

## JUNE 2023 QUARTERLY ACTIVITIES REPORT & 4C MARKET UPDATE

BirdDog Technology Limited (ASX: BDT) ("**BirdDog**", "**BDT**" or the "**Company**"), the global leader in broadcast quality, software-enabled video solutions, provides an update on the Company's operations for the fourth quarter of FY23 ("**June quarter**" or "**Q4 FY23**") and for relevant prior corresponding periods ("**pcp**").

### Q4 FY23 HIGHLIGHTS:

- **Customer cash receipts of A\$7.5 million, +3.6% quarter-on-quarter and -7.5% versus pcp**
- **A\$2.3 million net cash generated from operating activities, evidencing continued improvement quarter-on-quarter. BirdDog remains well funded with a strong cash balance of A\$22.6 million as at 30 June 2023**
- **Quarterly Revenue of A\$6.0 million (unaudited), -5.5% versus pcp**
- **BirdDog's key North American market, along with Asia Pacific has stabilised despite challenging macro-economic backdrop**
- **Strong progress made in the MedTech sector with Remedi well placed to generate first sales in Q1 FY24**
- **Three distributor appointments made during the quarter in key growth markets China, Germany and Singapore**
- **Zoom Hardware certification achieved for P4K & P120 cameras, enhancing path to market for large-scale Enterprise sales opportunities**
- **Positive inventory cycling in light of further supply chain improvements, with a 22.6% inventory reduction from 31 December 2022 to A\$15.6 million (unaudited)**
- **Continued investment in Research and Development ("R&D"), increasing +63% versus pcp for the June quarter to A\$1.1 million, with multiple product releases slated for FY24**
- **On-market share buy-back ongoing – the Company purchased \$769,482 of shares during the quarter for a total of \$948,918 since commencing the buy-back in December 2022. The Company has bought-back 7,143,284 shares under the buy-back, representing 3.60% of issued capital**

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

*"During the second half of FY23, BirdDog reinforced its commitment to a software-enabled strategy, evidenced by the A\$0.5 million investment into Remedi. In doing so, the team has continued to build a tangible example of a scalable software-led solution specifically targeting an immediate need within the medical industry. Remedi's first revenues deploying BirdDog's proprietary technology will be booked in the upcoming September quarter, illustrating the near-term potential of this solution, as well as our software-enabled strategy more broadly."*



*"Our net cash position grew A\$1.7 million during the June quarter to A\$22.6 million, marginally below where we ended the FY22 year. Notwithstanding this, we've made two notable investments during the year. First, we've deployed a total of A\$3.8 million into R&D efforts during FY23, specifically designed to strengthen the Cloud offering, alongside Remedi and structural engineering processes for enhancing product. We've also invested over \$0.9 million on the on-market share buy-back."*

*"Our extensive suite of hardware products continues to drive a solid revenue foundation, despite challenging market conditions. Pleasingly, in each of our key geographies we're beginning to observe the easing of some of these macro-related headwinds."*

*"BirdDog remains well placed as we progress through calendar year 2023. We're confident we can continue to build significant solutions-based sales, further implementing our software-enabled strategy to achieve a more predictable revenue base. We look forward to further updating shareholders at the release of our full-year results in August."*

### KEY DISTRIBUTOR APPOINTMENTS

BirdDog was pleased to appoint three key global distributors during the June quarter, supplementing on-the-ground team members across:

- China: appointed Unique Beijing Solutions ("UBS"), servicing the 2<sup>nd</sup> largest country population globally;
- Germany: appointed New Media AV, servicing Germany, Austria, Switzerland and Eastern Europe; and
- Singapore: appointed Midwich Asia, servicing South-East Asia.

These three appointments add 20% to our market reach of global distribution partners, each headquartered in key markets.

### ZOOM CERTIFICATION

During the June quarter, BirdDog also received zoom certification on two of its core cameras. As part of the extensive certification process run by global technology company Zoom Video Communications, Inc ("**Zoom**", **ZM.NASDAQ**), BirdDog's core P4K and P120 cameras are now listed on the Zoom Certified Hardware page<sup>1</sup> as two of four Pro AV Camera models with the "Zoom certified" badge – alongside products from Sony and AVer. As a result, BirdDog is now listed in Zoom's hardware partner directory as a recognised and trusted partner, which the Company anticipates will open multiple global, enterprise-level sales opportunities.

