

ASX ANNOUNCEMENT

MERGER OF THEDOCYARD AND ANSARADA

- *thedocyard and Ansarada are proposing a merger to form a leading global SaaS company in deal technology and information governance technology*
- *Ansarada is a leading global provider of a cloud-based SaaS platform for secure end-to-end document and process management, supporting transaction and other critical business and governance outcomes*
- *On completion of the transaction and a proposed capital raising, and based on financial information provided by Ansarada, the merged entity is expected to have a market capitalisation of approximately A\$125 million*
- *The proposed merger will, if consummated, combine TDY's differentiated transaction workflow management platform and the Athena board management portal with Ansarada's market leading and trusted Virtual Data Room and Pathways platforms*
- *thedocyard and Ansarada expect to generate increased revenues through the expected opportunities to cross-sell of thedocyard products, such as Athena Board portal, to Ansarada's base of over 2,600 active corporate and advisor customers globally (and vice versa)*
- *The proposed merger is expected to create a clear pathway towards substantial recurring and enterprise SaaS revenue across a global customer base*

18 August 2020: thedocyard Limited (ASX: TDY) (**TDY**) and Ansarada NewCo Pty Ltd (**Ansarada**) are pleased to announce they have entered into a Heads of Agreement in respect of a proposal under which TDY will, subject to satisfaction of conditions precedent (see further below), acquire 100% of Ansarada (the **Proposed Transaction**). A copy of the Heads of Agreement is attached to this announcement.

Ansarada is a global provider of a cloud-based SaaS platform for secure end-to-end document and process management, supporting transactions and other critical business and governance outcomes for corporates throughout their lifecycle. Established in 2005, the business has grown to be one of the market leaders in the Asia Pacific region and has a growing market presence across the US, the Middle East, Africa and Europe. Ansarada's leading workflow and Virtual Data Room solutions facilitate on-going secure information flow, collaborative execution of strategy and deliver valuable reporting and insights for decision making.

TDY and Ansarada believe that their business models are highly complementary, synergistic and strategic. The Proposed Transaction will, if consummated, create an industry leading global SaaS business, bringing to market a comprehensive information management and governance platform.

TDY and Ansarada believe that the combination of products and features that could be delivered by the combined entities are in demand by company boards, management teams, their advisors and investors. Highly secure information workflow and management solutions are the backbone for high value use cases such as board reporting and management; governance, risk and compliance management; asset management, government and private sector tenders, transaction due diligence, capital raisings, restructuring and insolvency.

TDY and Ansarada believe that companies who make use of the combined TDY and Ansarada platform will gain a competitive advantage by maximising the value of their information in critical use cases while simultaneously minimising risks such as data security.

STRATEGIC RATIONALE

The Proposed Transaction seeks to capitalise on the established capabilities of TDY and Ansarada to bring to market a cloud-based SaaS platform comprising industry leading project management, virtual data room, workflow automation tools, secure collaboration features, document security, access controls and AI powered reporting.

Combined with the Athena board management portal, TDY and Ansarada believe that the Proposed Transaction, if consummated, will enable them to become the information governance platform that executives, Boards and business owners will rely on to improve performance and ensure they are ready to act with confidence in every critical decision.

The Proposed Transaction would result in the combination of TDY's differentiated transaction workflow management platform with the Athena board management portal and Ansarada's market leading and trusted Virtual Data Room and Pathways platforms. The combined entity will:

- have access to an expanded and active customer base of over 2,600 of customers and over 400,000 active users comprising the world's leading companies, investment banks and advisory firms;
- open opportunities to leverage this customer base into TDY's enterprise SaaS products
- be in a position to leverage Ansarada's significant brand value, established trust, relationships and intellectual property from 15 years of development, and data across over 22,000 critical business events in more than 100 countries;
- operate a robust scalable platform, and be positioned for future growth both domestically and internationally, with close to 50% of Ansarada's revenues already generated offshore.

TDY and Ansarada believe that the combined strengths of the TDY and Ansarada businesses will enable companies to mitigate risks and seize opportunities faster and better than they ever have before. The ability to more confidently tackle the challenges of information management and governance whilst simultaneously increasing visibility, accountability and efficiency across their organisation is a great outcome for existing customers. TDY and Ansarada also believe that this will pave the way for potential growth opportunities for the merged business.

If consummated, the Proposed Transaction is expected to result in TDY shareholders owning a part of a robust, larger, better capitalised, and diversified business that will be well placed to accelerate growth both domestically and internationally.

Commenting on the Proposed Transaction, Stuart Clout, Founder and CEO of TDY said:

“I’m thrilled to announce this transaction today. Consistent with our recent acquisition of the Athena Board portal, thedocyard is focused on building out our stable of technologies that make corporate events such as transactions and board meetings more efficient and more secure. With this transaction, our reach will be greater, our opportunity to solve more of our customers problems enhanced, and our vision to be the trusted technology partner to corporates, advisors and funds is accelerated. The combination of our workflow, deal and board management solutions, with Ansarada’s trusted brand and position in the transaction dataroom market is set to make the merged business a global force in the information governance technology market. It is great news for our customers, our shareholders and our people.”

