

thedocyard (ASX:TDY) Quarterly Activities Report and Appendix 4C for the period ending 30 June 2020

Highlights

- COVID-19 has pushed advisors, corporates, banks and funds to work remotely and has increased interest in the TDY virtual deal management platform, allowing us to record month on month growth in Q4 2020.
- We have attracted new talent and made changes in personnel to accelerate product development, expand our sales team and initiate growth marketing activities.
- Launch of a low touch sales model in July 2020, allows Corporate advisors, Legal advisors and Corporate development managers to onboard through the refreshed homepage.
- With opr, Neo and Hill+Knowlton Strategies (WPP AUNZ agencies) we launched an international growth marketing campaign.
- Addition of Athena Board to our solutions set via the acquisition of 100% of Lockbox Technologies Pty Ltd in early July 2020.
- Completed institutional placement in early July in line with our growth strategy and expansion plans.
- \$2.7 million cash in the bank, zero debt and with a strong pipeline of new and well-advanced prospective customers.

thedocyard Limited (ASX:TDY), trusted business management technology partner for corporates and their advisors, releases its Appendix 4C for the three months to 30 June 2020 and provides an update on its progress during the period.

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

Our mission at thedocyard, to be the trusted technology partner to the world's corporates, funds and their advisors, took many positive steps forward this quarter.

Adding the Athena Board solution to our arsenal significantly complements the existing deal management platform offer via the alignment of the customer base and problem being solved (critical events and data).

In addition, we have now made it even easier to launch deals directly from our website with a zero touch, self provision deal workflow and data room offer. This offer is a world first and is backed by the power of the OPR digital marketing campaign.

We also continue to focus on the sales and marketing engine with progress this quarter in the areas of new hires, new systems and relentless optimisation of customer journey both pre and post sale.

Today we offer two clear and distinct solutions which deal with the two most common critical business events:

1. transactions, and
2. board meetings

thedocyard's deal management platform has already established its pedigree as the future of how deals get done, rightfully claiming the dealtech 2.0 label. It's data room "plus" offer continues to gain traction and loyalty from those working on deals, with the workflow and project management capabilities clearly differentiating the offer from the traditional data room only offer.

In the board portal space, thedocyard's recent acquisition of the Athena Board technology squarely places us at the forefront of an ever growing market around the digitisation and securing of board papers and the meeting process. The board portal market is predicted to grow sharply in the next 5 years and the Athena offer is quickly gaining the reputation of being the best technical solution with the best value offer on the market. The board portal market is expected to grow from \$2.5B (USD) (2018) to \$10.5B by 2026¹.

thedocyard is extremely well placed to establish itself as a global technology player in the enterprise software market and has quickly positioned itself as a true innovator and game changer in the traditional transactional and board technologies markets. With leading solutions, a very clear orientation towards innovation, technical excellence, customer experience and marketing prowess the conditions for work digitisation technologies has never been better.

Operational Highlights

Launch of world first self-provision deal workflow and data room

The launch of our zero touch deal workflow and data room launcher has been launched in July 2020. The outcomes include:

- full brand refresh
- new marketing website
- clear calls to action
- world first self launch deal workflow and data room
- OPR designed and delivered digital marketing campaign

This project is aimed squarely at driving user engagement via single deal acquisition and will drive our broader go to market strategy of enterprise selling.

Source:

1. Verified Market Research - Global Board Portal Market - July 2019

thedocyard Limited

ABN: 19 602 586 407

c/o Emerson Corporate Legal Operations

Suite 4201, Level 42, Australia Square, 264 George Street

Sydney NSW 2000

Acquisition of Lockbox Technologies

In early July the team completed the acquisition and integration of Lockbox Technologies.

The acquisition provides an entry for thedocyard into the board portal management software market, through Lockbox Technologies' Athena Board product as well as entry into the enterprise file sync and sharing market, through the Lockbox Storage product.

The Lockbox Transaction aligns with the Company's growth strategy and expansion plans in Australia, New Zealand, the UK and Asia.

Financial Highlights

Overview

The attached Appendix 4C provides details on the cash flows for the quarter ended 30 June 2020. As at 30 June 2020, the company held \$2,711,238 in cash.

Total net cash used in operating activities for the quarter was \$844,846, with expanded operations including the hiring of new team members, sales and marketing initiatives and continued development of thedocyard's platform technology.

Customer cash receipts in the quarter were \$236,045 generated from platform activity.

Capital Raising via share placement

In early July thedocyard completed a capital raising process via institutional placement, subject to shareholder approval at the upcoming EGM on 18 August 2020. thedocyard has received binding commitments in relation to a proposed capital raising of \$1,020,340 by way of an institutional placement.

The funds from the institutional placement will allow thedocyard to more quickly expand its product offering and pipeline of new products to many of the same clients and prospects as it builds its sale-force and marketing momentum in these regions.

Aggregate amount of payments to related parties and their associates

During the quarter, payments of \$82,125 were made to related parties, representing fees paid to Directors.

Use of Funds

Pursuant to ASX Guidance Note 23, appendix sets out a comparison of the actual expenditure on the individual line items in the "use of funds" statement since the date of admission to the ASX on 14 February 2020.

