

23 October 2020

Dear Fellow Shareholders,

EXTRAORDINARY GENERAL MEETING 2020

An Extraordinary General Meeting (**EGM** or **Meeting**) of thedocyard Limited (ASX: TDY) will be held at **2.00pm (AEDT) on Tuesday, 24 November 2020**. Due to COVID-19 restrictions on public gatherings, the Meeting will be held virtually and there will not be a physical meeting where shareholders can attend.

In accordance with subsection 5(1)(f) of the Corporations (Coronavirus Economic Response) Determination (No. 1) 2020 made by the Commonwealth Treasurer on 05 May 2020, the Company will not be dispatching physical copies of the EGM Notice. Instead the EGM Notice of Meeting and accompanying explanatory statements (**Meeting Materials**) are being made available to shareholders electronically. This means that:

- You can access the Meeting Materials and Online User Guide (voting) online at the Company's website <https://www.thedocyard.co/investors>
- If the share registry does not have your email address on file, a proxy form and reply-paid envelope will be mailed to your nominated address.

Shareholders can listen and participate in the audio Meeting using the online platform at <http://web.lumiagm.com> or via the Lumi AGM app through a computer or mobile device. The ID number of the Meeting is: **360772816**. More details relating to this are contained in the Meeting Materials and Online User Guide.

Shareholders will be asked to support multiple resolutions being put to the Meeting around the proposed merger of thedocyard and Ansarada. Please refer to ASX Announcements on 18 August, 25 September and 01 October 2020 for further information.

Your participation at the Meeting via the online platform will be both welcome and appreciated by your Directors. Participating in the Meeting online enables all Shareholders to listen to the meeting live, ask text-based questions and cast votes in the real time poll at the appropriate times during the Meeting. Shareholders should refer to the Notice of Meeting and Online User Guide for more information.

If you are unable to participate at the meeting, a proxy voting form is enclosed for your use. Online proxies and proxy voting forms must be received **no later than 2.00pm (AEDT) on Sunday 22 November 2020**.

Voting on all resolutions will be available during the course of the Meeting and the final results of all resolutions will be published to the ASX shortly after the close of Meeting.

Shareholders can submit any questions in advance of the Meeting by emailing the questions to marika.white@emersonoperations.com.au by no later than 5.00pm (AEDT) on Tuesday 17 November 2020.

I look forward to your participation in the Meeting.

Yours sincerely,



Steven Coffey
Chair

**THEDOCYARD LIMITED
ACN 602 586 407
(THE COMPANY)**

NOTICE OF EXTRAORDINARY GENERAL MEETING

**An Extraordinary General Meeting of the Company to be held on 24
November 2020 at 2pm (AEDT)**

To facilitate a meeting that is safe, inclusive and cost effective, the Meeting will be held virtually only and will not be held physically. This measure is being adopted to ensure compliance with the Australian Government's restrictions on public gatherings and the safety of Shareholders due to the COVID-19 pandemic.

*The Company strongly encourages Shareholders to vote prior to the Meeting, even if they intend to participate in the Meeting online. Proxy forms for the meeting can be found attached to this notice and should be completed and lodged with the Company before **2pm (AEDT)** on 22 November 2020.*

*Shareholders can also submit any questions in advance of the Meeting by emailing the questions to marika.white@emersonoperations.com.au by no later than **2pm (AEDT)** on 22 November 2020.*

The business of the Meeting affects your shareholding and your vote is important. This Notice of Meeting and the accompanying Explanatory Memorandum should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their stockbroker, investment advisor, accountant, solicitor or other professional adviser prior to voting.

Should you wish to discuss any matter please do not hesitate to contact the Company Secretary by telephone on +61 423 149 096

THE DOCYARD LIMITED
ACN 602 586 407

NOTICE OF EXTRAORDINARY GENERAL MEETING

Notice of Meeting is hereby given that the Extraordinary General Meeting of Shareholders of thedocyard Limited (**Company**) will be held at 2pm (**AEDT**) on 24 November 2020 (**Meeting**).

Due to COVID-19 restrictions on public gatherings and the temporary modifications to the *Corporations Act 2001* (Cth) (**Corporations Act**) under the *Corporations (Coronavirus Economic Response) Determination (No. 1) 2020*, (Cth) the Meeting will be held virtually and there will not be a physical meeting where shareholders can attend. Shareholders can listen and participate in the Meeting via the online platform by using:

- **Computer**, by entering the following URL in your browser: <https://web.lumiagm.com>
- **Mobile device**, by entering the following URL in your browser: <https://web.lumiagm.com> or by using the Lumi AGM app.