### FINANCIAL RESULTS FOR THE JUNE 2023 QUARTER AND FINANCIAL YEAR ("FY23")

BirdDog's June quarter unaudited revenues were A\$6.0 million, a 5.5% decline versus pcp. Despite the lower revenue result the Company was able to cycle through inventory, generating A\$2.3 million net cash from operating activities in the quarter, more than doubling the previous quarter of A\$1.1 million. This represents a favourable A\$4.7 million cash turnaround versus the pcp (June 2022 quarter used A\$2.4 million of cash in operating activities). Consistent with the March quarter, net cashflow from operating activities during the June quarter was primarily a result of BirdDog's continued focus on the optimisation of its inventory position, specifically aimed at reducing inventory holdings towards the targeted two-to-three-month range.

BirdDog continued its R&D commitment, investing A\$1.1 million during the June quarter (+63% versus pcq). As a result, the total R&D investment for FY23 was A\$3.8 million (+27% versus FY22). Notably, the Company continues to consistently apply its accounting policy whereby all R&D is fully expensed to the Profit & Loss, with no R&D capitalised to the balance sheet.

Overall, the Company is pleased to have recorded two consecutive quarters of strong net cash generated from its operating activities, highlighting BirdDog's supportive fiscal position and platform for growth.

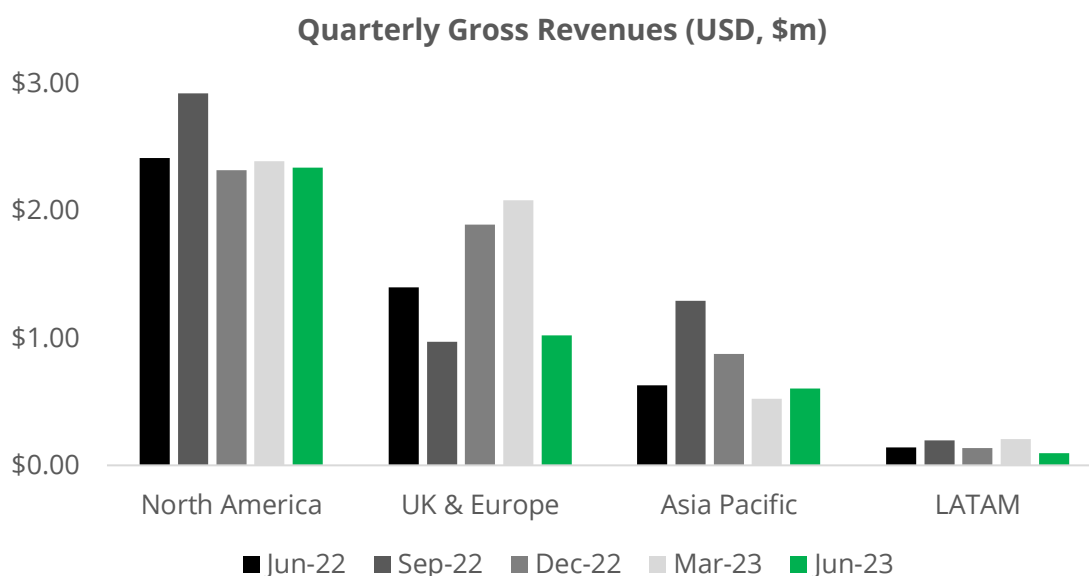
### BIRDDOG POSITIONED FOR A RETURN TO GROWTH IN FY24

BirdDog has a unique product portfolio providing end-to-end capabilities across cameras & controllers, converters, AV products, chips & boards and software, interconnected via tailored workflow solutions. The Company remains confident it is well positioned for a return to growth in late CY2023. Multiple elements of BirdDog's business support this expectation, including:

- Ability to rapidly expand into new markets, including into MedTech with Remedi, anticipating first revenues in September 2023 quarter;
- Deployment of BirdDog's own intellectual property, driving competitive & first-to-market advantages;
- Continued investment in R&D ensuring the Company is at the forefront of video-technology innovation setting a platform to launch new products throughout the remainder of CY2023;
- A restructured sales team and strategy working in partnership across the depth and breadth of our highly engaged channel partners; and
- Well-capitalised balance sheet, with zero debt and A\$22.6 million cash balance.

### PERFORMANCE VARIED ACROSS KEY GEOGRAPHIES

The graph below depicts revenues by region for the June quarter and the prior four quarters:



BirdDog's key North American market delivered robust performance despite the headwinds many competitors are experiencing in that market. As the largest market for AV products, the Company remains committed to further investment throughout the region with many of its R&D signals being taken from direct dialogue with customers and distributors. BirdDog anticipates growth being led from this market towards the end of CY2024 as business conditions and inventory cycles normalise.

The United Kingdom and Europe remain impacted by macro-economic factors, with the challenged fiscal environment coupled with conflict in the region delaying investment decision making from key distributors and customers. The Company remains confident that with the recent appointment of NewMedia AV providing an enhanced on-the-ground presence, there will be a return to growth in the region through FY24.

