

thedocyard (ASX:TDY) Quarterly Activities Report and Appendix 4C for the period ending 31 March 2020

Highlights

- **TDY** completed its **Initial Public Offer (IPO)** successfully on 14 February 2020. With growth capital secured, the team is focused on customer acquisition, product development and customer experience
- **Microsoft Co-Sell Ready** status achieved. This is a top tier partner status and TDY are among a select community - 1 of 294 companies globally - with special access to co-sell resources and the worldwide Microsoft sales team
- Gethen Capital is TDY's **first client in Singapore** - hub for tech sector investment - with deep market knowledge and relationships, particularly in Southeast Asia
- Diverse set of clients - **market leaders** - from sectors such as healthcare, logistics, software, financial services, government services, legal services and consulting have started to **use the platform for variety of key transactions**
- **COVID-19** has pushed advisors, corporates, banks and funds to work remotely and has **increased interest in the TDY virtual deal management platform**
- \$3,567,774 cash at bank with a **strong pipeline** of new and well advanced prospective customers

thedocyard, the DealTech company designed to deal with global trends around expanding regulatory reach, data security and certainty in transacting, releases its Appendix 4C for the three months to 31 March 2020 and provides an update on its progress during the period.

Commenting on the quarter, thedocyard CEO, Stuart Clout said:

"thedocyard was built for the business terrain the world is now navigating. The push to digital solutions which enable remote working has advanced 5 years in 3 months. While no one would deny that the digitisation of work was already at play, the COVID-19 scenario has caused a dramatic lurch forward in the adoption of digital technology linked to getting work done. Real evidence of this for us is that we have seen a significant increase in interest for our technology over the last quarter with inbound traffic and queries to our webpage up 255%.

"Consistent with the strategy set out in our prospectus, we are heavily focused on commercialisation and distribution of our already in market technology. While minds around the world are somewhat distracted right now, we feel confident that our offer is highly aligned with the needs of our customers more than ever and that will cut through the noise, particularly as business gets back to normal over the next two quarters.

"Much has been said in the financial media about deal flow shifting from M&A to distressed and restructuring deals and we are seeing this come to life with business recovery teams adopting our technology to drive their deals and processes forward. Many of these introductions have come from the corporate finance teams we have been working with pre COVID-19. This shows the flexibility of our technology to underpin deal and professional advisory work no matter the subject matter.

"In addition to continuing to optimise our sales engine with more team members, better messaging and tighter controls, the attainment of Microsoft IP Co-Sell status is a significant milestone and of huge importance to our distribution strategy. This status is the gold standard in commercial partnerships with Microsoft and opens pathways for distribution of thedocyard's technology in all 141 markets Microsoft participates in.

"Looking forward, I see us well positioned in comparison to our immediate competitors due to exposure to the Asia Pacific market, which will emerge from the current business disruption fantastically faster and sooner than the UK, Europe and the US. This means we expect to see more wins like our first customer acquisition in Singapore, to come, keeping our customer acquisition program and moving while the rest of the world's major economies slowly recover.

"thedocyard's mission is to become the world's leading provider of deal technology and we are confident that we have the right team, technology and approach to deal with today's COVID-19 related business challenges and emerge tomorrow bigger and stronger than ever."

Commenting on the quarter, thedocyard's CFO/COO, Neale Java said:

"We have attracted a diverse set of new clients, activated key channel partnerships and welcomed new talent to the business in Q3 2020.

"These highlights are complemented by initiatives that have enabled us to accelerate our product development, implement agile business systems and engage new companies and users beyond Australia & New Zealand. These initiatives will enhance our sales drive through Q4 and beyond.

"Businesses around the world are operating with a high level of uncertainty surrounding COVID-19. thedocyard has a strong foundation that will enable us to deliver on our performance targets in a digital environment. Our business model is adaptable to the evolving external variables and optimise opportunities in the deals and transactions market."

Operational Performance

Strategic Sales Partnerships - Microsoft Co-Sell Ready status

thedocyard has become a Microsoft Corporation (Microsoft) 'Co-Sell Ready' partner.

We are 1 of 294 companies globally to achieve this special access after completing a rigorous entry process, meeting strict criteria and proving competency and capability standards.

"The co-sell program we introduced 18 months ago has already generated \$8 billion in contracted partner revenue" Satya Nadella offered the statistic during his earnings call in 2019 with investors. This was part of the broader comment about the way Microsoft is partnering with companies across the industry to build their digital capabilities, and how that effort creates new opportunities for both customers and the partner ecosystem.

thedocyard can immediately pursue commercial opportunities targeting Microsoft's customers, extending our customer reach and creating new revenue opportunities.

Go to market activities will include sales opportunities that combine our platform with Microsoft's products, including Microsoft's cloud platform Microsoft Azure. thedocyard will also benefit from access to Microsoft's global sales expertise and marketing capabilities, including marketing assets and campaign content.

Network Effect - First client in Singapore

Gethen Capital is a result of the 'network effect' potential of the business. With zero marketing spend towards the capital markets in Asia, thedocyard has been able to secure a client that brings deep market knowledge and relationships, particularly in Southeast Asia.