The meeting ID for the Meeting is: **360 772 816**

The **username** is your Voter Access Code (which can be located on the front of your Proxy Form or on your Notice of Meeting email).

Your **password** is your postcode registered on your holding if you are an Australian shareholder. Overseas shareholders should refer to the Online Voting User Guide.

If you have been nominated as a third-party proxy, or for any enquiries relating to virtual participation, please contact the Company's share registry on 1300 737 760 (within Australia) and +61 9290 9600 (outside Australia).

Shareholders will be able to log in to the online platform from 1.00pm (AEDT) on the date of the Meeting.

Further information on how to participate virtually is set out in this Notice of Meeting and in the Online Voting User Guide available online at <https://www.thedocyard.co/investors>

If it becomes necessary to make further alternative arrangements for holding the Meeting, the Company will ensure that shareholders are given as much notice as possible. Further information will be made available on the Company's website at <https://www.thedocyard.co/investors> or the ASX.

The Explanatory Memorandum provides additional information on matters to be considered at the Meeting. The Explanatory Memorandum and the Proxy Form comprise part of the Notice of Meeting.

The Directors have determined pursuant to regulations 7.11.37 and 7.11.38 of the *Corporations Regulations 2001* (Cth) that the persons eligible to vote at the Meeting are those who are registered as Shareholders on 22 November 2020 at 2pm (AEDT).

Terms and abbreviations used in the Notice of Meeting and the Explanatory Memorandum will, unless the context requires otherwise, have the meaning given to them in Schedule 1.

BUSINESS OF THE MEETING

1. Resolution 1 – Approval to change in nature and scale of activities

To consider and, if thought fit, to pass with or without amendment, as an ordinary resolution the following:

"That, subject to each of the Acquisition Resolutions being passed and pursuant to and in accordance with ASX Listing Rule 11.1.2 and for all other purposes, approval be given for the significant change in the nature and scale of the Company's activities resulting from the Acquisition and the Offer, as described in the Explanatory Memorandum attached to the Notice of Meeting."

Voting Exclusion

The Company will disregard any votes cast in favour of the Resolution by or on behalf of:

- a counterparty to the transaction including an Ansarada Vendor that, of itself or together with one or more other transactions, will result in a significant change to the nature or scale of the Company's activities and any other person who will obtain a material benefit as a result of the transaction (except a benefit solely by reason of being a holder of ordinary shares in the Company); or
- an associate of that person or those persons.

However, this does not apply to a vote cast in favour of the Resolution by:

- a person as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with directions given to the proxy or attorney to vote on the resolution in that way; or
- the Chairperson of the meeting as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chairperson to vote on the resolution as the Chairperson decides; or
- a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the Resolution; and
 - the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

2. Resolution 2 – Approval of consolidation of Shares

To consider and, if thought fit, to pass with or without amendment, as an ordinary resolution the following:

"That, subject to each of the Acquisition Resolutions being passed, pursuant to and in accordance with section 254H of the Corporations Act and for all other purposes, the

issued capital of the Company be consolidated as described in the Explanatory Memorandum attached to the Notice of Meeting, on the basis that:

- (a) *every 10 Shares be consolidated into 1 Share;*
- (b) *every 10 Performance Shares be consolidated into 1 Performance Share; and*
- (c) *all Options on issue be adjusted in accordance with ASX Listing Rule 7.22,*

and, where this Consolidation results in a fraction of a security being held, the Company be authorised to round that fraction up to the nearest whole security."

Voting Exclusion

The Company will disregard any votes cast in favour of the Resolution by or on behalf of:

- an Ansarada Vendor; or
- any associate of that person or those persons.

However, this does not apply to a vote cast in favour of the Resolution by:

- a person as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with directions given to the proxy or attorney to vote on the Resolution in that way; or
- the Chairperson of the meeting as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chairperson to vote on the Resolution as the Chairperson decides; or
- a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the Resolution; and
 - the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

3. Resolution 3 – Approval to issue Consideration Shares

To consider and, if thought fit, to pass with or without amendment, as an ordinary resolution the following:

"That, subject to each of the Acquisition Resolutions being passed, pursuant to and in accordance with ASX Listing Rule 7.1 and for all other purposes, approval be given for the Company to issue up to 43,100,000 Shares (on a post-Consolidation basis) to holders of shares in Ansarada under the Acquisition as described in the Explanatory Memorandum attached to the Notice of Meeting."

