognised as an expense with a corresponding increase in equity over the vesting period. The cumulative charge to profit or loss is calculated based on the grant date fair value of the award, the best estimate of the number of awards that are likely to vest and the expired portion of the vesting period. The amount recognised in profit or loss for the period is the cumulative amount calculated at each reporting date less amounts already recognised in previous periods.

Note 2. Significant accounting policies (continued)

The cost of cash-settled transactions is initially, and at each reporting date until vested, determined by applying the Binomial, Black-Scholes or Monte Carlo simulation option pricing model, taking into consideration the terms and conditions on which the award was granted. The cumulative charge to profit or loss until settlement of the liability is calculated as follows:

- during the vesting period, the liability at each reporting date is the fair value of the award at that date multiplied by the expired portion of the vesting period.
- from the end of the vesting period until settlement of the award, the liability is the full fair value of the liability at the reporting date.

All changes in the liability are recognised in profit or loss. The ultimate cost of cash-settled transactions is the cash paid to settle the liability.

Market conditions are taken into consideration in determining fair value. Therefore any awards subject to market conditions are considered to vest irrespective of whether or not that market condition has been met, provided all other conditions are satisfied.

If equity-settled awards are modified, as a minimum an expense is recognised as if the modification has not been made. An additional expense is recognised, over the remaining vesting period, for any modification that increases the total fair value of the share-based compensation benefit as at the date of modification.

If the non-vesting condition is within the control of the consolidated entity or employee, the failure to satisfy the condition is treated as a cancellation. If the condition is not within the control of the consolidated entity or employee and is not satisfied during the vesting period, any remaining expense for the award is recognised over the remaining vesting period, unless the award is forfeited.

If equity-settled awards are cancelled, it is treated as if it has vested on the date of cancellation, and any remaining expense is recognised immediately. If a new replacement award is substituted for the cancelled award, the cancelled and new award is treated as if they were a modification.

(g) New or amended Accounting Standards and Interpretations adopted

The consolidated entity has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted. None of these accounting standards have had a material impact on the financial report.

Note 3. Critical accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The consolidated half-year financial report has been prepared using the same accounting policies as used in the annual financial statements of BirdDog Australia Pty Ltd for the year ended 30 June 2021. Significant accounting policies that summarise the measurement basis used and are relevant to an understanding of the financial statements are provided in the annual financial report.

Note 4. Operating segments

Identification of reportable operating segments

The Company operated predominantly in the developing and manufacturing hardware and software video technology solutions industry. AASB 8 requires operating segments to be identified on the basis of internal reports about the components of the consolidated entity that are regularly reviewed by the chief operating decision maker in order to allocate resources to the segment and to assess its performance.

The board reviews the Company as a whole in the business segment of developing and manufacturing hardware and software solutions.

Note 5. Revenue

	Consolidated	
	31 December 2021	31 December 2020
	\$'000	\$'000
Sale of goods	23,832	21,410
Rendering of services	151	133
Revenue	<u>23,983</u>	<u>21,543</u>

Note 6. Current assets - Inventories

	Consolidated	
	31 December 2021	30 June 2021
	\$'000	\$'000
Raw materials	100	64
Finished goods	6,691	6,179
Deposits on inventory	9,639	5,027
	<u>16,430</u>	<u>11,270</u>

Deposits on inventory represent a 30% deposit placed with suppliers for inventory that has not been received prior to the end of the reporting period.

Note 7. Non-current assets - intangibles

	Consolidated	
	31 December 2021	30 June 2021
	\$'000	\$'000
IP rights	<u>400</u>	<u>-</u>

During the half-year period, the Company issued fully paid ordinary shares and options for the assignment of all IP created by a third party in connection with the development of BirdDog's products.

Note 8. Current liabilities - Borrowings

	Consolidated	
	31 December	30 June 2021
	2021	2021
	\$'000	\$'000
Trade loans	5,077	5,321
Convertible notes - host debt contract	-	8,643
Credit card	29	-
	<u>5,106</u>	<u>13,964</u>

Convertible notes

The convertible notes had a maturity date of 9 June 2022, with coupon interest payable every 6 months in arrears at a rate of 8.0% per annum subject to completion of the offer. As the offer was completed prior to the first coupon interest payment date, no interest was payable on the convertible notes.

During the half-year period, the convertible notes were all converted into fully paid ordinary shares on 8 December 2021 as part of the Company's IPO on the Australian Securities Exchange. During the financial period and following the completion of the Group's IPO, the carrying value of the host debt contract was transferred to equity.

Note 9. Current liabilities - Other financial liabilities

	Consolidated	
	31 December	30 June 2021
	2021	2021
	\$'000	\$'000
Convertible notes - embedded derivative	-	4,833

On 15 June 2021, the Group raised capital through the issue of convertible notes at a face value of \$13,750,000. The convertible notes had a maturity date of 9 June 2022, with coupon interest payable every 6 months in arrears at a rate of 8.0% per annum subject to completion of the offer. As the offer was completed prior to the first coupon interest payment date, no interest was payable on the convertible notes.