Lead Generation Model - Diverse set of clients

Direct Selling is a material part of thedocyard's growth strategy, and a key attraction is our ability to control our output and measure its effectiveness allowing us to continually test, measure and adapt our tactics. Our direct selling measures are complemented by 'sales pods', which see customer specialists procure and feed a pipeline of opportunities to business development managers who focus on customer acquisition. The effectiveness of this sales model is continually monitored and optimized. The customer acquisition highlights below show positive signals that we are on the right track

- An international healthcare provisioning and multi-insurance group, serving 32 million customers in 190 countries
- An innovative global developer of cloud-based software solutions for the international and domestic logistics industries
- The second largest multinational professional services firm network in the world
- Multinational law firm with offices in more than 40 countries with total revenues putting it in the top 5 law firms in the world
- Scientific and Industrial Research governmental agency responsible for scientific research
- One of the largest financial consulting firm in the world specializing in the fields of corporate finance and restructuring, economic consulting, forensic and litigation consulting, strategic communications and technology.

Financial Summary

The attached Appendix 4C provides details on the cash flows for the quarter ended 31 March 2020. As at 31 March 2020, the Company held \$3,567,774 in total cash.

Total net cash used in operating activities for the quarter was \$424,100, with expanded operations including the hiring of new team members and the continued development of thedocyard's platform technology.

Customer cash receipts in the quarter were \$261,563, generated from platform activity.

Following the IPO and in accordance with the external loan agreement, on 25 February 2020 the Company repaid an amount of \$273,987 to the lender. Since that date, the Company continues to remain debt free.

The Company's cash position is in line with the use of funds outlined in the Prospectus.

[ENDS]

Approved for release by the Board

Media & Investor Enquiries

Neale Java
Chief Financial Officer & Chief Operating Officer (CFO/COO)
T: 1800 952 921
E: neale.java@thedocyard.co

About thedocyard

thedocyard Limited (ASX:TDY) is a cloud-based deal space built specifically for managing the entire lifecycle of any corporate or commercial transaction.

For more information visit: www.thedocyard.co

Appendix 4C

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

Name of entity

thedocyard Limited

ABN

19 602 586 407

Quarter ended ("current quarter")

31 March 2020

Consolidated statement of cash flows	Current quarter \$A	Year to date (9 months) \$A
1. Cash flows from operating activities		
1.1 Receipts from customers	\$261,563	\$609,832
1.2 Payments for		
(a) research and development	(\$92,641)	(\$166,225)
(b) product manufacturing and operating costs	(\$152,150)	(\$465,221)
(c) advertising and marketing	(\$26,756)	(\$73,424)
(d) leased assets	(\$17,998)	(\$50,019)
(e) staff costs	(\$258,746)	(\$593,481)
(f) administration and corporate costs	(\$137,372)	(\$286,574)
1.3 Dividends received (see note 3)		
1.4 Interest received		
1.5 Interest and other costs of finance paid		
1.6 Income taxes paid		
1.7 Government grants and tax incentives		\$88,354
1.8 Other (provide details if material)		
1.9 Net cash from / (used in) operating activities	(\$424,100)	(\$936,758)
2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) entities		
(b) businesses		
(c) property, plant and equipment		
(d) investments		
(e) intellectual property		
(f) other non-current assets		

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

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		

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	\$4,151,850	\$5,348,850
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	(\$437,067)	(\$831,962)
3.5	Proceeds from borrowings		
3.6	Repayment of borrowings	(\$273,987)	(\$273,987)
3.7	Transaction costs related to loans and borrowings		
3.8	Dividends paid		
3.9	Other (provide details if material)		
3.10	Net cash from / (used in) financing activities	\$3,440,796	\$4,242,901

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	\$551,078	\$261,631
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(\$424,100)	(\$936,758)
4.3	Net cash from / (used in) investing activities (item 2.6 above)		
4.4	Net cash from / (used in) financing activities (item 3.10 above)	\$3,440,796	\$4,242,901

4.5	Effect of movement in exchange rates on cash held		
4.6	Cash and cash equivalents at end of period	\$3,567,774	\$3,567,774

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	Previous quarter \$A
5.1	Bank balances	\$3,567,774	\$551,078
5.2	Call deposits		
5.3	Bank overdrafts		
5.4	Other (term deposits)		
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	\$3,567,774	\$551,078

6. Payments to related parties of the entity and their associates

6.1 Aggregate amount of payments to related parties and their associates included in item 1

6.2 Aggregate amount of payments to related parties and their associates included in item 2

**Current quarter
\$A**

\$120,951

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

Payments included in section 6.1 represent payments to directors during the quarter on a cash basis.

7. Financing facilities

Note: the term "facility" includes all forms of financing arrangements available to the entity.

Add notes as necessary for an understanding of the sources of finance available to the entity.

7.1 Loan facilities

7.2 Credit standby arrangements

7.3 Other (please specify)

7.4 **Total financing facilities**

**Total facility
amount at quarter
end
\$A**

**Amount drawn at
quarter end
\$A**

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
8.1	Net cash from / (used in) operating activities (Item 1.9)	(\$424,100)
8.2	Cash and cash equivalents at quarter end (Item 4.6)	\$3,567,774
8.3	Unused finance facilities available at quarter end (Item 7.5)	
8.4	Total available funding (Item 8.2 + Item 8.3)	\$3,567,774
8.5	Estimated quarters of funding available (Item 8.4 divided by Item 8.1)	8.4

8.6 If Item 8.5 is less than 2 quarters, please provide answers to the following questions:

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:

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:

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:

Compliance statement

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

28 April 2020

Date:

The Board of Directors of thedocyard Limited

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

Notes

- 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.
- 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.
- 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.
- 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.