



SEPTEMBER 2023 QUARTERLY ACTIVITIES REPORT & APPENDIX 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 first quarter of FY24 ("**September quarter**" or "**Q1 FY24**") and for the relevant prior corresponding periods ("**pcp**").

Q1 FY24 HIGHLIGHTS:

- **Temporary supply chain disruption impacted revenues in Q1 FY24**
- **Customer cash receipts of A\$6.1 million, -19% quarter-on-quarter, -27% versus pcp**
- **Quarterly revenue of A\$5.8 million (unaudited), -5% quarter-on-quarter and -29% versus pcp, impacted by supply chain disruption**
- **Third consecutive quarter of net cash generation, with A\$0.3 million net cash from operating activities, amid another quarter of meaningful Research & Development investment (A\$0.8 million), excluding payroll**
- **First Remedi invoices delivered during October 2023, supportive of future annual recurring revenue (ARR)**
- **Post-production workflows - notably BirdDog Cloud & Adobe - to also contribute to future ARR growth, commencing and to be reported from Q2 FY24**
- **On-market share buy-back ongoing - the Company purchased A\$0.2 million of shares during the September quarter, continuing to view this as an efficient use of capital**
- **BirdDog hosted a successful and well-attended Solutions Day on 11 October 2023**
- **The Company remains well funded with a strong cash balance of A\$23.0 million as at 30 September 2023**

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

"During the quarter, we made continued progress in our pursuit to solve challenges for the global broadcast world, across television, film, sports-casting, education, house-of-worship, medical theatres. Our unique product workflow solutions - including BirdDog Cloud and BirdDog Remedi - are at the core of, and underpin, our overall objective of being a software-led, connected workflow solutions business. A notable mention on delivering our very first Remedi invoices in October 2023."

"Undeniably, the temporary challenges experienced within our supply chain negatively impacted our quarterly revenues, further exacerbated by geo-political and macro-economic factors. We actioned an immediate and dedicated review of supplementary Contract Manufacturers - including assessment of capabilities, production capacity, supply chain certainty, site visits, interviews and diligent contractual reviews - to expedite our next generation of hardware products. The supply chain impact has been primarily felt around delivery of planned near-term releases of BirdDog products. Following this review, we have already engaged with multiple contract manufacturers to ensure continued future inventory flow. Notably, BirdDog hardware - our cameras and converters - remain a core and strategic part of the business."

"We remain firmly on the path in building the foundation for future growth of a more profitable, stable and recurring revenue base."

FINANCIAL RESULTS

The Company undertook its largest single quarter of "external" Research & Development (R&D) investment, since listing, of A\$0.8 million. In a continued commitment to R&D, the Company also invested an additional A\$0.8 million in "internal" R&D-related employee benefits during the September quarter, consistent with the disclosures in its FY23 Annual Report. Furthermore, 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.

BirdDog's September 2023 quarter unaudited revenues were A\$5.8 million, a 4.7% decline versus the previous June 2023 quarter. Notwithstanding the lower revenues reported, the Company managed its inventory – in the face of adverse supply chain challenges – to hold its gross margins in line with management expectations (budget) and generate A\$0.3 million net cash from operating activities in the quarter.

INVENTORY - SUPPLY CHAIN

Temporary supply chain disruptions experienced during the quarter impacted inventory flow and, in-turn, quarterly revenues. These disruptions were limited to - and caused by - a single, albeit key contract manufacturer, whereby the Company was presented with multiple challenges causing delays on the delivery of planned near-term releases.

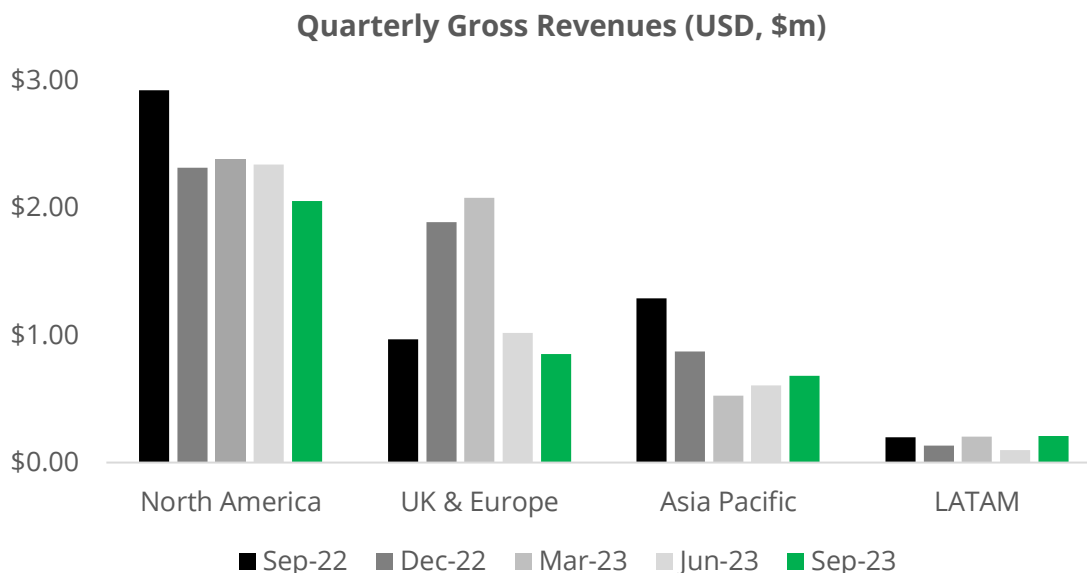
As a result, immediate and definitive measures were taken by the Company to address this, including the introduction of multiple supplementary contract manufacturers. Moving forward these measures will result in a more consistent inventory flow. The Company anticipates these adjustments will be fully "on-stream" well prior to the end of this financial year.