Reconciliation of the use of funds against the statement released in the replacement prospectus has been detailed in Appendix 1 below. Spending is in line with budget and the balance of expenditure is expected to be made within the next 1-2 quarters.

Appendix 1

| Use of Funds | Prospectus Use of Funds | Funds used to 31 March 20 | Funds used in the June 20 quarter | Funds used to 30 June 20 |
|--|-------------------------|---------------------------|-----------------------------------|--------------------------|
| Cash Expense associated with the Offer | \$ 576,000 | \$366,417 | \$ - | \$366,417 |
| Sales, Customer Success and Support - Total | \$ 1,580,000 | \$71,911 | \$141,733 | \$213,644 |
| Sales, Customer Success and Support | \$1,580,000 | \$71,911 | \$141,733 | \$213,644 |
| Marketing - Total | \$330,247 | \$ - | \$55,932 | \$55,932 |
| Marketing | \$330,247 | \$ - | \$55,932 | \$55,932 |
| Product Development - Total | \$ 1,400,000 | \$192,187 | \$639,280 | \$831,467 |
| Australian Product Development | \$ 1,100,000 | \$192,187 | \$639,280 | \$831,467 |
| Expanded International Product Development | \$ 300,000 | \$ - | \$ - | \$ - |
| Repay Current External Debt | \$ 270,000 | \$ 273,987 | \$255,637 | \$273,987 |
| Other Operating Activities | \$ 388,850 | \$176,379 | \$ 426,380 | \$432,016 |
| Total | \$ 4,545,097 | \$1,080,881 | \$1,092,582 | \$2,173,463 |

[ENDS]

Approved for release by the Board

Media & Investor Enquiries

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About thedocyard

thedocyard Limited (ASX:TDY) is a technology company offering cloud solutions focused on critical business events and data, specifically transaction and board management.

thedocyard Limited

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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")

30 June 2020

| Consolidated statement of cash flows | Current quarter \$A | Year to date (12 months) \$A |
|---|--------------------------------|---|
| 1. Cash flows from operating activities | | |
| 1.1 Receipts from customers | \$236,045 | \$845,877 |
| 1.2 Payments for | | |
| (a) research and development | (\$158,001) | (\$324,226) |
| (b) product manufacturing and operating costs | (\$310,163) | (\$775,384) |
| (c) advertising and marketing | (\$14,450) | (\$87,874) |
| (d) leased assets ¹ | (\$3,739) | (\$23,900) |
| (e) staff costs | (\$527,479) | (\$1,120,960) |
| (f) administration and corporate costs | (\$117,059) | (\$403,633) |
| 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 | \$50,000 | \$138,354 |
| 1.8 Other (provide details if material) | | |
| 1.9 Net cash from / (used in) operating activities | (\$844,846) | (\$1,751,746) |

| | | |
|--|---|---|
| 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 | - | - |

| | | | |
|------------|---|----------|----------|
| 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) | - | \$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 | - | (\$831,962) |
| 3.5 | Proceeds from borrowings | - | - |
| 3.6 | Repayment of borrowings | - | (\$273,987) |
| 3.7 | Transaction costs related to loans and borrowings | - | - |
| 3.8 | Dividends paid | - | - |
| 3.9 | Other (provide details if material) ¹ | (11,690) | (41,548) |
| 3.10 | Net cash from / (used in) financing activities | (11,690) | \$4,201,353 |

Note

¹ \$29,858 reclassified in prior periods from 'Cash Flows from Operating Activities' to 'Cash Flows from Financing Activities' in relation to principal and interest lease repayments in accordance with AASB 16 *Leases*.

| | | | |
|-----------|--|-------------|---------------|
| 4. | Net increase / (decrease) in cash and cash equivalents for the period | | |
| 4.1 | Cash and cash equivalents at beginning of period | \$3,567,774 | \$261,631 |
| 4.2 | Net cash from / (used in) operating activities (item 1.9 above) | (\$844,846) | (\$1,751,746) |
| 4.3 | Net cash from / (used in) investing activities (item 2.6 above) | - | - |

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

| | | | |
|-----|--|--------------------|--------------------|
| 4.4 | Net cash from / (used in) financing activities (item 3.10 above) | (11,690) | \$4,201,353 |
| 4.5 | Effect of movement in exchange rates on cash held | - | - |
| 4.6 | Cash and cash equivalents at end of period | \$2,711,238 | \$2,711,238 |

| 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 | \$2,711,238 | \$3,567,774 |
| 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) | \$2,711,238 | \$3,567,774 |

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**

\$82,125

-

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) | (\$844,846) |
| 8.2 | Cash and cash equivalents at quarter end (Item 4.6) | \$2,711,238 |
| 8.3 | Unused finance facilities available at quarter end (Item 7.5) | - |
| 8.4 | Total available funding (Item 8.2 + Item 8.3) | \$2,711,238 |
| 8.5 | Estimated quarters of funding available (Item 8.4 divided by Item 8.1) | 3.2 |

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

- 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:

- 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:

- 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.

30 July 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.

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.