

MARCH 2023 QUARTERLY ACTIVITIES REPORT & 4C MARKET UPDATE

BirdDog Technology Limited (ASX: BDT) ("**BirdDog**", "**BDT**" or the "**Company**"), the global broadcast-quality video technology company enhancing resolution, speed, and flexibility of live communications through a range of solutions, provides an update on the Company's operations for the third quarter of FY23, ended 31 March 2023 ("**March quarter**" or "**Q3 FY23**").

Q2 FY23 HIGHLIGHTS:

- **Unaudited revenue of A\$7.6 million, +1% versus prior corresponding period ("pcp") and -1% quarter-on-quarter**
- **Cash receipts from customers of A\$7.3 million, +11% quarter-on-quarter, reflecting continued sequential improvement**
- **A\$1.1 million net cash generated from operating activities, an A\$4.0 million turnaround quarter-on-quarter (December 2022 quarter A\$2.9 million cash used in operating activities)**
- **Recovery of operating environment in European market continues, +10% revenue growth achieved quarter-on-quarter**
- **Americas and Asia Pacific markets stable within the backdrop of challenging macro-economic conditions**
- **Inventory optimisation ongoing as supply chain timeframe improvements observed, a 12% inventory reduction from 31 December 2022 to A\$17.7 million**
- **Company remains very well-funded with strong cash balance of A\$20.9 million as at 31 March 2023**
- **On-market share buy-back ongoing, the Company purchased \$155,756 of shares during the quarter**
- **Investor update to be held 11:00am AEST today, Friday 28 April ([register here](#))**

Commenting on the results, BirdDog Co-Founder and CEO Dan Miall said:

"We are pleased to record positive pcp revenues, with the March quarterly 99% of our December 2022 quarterly revenue. This is particularly pleasing when noting our strongest seasonal quarter has historically been the December quarter, while the March quarter has typically been our quietest."

The Company continues to progress key alliances and partnerships, a number of which are expected to see notable news flow during the June 2023 quarter, Project Moose – our initiative to manufacture and assemble BirdDog products in Canada – also gained meaningful traction during the quarter, while our revenues overall held up well despite uncertain macroeconomic conditions. We are confident the business is well-placed to weather calendar year 2023 and succeed."

MARCH QUARTER FINANCIAL RESULTS

BirdDog's March quarter unaudited revenues were A\$7.6 million, a 1% quarter-on-quarter decline, a pleasing result acknowledging the historical seasonality between the December quarter (typically the strongest) to the March quarter (typically the weakest), exemplified by the previous March 2022 quarter to December 2021 delta recording a 32% decline. The continued underpinning of revenue during the March quarter provides a stable platform to launch new products addressing adjacent markets. For example, the X-series cameras within the prosumer and consumer segments are planned to be launched throughout calendar year 2023.

Notwithstanding encouraging stability of revenue observed during the quarter, the Company achieved this against a challenging macro-economic backdrop. In light of this, BirdDog remains confident a return to growth can be achieved in coming quarters across an evolving competitive landscape.

Cashflow generated from operating activities of A\$1.1 million was primarily as a result of the Company's continued focus to optimise its inventory position, specifically reducing inventory holdings towards the optimal 45-day target anticipated to be met by the end of this calendar year, further releasing capital.

As flagged within the Company's Q2 update and in response to the short to medium term challenging market environment, BirdDog also implemented a variety of controls and cost-improvement measures to ensure marketing initiatives in the channel were targeted, measurable and outcome-focused. The Company has also been focused on its operating costs, completing a thorough, line-by-line review of overheads. The outcome of this review resulted in a moderate headcount reduction whilst remaining committed in its investment into research & development to drive industry innovation and accelerate BirdDog's product roadmap, in turn underpinning the Company's plans for a return to growth.

Overall, the Company is pleased the March quarter exceeded its internal operating cashflow target, consistent with its strategic priorities.