Voting Exclusion

The Company will disregard any votes cast in favour of the Resolution by or on behalf of:

- a person who is expected to participate in, or who will obtain a material benefit as a result of, the proposed issue (except a benefit solely by reason of being a holder of ordinary securities in the Company) including an Ansarada Vendor; or
- an associate of that person or those persons.

However, this does not apply to a vote cast in favour of the Resolution by:

- a person as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with directions given to the proxy or attorney to vote on the Resolution in that way; or
- the Chairperson of the meeting as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chairperson to vote on the Resolution as the Chairperson decides; or
- a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the Resolution; and
 - the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

4. Resolution 4 – Approval to issue New Shares

To consider and, if thought fit, to pass with or without amendment, as an ordinary resolution the following:

"That, subject to each of the Acquisition Resolutions being passed, pursuant to and in accordance with ASX Listing Rule 7.1 and for all other purposes, approval be given for the Company to issue up to a maximum of 30,400,000 Shares (on a post- Consolidation basis) at an issue price of \$1.48 per Share to raise up to \$45,000,000 under the Offer as described in the Explanatory Memorandum attached to the Notice of Meeting."

Voting Exclusion

The Company will disregard any votes cast in favour of the Resolution by or on behalf of:

- an Ansarada Vendor;
- a person who is expected to participate in, or who will obtain a material benefit as a result of, the proposed issue (except a benefit solely by reason of being a holder of ordinary securities in the Company); or
- an associate of that person or those persons.

However, this does not apply to a vote cast in favour of the Resolution by:

- a person as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with directions given to the proxy or attorney to vote on the Resolution in that way; or
- the Chairperson of the meeting as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chairperson to vote on the Resolution as the Chairperson decides; or
- a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the Resolution; and
 - the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

5. Resolution 5 – Change of Company name

To consider and, if thought fit, to pass with or without amendment, as a special resolution the following:

“That, subject to each of the Acquisition Resolutions being passed, pursuant to and in accordance with section 157 of the Corporations Act and for all other purposes, immediately following completion under the Share Sale Deed, the name of the Company is changed to ‘Ansarada Group Limited’.”

Voting Exclusion

The Company will disregard any votes cast in favour of the Resolution by or on behalf of:

- an Ansarada Vendor; or
- any associate of that person or those persons.

However, this does not apply to a vote cast in favour of the Resolution by:

- a person as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with directions given to the proxy or attorney to vote on the Resolution in that way; or
- the Chairperson of the meeting as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chairperson to vote on the Resolution as the Chairperson decides; or
- a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the Resolution; and

- the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

6. Resolution 6 – Approval of Issue of Securities under the Equity Incentive Plan

To consider and, if thought fit, to pass with or without amendment, as an ordinary resolution the following:

“That, subject to each of the Acquisition Resolutions being passed, pursuant to and in accordance with Exception 13(b) of ASX Listing Rule 7.2 and for all other purposes, approval be given for the issue of securities under the terms and conditions of the EIP, as described in the Explanatory Memorandum attached to the Notice of Meeting.”

Voting Exclusion

The Company will disregard any votes cast in favour of the Resolution by or on behalf of:

- an Ansarada Vendor;
- a person who is eligible to participate in the EIP; or
- an associate of that person or those persons.

However, this does not apply to a vote cast in favour of the Resolution by:

- a person as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with directions given to the proxy or attorney to vote on the Resolution in that way; or
- the Chairperson of the meeting as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chairperson to vote on the Resolution as the Chairperson decides; or
- a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the Resolution; and
 - the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

In addition, the Corporations Act restricts a person who is a member of the key management personnel (**KMP**) at the date of the meeting and their closely related parties from voting undirected proxies on this resolution, except in the case of the Chairperson of the meeting where the Chairperson has been expressly authorised to exercise the proxy.