The commencement of BirdDog's diversification and optimisation of supply chain throughout Q1 FY24 and October 2023 will result in multiple and ongoing commercially favourable outcomes for the business including: (i) improving gross margins; (ii) supplier diversification including geographical supplier diversification; (iii) expediting entry into USA GSA government contracts; (iv) a more predictable and efficient path to market; and (v) an optimised refresh of product lines.

BirdDog's key, world-first Cloud technology will be featured in updated products, activating and connecting both existing and new BirdDog hardware units, breaking down geographical barriers and allowing convenient video production, collaboration and management of devices anywhere around the globe, a key driver in BirdDog's planned return to growth.

PERFORMANCE CONTINUES TO VARY ACROSS KEY GEOGRAPHIES

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



North America continues to be relatively stable over the past four quarters, with Europe continuing to be challenged by unfavourable geo-political and macro-economic conditions.

The Asia Pacific region is trending positively, as is the LATAM region albeit from a smaller base, with both of these regions benefitting from recent optimisation of our go-to-market strategies.

BALANCE SHEET & BUYBACK

The Company remains well funded as it pursues a return to growth with A\$13.8 million in inventory (un-audited) and A\$23.0 million in cash on balance sheet as at 30 September 2023. Pleasingly, BirdDog recorded its third consecutive quarter of net cash generated from operating activities, highlighting the Company's financial prudence, supportive fiscal position and strong platform for growth.

During the quarter, the Company bought back A\$198,050 worth of shares. This decision to continue the buy-back 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 supplementary cash assets in the form of inventory deposits.

Since the beginning of the Share Buy-Back, BirdDog has purchased 8,677,672 shares, reflecting an aggregate of A\$1,145,925 at an average share price of A\$0.1321.

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	\$15,659,000
IP Management	\$200,000	\$195,000
Research & Development	\$3,000,000	\$3,481,000
Manufacturing Development	\$2,000,000	\$1,867,000
Regulatory Management	\$500,000	\$462,000
Marketing Activities	\$1,500,000	\$1,517,000
Working Capital	\$6,480,000	\$4,994,000
Expenses of the Offer	\$1,920,000	\$1,928,000
Total	\$33,000,000	\$30,103,000

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\$158,000 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 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

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 September 2023

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (3 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	6,080	6,080
1.2 Payments for		
(a) research and development	(829)	(829)
(b) product manufacturing and operating costs	(2,386)	(2,386)
(c) advertising and marketing	(439)	(439)
(d) leased assets	(75)	(75)
(e) staff costs	(1,681)	(1,681)
(f) administration and corporate costs	(240)	(240)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	77	77
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes refund/(paid)	-	-
1.7 Government grants and tax incentives	-	-
1.8 Other (provide details if material - Inventory Deposits)	(228)	(228)
1.9 Net cash from / (used in) operating activities	279	279

2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) businesses	-	-
(c) property, plant and equipment	(21)	(21)
(d) investments	-	-
(e) intellectual property	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 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	(21)	(21)

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)	(172)	(172)
3.10	Net cash from / (used in) financing activities	(172)	(172)

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	22,585	22,585
4.2	Net cash from / (used in) operating activities (item 1.9 above)	279	279

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$A'000
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(21)	(21)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(172)	(172)
4.5	Effect of movement in exchange rates on cash held	279	279
4.6	Cash and cash equivalents at end of period	22,950	22,950

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	5,008	4,844
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details) - term deposits	17,942	17,741
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	22,950	22,585

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	158
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)	279
8.2	Cash and cash equivalents at quarter end (item 4.6)	22,950
8.3	Unused finance facilities available at quarter end (item 7.5)	-
8.4	Total available funding (item 8.2 + item 8.3)	22,950
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.

31 October 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.