



Strategic update: Successful navigation of supply chain challenges and cost improvement program, accelerating path to profitability

BirdDog Technology Limited (ASX: BDT) ("**BirdDog**", "**BDT**" or the "**Company**"), the global leader in broadcast quality, software-enabled video solutions, provides an update to its November 8 announcement in relation to camera contract manufacturing challenges.

BirdDog is pleased to announce it has overcome these challenges via accelerated efforts to optimise its supply chain. This has been achieved through the implementation of a series of cost-optimisation and operational efficiency initiatives. These initiatives - designed to accelerate BirdDog's path towards EBITDA profitability - encompass two key pillars: (i) long-term camera manufacturing security; and (ii) implementation of a Company-wide cost improvement program.

LONG-TERM CAMERA MANUFACTURING SECURITY

As outlined in recent months, BirdDog has taken a number of positive steps to optimise its supply chain, logistics and access to key markets via the diversification of its camera contract manufacturing. Executional motivation for this diversification has been three-fold: (1) the ability to partner with three fit-for-purpose contract manufacturers; (2) value, through near-term gross margin enhancement; and (3) geographical diversification, including GSA benefits¹.

Pleasingly, and ahead of schedule, the first shipments of two new products from a new manufacturing partner arrived at BirdDog's warehouse this week, for immediate forward delivery to customers. Additional new products, from each of the Company's three fit for purpose camera contract manufacturers are scheduled to ship during the March 2024 and June 2024 quarters, ensuring continued inventory flows.

The effects of these measures are now having a positive impact throughout the Company, having been executed in a timely manner, ahead of expectations. Collectively, these measures have already resulted in reduced engineering costs for baseline work and will elevate margins over time, as well as timely delivery to market. The Company expects improving product margins as early as Q3 FY24, with the delivery and shipment of next generation products having commenced this week.

IMPLEMENTATION OF A COMPANY-WIDE COST IMPROVEMENT PROGRAM

In conjunction with supply chain improvements, BirdDog has also implemented numerous initiatives to streamline operational efficiencies and reduce expenditure, commencing December 2023. Initiatives included a reduction in full time employees by 13 as well as Company-wide measures to reduce annual operational expenditure. In aggregate, the Company anticipates these cost improvement initiatives to result in an annualised overhead saving of more than \$2.0 million, as efforts to further improve gross margins continue.

¹ General Services Administration (GSA), a pre-requisite for USA Federal, State & Local government departments (e.g. education, hospital, military)

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Having implemented headcount changes by December 1, 2023, the Company is confident these initiatives will have a positive impact on the remainder of BirdDog's FY24 financial performance, while strategically maintaining the ability to continue to deliver on planned product and innovation milestones. While the Company expects partial benefits to be evident during Q2 FY24, BirdDog will provide further details on the implementation of these initiatives - including their direct impact - at its H1 FY24 results to be announced in February 2024.

Dan Miall, BirdDog's Chief Executive Officer commented:

"We are committed to taking decisive action to both optimise our global supply chain, as well as address the current market challenges and inflationary environment, ensuring we are well-positioned for future growth. Following these measures, we are confident our go-forward cost base is commensurate with current revenues as we continue to seek added scale and growth, whilst our productive capacity of core sales, engineering and support functions remains very much intact."

John Dixon, BirdDog's Board Chair also added:

"BirdDog remains focused on its long-term strategic objectives and is confident the supply chain and operational measures announced today will see the Company enter calendar year 2024 as a stronger and more profitable Company."

- Ends -

Authorised for release by the BirdDog Technology Board

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ABOUT BIRDDOG

BirdDog is a global broadcast-quality video technology company that enhances the resolution, speed and flexibility of video through a range of software-led 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 workflows and software 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

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