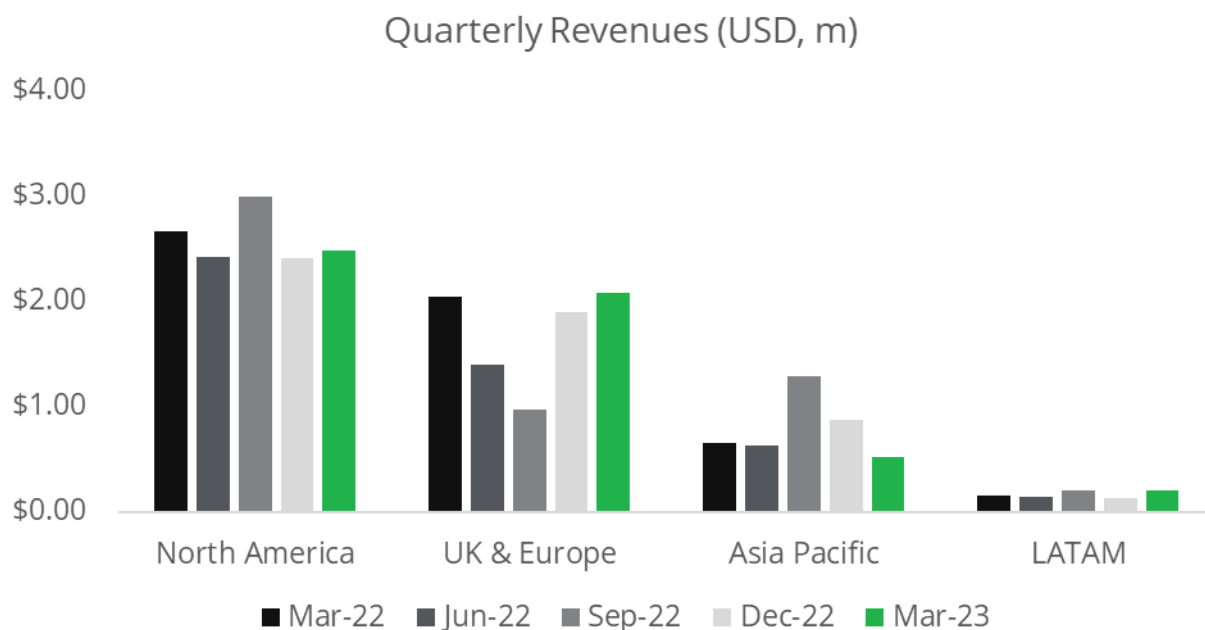
POSITIONED FOR RETURN TO GROWTH

BirdDog has an un-paralleled breadth of product portfolio covering cameras & controllers, converters, AV products, chips & boards and software. The Company is confident it remains well-positioned for a return to growth in late CY23. Further elements of BirdDog's business are supportive of this expectation, including:

- Deployment of BirdDog's own Intellectual Property, driving competitive & first-to-market advantages;
- Ability to rapidly expand into new markets, including MedTech;
- Launching new products throughout the remainder of calendar year 2023;
- Finely tuned, laser-focussed team working in partnership with highly engaged channel partners; and
- BirdDog remains financially well-capitalised, with no debt.

GREEN SHOOTS ACROSS KEY GEOGRAPHIES

During the quarter, revenues from BirdDog's two largest markets - North America at +3.0% and the UK & Europe at +10.1% - both expanded from the December 2022 quarter on a constant currency basis. The graph below depicts the revenue break-down by region for the March quarter and the prior four quarters:



INVENTORY & BALANCE SHEET

As outlined within the Company's Q1 FY23 update, the expectation remains that a gradual unwind of inventory will continue through CY 2023. This is evidenced by the A\$2.4 million (12%) reduction in inventories across the March quarter to A\$17.7 million. The Company expects to move from holding up to 12 months forward inventory towards no more than 3 months inventory by the end of CY 2023 as supply chain visibility returns.

The Company remains well-funded as it pursues revenue growth, which management anticipates returning to by the December 2023 quarter, with A\$17.7 million in inventory - including A\$10.0 million in finished goods and A\$6.9 million in cash deposits - and A\$20.9 million in cash on balance sheet as at 31 March 2023.

MEDTECH UPDATE

In the last week of March, the Company successfully launched Remedi – its newly-developed MedTech platform offering – at the Australian & New Zealand Society of Neuroradiology's ("ANZSNR") Annual Scientific Meeting, generating excitement within the ANZSNR community as to the high-quality, low-latency connected workflow solutions Remedi brings for the healthcare and medical industry. Discussions are ongoing with major global medical device companies to finalise the market and commercialisation strategies.

ON-MARKET SHARE BUYBACK

As announced on 18 November 2022, BirdDog revealed plans to implement an on-market buy-back of up to \$2,000,000 as part of the Company's capital management strategy ("**Share Buy-Back**"). The decision reflects the continued confidence of the Board and Senior Management in BirdDog's sustainable future growth prospects, particularly given current levels of unrestricted cash and cash assets in the form of inventory deposits.

BirdDog remains committed to this buy-back and has bought back a total of A\$327,491 worth of shares (2,498,046) to date, including 1,185,876 shares for A\$155,756 during the March quarter. Since the beginning of the Share Buy-Back, the average price of shares purchased is A\$0.13.