A Monte Carlo simulation was utilised to determine the fair value of the embedded derivative which was recorded as \$4,833,378 at 30 June 2021. The fair value estimate has been performed on the date of recognition and at 30 June 2021, with the gain on the change in fair value recorded in the condensed statement of profit and loss and other comprehensive income through to the conversion date of 8 December 2021. During the financial period and following completion of the Company's IPO, the carrying value of the embedded derivative has been transferred to equity. The movement in the fair value of the embedded derivative has been recorded through the statement of profit or loss for the half year.

Note 10. Equity - issued capital

	Consolidated			
	31 December	30 June 2021	31 December	30 June 2021
	2021	2021	2021	2021
	Shares	Shares	\$'000	\$'000
Ordinary shares - fully paid	<u>204,615,385</u>	<u>111,112</u>	<u>46,956</u>	<u>250</u>

Note 10. Equity - issued capital (continued)

Movements in ordinary share capital

Details	Date	Shares	Issue price	\$'000
Balance	1 July 2021	111,112		250
Issue of shares to key employees	24 September 2021	3,141,026	-	63
Issue of shares to acquire IP rights	1 October 2021	1,884,615	-	400
Share split and share swap as part of IPO restructure to existing shareholder	16 November 2021	12,564,103	-	-
Share split and share swap as part of IPO restructure to existing shareholders	17 November 2021	108,051,282	-	-
Issue of IPO shares - transfer of embedded derivative & host debt contract on conversion	8 December 2021	28,205,128	\$0.4875	15,187
Issue of IPO shares	8 December 2021	50,769,231	\$0.65	33,000
Share transaction costs, net of income tax		-	-	(1,944)
Balance	31 December 2021	<u>204,615,385</u>		<u>46,956</u>

Ordinary shares

Ordinary shares entitle the holder to participate in dividends and the proceeds on the winding up of the company in proportion to the number of and amounts paid on the shares held. The fully paid ordinary shares have no par value and the company does not have a limited amount of authorised capital.

On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

Share buy-back

There is no current on-market share buy-back.

Issue of options, share rights and performance rights

During the half year period, the Company issued the following:

- 5,366,695 options to the IPO lead manager;
- 1,000,000 options for the acquisition of IP rights;
- 700,000 options to the non-executive Directors;
- 550,000 options to employees;
- 1,706,538 share rights to employees; and
- 729,167 performance rights to an employee.

Note 11. Equity - dividends

There were no dividends paid, recommended or declared during the current or previous financial half-years.

Note 12. Events after the reporting period

On 19 January 2022, BirdDog Australia Pty Ltd entered into an eight (8) year lease with a third party landlord on commercial terms, including a lease incentive to the commercial benefit of the company and a fitout cost to be borne by the company. The average rental payments over the term of the lease amounts to \$246,000 per annum before outgoings.

No other matter or circumstance has arisen since 31 December 2021 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

Note 13. Earnings per share

	Consolidated	
	31 December 2021	31 December 2020
	\$'000	\$'000
Profit/(loss) after income tax attributable to the owners of BirdDog Technology Limited and controlled entities	<u>(755)</u>	<u>2,117</u>
	Number	Number
Weighted average number of ordinary shares used in calculating basic earnings per share	<u>133,160,361</u>	<u>120,615,385</u>
Weighted average number of ordinary shares used in calculating diluted earnings per share	<u>133,160,361</u>	<u>120,615,385</u>
	Cents	Cents
Basic earnings per share	(0.57)	1.75
Diluted earnings per share	(0.57)	1.75

BirdDog Technology Limited and controlled entities
Directors' declaration
31 December 2021



In the directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, Australian Accounting Standard AASB 134 'Interim Financial Reporting', the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes give a true and fair view of the consolidated entity's financial position as at 31 December 2021 and of its performance for the financial half-year ended on that date; and
- there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of directors made pursuant to section 303(5)(a) of the Corporations Act 2001.

On behalf of the directors

A handwritten signature in black ink, appearing to be "John Dixon", with a long horizontal stroke extending to the right.

John Dixon
Non-executive Chairman

25 February 2022

BIRDDOG TECHNOLOGY LIMITED AND CONTROLLED ENTITIES
ABN: 18 653 360 448

INDEPENDENT AUDITOR'S REVIEW REPORT
TO THE MEMBERS OF BIRDDOG TECHNOLOGY LIMITED

Report on the Half-Year Financial Report

Conclusion

We have reviewed the half-year financial report of BirdDog Technology Limited, the "Company" and its controlled entities the "Group", which comprises the condensed consolidated statement of financial position as at 31 December 2021, the condensed consolidated statement of comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the half-year ended on that date, a summary of significant 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 BirdDog Technology Limited does not comply with the *Corporations Act 2001* including:

(a) giving a true and fair view of the BirdDog Technology Limited's financial position as at 31 December 2021 and of its performance for the half-year ended on that date; and

(b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Basis for 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.

Responsibility of the Directors for the Financial Report

The directors of BirdDog Technology Limited are 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 2021 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*.

BIRDDOG TECHNOLOGY LIMITED AND CONTROLLED ENTITIES
ABN: 18 653 360 448

INDEPENDENT AUDITOR'S REVIEW REPORT
TO THE MEMBERS OF BIRDDOG TECHNOLOGY LIMITED

Auditor's Responsibility for the Review of the Financial Report (Continued)

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.



T LAPHORNE
Partner

Date: 25 February 2022



PITCHER PARTNERS
Melbourne