### INVENTORY & BALANCE SHEET

The Company's expectation remains that the planned inventory unwind will continue throughout CY2023. Upon completion of this process, the Company will target no more than three months of inventory held at any one time. Current progress is evidenced by the A\$4.5 million (22.6%) reduction in inventories since 31 December 2022 to A\$15.6 million (unaudited).

The Company remains well funded as it pursues a return to growth and is well placed to do so with A\$15.6 million in inventory and A\$22.6 million in cash on balance sheet as of 30 June 2023.

### 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's commitment to this buy-back and has bought back a total of A\$947,875 worth of shares (7,143,284) to date, including 5,806,111 shares for A\$769,482 during the June quarter. Since the beginning of the Share Buy-Back, the average price of shares purchased is A\$0.1327.

## 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	\$15,431,000
IP Management	\$200,000	\$184,000
Research & Development	\$3,000,000	\$2,652,000
Manufacturing Development	\$2,000,000	\$1,715,000
Regulatory Management	\$500,000	\$413,000
Marketing Activities	\$1,500,000	\$1,378,000
Working Capital	\$6,480,000	\$4,994,000
Expenses of the Offer	\$1,920,000	\$1,928,000
<b>Total</b>	<b>\$33,000,000</b>	<b>\$28,695,000</b>

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\$147,000 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**

***Easy to use Technology to help Broadcast your 'wow'.***  
***Reach more people, with more impact, more often.***

For further information please contact:

**Barry Calnon**

Chief Financial Officer

+61 433 026 494

[barry@birddog.tv](mailto:barry@birddog.tv)

**Sam Wells**

Investor/Media Relations

+61 427 630 152

[sam@nwrcommunications.com.au](mailto:sam@nwrcommunications.com.au)

## 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](http://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")**

30 June 2023

<b>Consolidated statement of cash flows</b>	<b>Current quarter \$A'000</b>	<b>Year to date (12 months) \$A'000</b>
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers	7,549	30,177
1.2 Payments for		
(a) research and development	(508)	(1,721)
(b) product manufacturing and operating costs	(2,091)	(14,966)
(c) advertising and marketing	(446)	(2,032)
(d) leased assets	(102)	(403)
(e) staff costs	(1,594)	(6,648)
(f) administration and corporate costs	(228)	(1,394)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	192	407
1.5 Interest and other costs of finance paid	-	(8)
1.6 Income taxes refund/(paid)	(30)	34
1.7 Government grants and tax incentives	-	-
1.8 Other (provide details if material - <b>Inventory Deposits</b> )	(478)	(4,043)
<b>1.9 Net cash from / (used in) operating activities</b>	<b>2,264</b>	<b>(597)</b>

<b>2. Cash flows from investing activities</b>		
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) businesses	-	-
(c) property, plant and equipment	(3)	(358)
(d) investments	-	-
(e) intellectual property	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 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)	-	-
<b>2.6</b>	<b>Net cash from / (used in) investing activities</b>	<b>(3)</b>	<b>(358)</b>

<b>3.</b>	<b>Cash flows from financing activities</b>		
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)	(769)	(949)
<b>3.10</b>	<b>Net cash from / (used in) financing activities</b>	<b>(769)</b>	<b>(949)</b>

<b>4.</b>	<b>Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1	Cash and cash equivalents at beginning of period	20,888	23,168
4.2	Net cash from / (used in) operating activities (item 1.9 above)	2,264	(597)



Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(3)	(358)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(769)	(949)
4.5	Effect of movement in exchange rates on cash held	205	1,321
4.6	<b>Cash and cash equivalents at end of period</b>	<b>22,585</b>	<b>22,585</b>

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	4,844	9,239
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details) - term deposits	17,741	11,649
5.5	<b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>22,585</b>	<b>20,888</b>

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	147
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>		

<b>7.</b>	<b>Financing facilities</b> <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>	<b>Total facility amount at quarter end \$A'000</b>	<b>Amount drawn at quarter end \$A'000</b>
7.1	Loan facilities	-	-
7.2	Credit standby arrangements	-	-
7.3	Other (please specify)	-	-
7.4	<b>Total financing facilities</b>	-	-
7.5	<b>Unused financing facilities available at quarter end</b>		-
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.		

<b>8.</b>	<b>Estimated cash available for future operating activities</b>	<b>\$A'000</b>
8.1	Net cash from / (used in) operating activities (item 1.9)	2,264
8.2	Cash and cash equivalents at quarter end (item 4.6)	22,585
8.3	Unused finance facilities available at quarter end (item 7.5)	-
8.4	Total available funding (item 8.2 + item 8.3)	22,585
8.5	<b>Estimated quarters of funding available (item 8.4 divided by item 8.1)</b>	N/A
	<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>	
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.

26 July 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.