INVESTOR UPDATE

The Company will host a brief investor update with CEO Dan Miall and CFO Barry Calnon, at 11.00am AEST today – Friday, 28 April 2023. Register for the investor update via the link below:

https://us02web.zoom.us/webinar/register/WN_W6yNURNrSM2myDPt0jNa0g

ADDITIONAL INFORMATION

The table below illustrates the expenditure comparison against the Company's 'Use of Proceeds' table in the Prospectus dated 18 November 2021:

Use of Proceeds	Years 1 & 2, per the Prospectus	Actual amount spent to date, since listing
Inventory Build	\$17,400,000	\$14,011,000
IP Management	\$200,000	\$152,000
Research & Development	\$3,000,000	\$2,144,000
Manufacturing Development	\$2,000,000	\$1,166,000
Regulatory Management	\$500,000	\$299,000
Marketing Activities	\$1,500,000	\$1,329,000
Working Capital	\$6,480,000	\$4,994,000
Expenses of the Offer	\$1,920,000	\$1,928,000
Total	\$33,000,000	\$26,023,000

In accordance with Listing Rule 4.7C, payments made to related parties and their associates included in item 6.1 of the Appendix 4C was A\$140,000 that comprised Director fees, salary and superannuation for the CEO/Managing Director, Independent Chair and Non-executive directors (**NEDs**).

- 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 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

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



Appendix 4C

Quarterly cash flow report for entities subject to Listing Rule 4.7B

Name of entity

BirdDog Technology Limited

ABN

18 653 360 448

Quarter ended ("current quarter")

31 March 2023

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (9 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	7,287	22,628
1.2 Payments for		
(a) research and development	(624)	(1,213)
(b) product manufacturing and operating costs	(2,884)	(12,875)
(c) advertising and marketing	(439)	(1,586)
(d) leased assets	(118)	(301)
(e) staff costs	(1,726)	(5,054)
(f) administration and corporate costs	(203)	(1,166)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	71	215
1.5 Interest and other costs of finance paid	-	(8)
1.6 Income taxes refund/(paid)	332	64
1.7 Government grants and tax incentives	-	-
1.8 Other (provide details if material - Inventory Deposits)	(591)	(3,565)
1.9 Net cash from / (used in) operating activities	1,105	(2,861)

2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) businesses	-	-
(c) property, plant and equipment	(6)	(355)
(d) investments	-	-
(e) intellectual property	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
	(f) other non-current assets	-	-
2.2	Proceeds from disposal of:		
	(a) entities	-	-
	(b) businesses	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) intellectual property	-	-
	(f) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
2.6	Net cash from / (used in) investing activities	(6)	(355)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	-
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	-
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material – on-market share buy-back)	(156)	(180)
3.10	Net cash from / (used in) financing activities	(156)	(180)

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	19,749	23,168
4.2	Net cash from / (used in) operating activities (item 1.9 above)	1,105	(2,861)

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(6)	(355)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(156)	(180)
4.5	Effect of movement in exchange rates on cash held	196	1,116
4.6	Cash and cash equivalents at end of period	20,888	20,888

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	9,239	19,549
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details) - term deposits	11,649	200
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	20,888	19,749

6.	Payments to related parties of the entity and their associates	Current quarter \$A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	140
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-
<i>Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.</i>		

7.	Financing facilities <i>Note: the term "facility" includes all forms of financing arrangements available to the entity.</i> <i>Add notes as necessary for an understanding of the sources of finance available to the entity.</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
7.1	Loan facilities	-	-
7.2	Credit standby arrangements	-	-
7.3	Other (please specify)	-	-
7.4	Total financing facilities	-	-
7.5	Unused financing facilities available at quarter end		-
7.6	Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.		

8.	Estimated cash available for future operating activities	\$A'000
8.1	Net cash from / (used in) operating activities (item 1.9)	1,105
8.2	Cash and cash equivalents at quarter end (item 4.6)	20,888
8.3	Unused finance facilities available at quarter end (item 7.5)	-
8.4	Total available funding (item 8.2 + item 8.3)	21,993
8.5	Estimated quarters of funding available (item 8.4 divided by item 8.1) <i>Note: if the entity has reported positive net operating cash flows in item 1.9, answer item 8.5 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.5.</i>	N/A
8.6	If item 8.5 is less than 2 quarters, please provide answers to the following questions:	
8.6.1	Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	
	Answer: N/A	
8.6.2	Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?	
	Answer: N/A	
8.6.3	Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?	
	Answer: N/A	
<i>Note: where item 8.5 is less than 2 quarters, all of questions 8.6.1, 8.6.2 and 8.6.3 above must be answered.</i>		

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

28 April 2023

Date:

The Board of Directors

Authorised by:
(Name of body or officer authorising release – see note 4)

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standard applies to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.