Sam Riley, Founder and CEO of Ansarada commented:

“The combination of Ansarada and thedocyard is truly great as our respective product solutions and customer bases are highly complementary, as is the vision and values we share. We both lead with innovation and curiosity to serve our customers to achieve better outcomes. The combined technology and expertise of Ansarada and thedocyard will create an unrivalled SaaS platform for information governance and end-to-end management of corporate transactions. Companies and their advisers will be positioned better than ever to improve performance and ensure they are ready to act with confidence in every critical decision and transaction.”

TRANSACTION OVERVIEW

Notwithstanding that the Proposed Transaction remains subject to entry into a Share Purchase Agreement, it is expected that it will comprise:

- An acquisition of 100% of Ansarada by TDY
- An aggregate enterprise value of the combined entity (“MergeCo”) of approximately A\$105 million, representing a multiple of approximately 3.1x FY20 unaudited, historical revenue;

- A market capitalisation of approximately A\$125 million following the completion of the capital raising (defined below)
- a capital raising undertaken by TDY of approximately A\$45 million (“Capital Raising”), the proceeds of which are expected to be applied as follows:
 - Approximately \$20 million of growth and working capital will be retained by MergeCo; and
 - Part of the proceeds will be applied to redeeming existing convertible notes of those Ansarada Convertible Noteholders who do not elect to convert to shares in exchange for TDY scrip; and
 - Part of the proceeds will be applied to pay transaction costs.
- Existing shareholders in TDY are expected to be given the opportunity to participate in the Capital Raising.
- It is anticipated that TDY will undertake a share consolidation on a 10 for 1 basis

Following completion of the Proposed Transaction and Capital Raising, the indicative pro-forma shareholdings in the combined entity are expected to be:

- Existing TDY shareholders holding approximately 18%;
- Ansarada stakeholders holding approximately 47%; and
- Investors in the Capital Raising holding approximately 35%

On completion, Management and Founders of TDY and Ansarada are expected to be significantly aligned with both new and existing shareholders, holding approximately 20% of the issued capital of MergeCo.

Founders and Management of Ansarada will receive 100% scrip consideration in TDY, which will be subject to market standard escrow arrangements. The issue price of TDY shares under the Capital Raising is expected to be in the range of \$0.15 to \$0.17 per share on a pre-consolidation basis, compared to the TDY’s last close price of \$0.19 per share.

BOARD COMPOSITION

Following completion of the Proposed Transaction, it is proposed that the Board of TDY will comprise:

- Peter James (Non-Executive, Independent Chair): Current Chair of Ansarada, Chairman of Nearnmap (ASX:NEA), and Chairman of Macquarie Telecom Group (ASX: MAQ);
- David Pullini (Non-Executive, Independent Director): Current Non-Executive Director of Ansarada, Chairman of Humanforce, and Director of Vantage Asset Management;
- Sam Riley (Executive Director): Current Chief Executive of Ansarada; and
- Stuart Clout (Executive Director): Current Chief Executive of TDY.

It is intended to appoint a third Non-Executive, Independent Director to the board to TDY.

CONDITIONS TO THE PROPOSED TRANSACTION

Completion of the Proposed Transaction will be subject to a number of conditions including:

- completion of satisfactory due diligence by both TDY and Ansarada;
- entry into a definitive Share Purchase Agreement in connection with the Proposed Transaction;
- TDY shareholder approvals necessary for the Proposed Transaction and Capital Raising;
- approval by Ansarada security holders;
- issue and allotment of TDY shares under the Capital Raising (as outlined above);
- ASX approvals including confirmation of the application of Chapter 11 of the Listing Rules to the Transaction; and
- other conditions customary for a transaction of this nature.

TIMETABLE

The parties will work in good faith to the below timetable, subject to satisfaction of conditions referred to above, with a view to completing a transaction by early December 2020.

Item / Milestone	Indicative Timing
Commencement of mutual due diligence	Execution of the Heads of Agreement (T)
Completion of mutual due diligence, for entry into Transaction Documents	T + 3 weeks
Finalisation of Transaction Documents	T + 3 weeks
Shareholder approvals	T + 11 weeks
Completion of capital raising	T + 15 weeks
Settlement of the transaction	T + 15 weeks

Note: timetable indicative and subject to change.

ADDITIONAL INFORMATION

TDY will keep its shareholders informed as per its ongoing continuous disclosure obligations.

Morgans Corporate Limited and Herbert Smith Freehills are advising TDY.

Moelis Australia Advisory Pty Ltd (Moelis Australia) and Jones Day are advising Ansarada.



Morgans Corporate Limited and Moelis Australia have been appointed as Joint Lead Managers to the Capital Raising.

Ends

Approved for release by the Board of TDY and the Board of Ansarada.

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ABOUT THEDOCYARD

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

Athena Board is a secure portal optimising corporate and not for profit board management.

For more information visit: www.thedocyard.co || www.athenaboard.com.au

ABOUT ANSARADA

Ansarada NewCo Pty Ltd is a global provider of cloud-based, SaaS platform for secure end-to-end document and process management supporting transactions and other critical outcomes for businesses.

For more information visit: www.ansarada.com

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