7. Resolution 7 – Grant of LTI Options to Directors under the EIP

To consider and, if thought fit, to pass with or without amendment, each as a **separate** ordinary resolution the following:

“That, subject to each of the Acquisition Resolutions being passed, pursuant to and in accordance with ASX Listing Rule 10.14 and for all other purposes, approval be given to issue the following number of LTI Options to each of the following Directors or Proposed Directors subject to Completion:

- (a) 946,040 LTI Options to Mr Peter James;
- (b) 1,330,900 LTI Options to Mr Sam Riley;
- (c) 1,035,144 LTI Options to Mr Stuart Clout; and
- (d) 946,040 LTI Options to Mr David Pullini.

(on a post-Consolidation basis) as described in the Explanatory Memorandum attached to the Notice of Meeting”.

The Company will disregard any votes cast in favour of Resolutions 7(a), 7(b), 7(c) and 7(d):

- an Ansarada Vendor;
- by or on behalf of any Director or Proposed Director who is eligible to participate in the EIP; or
- an associate of any of those persons.

However, this does not apply to a vote cast in favour of the Resolution by:

- a person as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with directions given to the proxy or attorney to vote on the Resolution in that way; or
- the Chairperson of the meeting as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chairperson to vote on the Resolution as the Chairperson decides; or
- a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the Resolution; and
 - the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

In addition, the Corporations Act restricts a person who is a KMP at the date of the meeting and their closely related parties from voting undirected proxies on these resolutions, except in the case of the Chairperson of the meeting where the Chairperson has been expressly authorised to exercise the proxy.

8. Resolution 8 – Participation in Share Offer by Proposed Directors

To consider and, if thought fit, to pass with or without amendment, each as a **separate** ordinary resolution the following:

“That, subject to each of the Acquisition Resolutions being passed, pursuant to and in accordance with ASX Listing Rule 10.11 and for all other purposes, approval be given to issue New Shares to the Related Party Participants as follows:

- (a) up to 101,352 Shares to Mr David Pullini (or his nominees);
- (b) up to 101,352 Shares to Mr Peter James (or his nominees),

(on a post-Consolidation basis), as described in the Explanatory Memorandum attached to the Notice of Meeting”.

Voting Exclusion

The Company will disregard any votes cast in favour of:

- an Ansarada Vendor or an associate of that person or those persons;
- in respect of Resolution 8(a), by or on behalf of Mr David Pullini (and any of his nominees) and any other person who will obtain a material benefit as a result of, the proposed issue (except a benefit solely by reason of being a holder of ordinary securities in the Company) and any of their respective associates; and
- in respect of Resolution 8(b) by or on behalf of Mr Peter James (and any of his nominees) and any other person who will obtain a material benefit as a result of, the proposed issue (except a benefit solely by reason of being a holder of ordinary securities in the Company) and any of their respective associates.

However, this does not apply to a vote cast in favour of the Resolution by:

- a person as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with directions given to the proxy or attorney to vote on the Resolution in that way; or
- the Chairperson of the meeting as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chairperson to vote on the Resolution as the Chairperson decides; or
- a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the Resolution; and
 - the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

9. Resolution 9 – Election of Directors

To consider and, if thought fit, to pass with or without amendment, each as a **separate** ordinary resolution the following:

"That, subject to each of the Acquisition Resolutions being passed, pursuant to and in accordance with rule 9.2(f) of the Constitution and for all other purposes, the following persons, being eligible and having consented to act and having been nominated by the Board, be elected as a Director subject to and on and from Completion:

- (a) Mr Sam Riley;
- (b) Mr Peter James; and
- (c) Mr David Pullini."

Voting Exclusion

The Company will disregard any votes cast in favour of the Resolution by or on behalf of:

- an Ansarada Vendor; or
- any associate of that person or those persons.

However, this does not apply to a vote cast in favour of the Resolution by:

- a person as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with directions given to the proxy or attorney to vote on the Resolution in that way; or
- the Chairperson of the meeting as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chairperson to vote on the Resolution as the Chairperson decides; or
- a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the Resolution; and
 - the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

10. Resolution 10 – Directors Fees

To consider and, if thought fit, to pass with or without amendment, as an ordinary resolution the following:

"That, subject to each of the Acquisition Resolutions being passed, pursuant to and in accordance with ASX Listing Rule 10.17 and for all other purposes, the maximum total aggregate amount of directors' fees payable to all non-executive Directors be increased to \$600,000 plus LTI Options issued to Directors that are approved in accordance with the ASX Listing Rules and any other applicable laws."

Voting Exclusion

The Company will disregard any votes cast in favour of the Resolution by or on behalf of:

- any Director or Proposed Director;
- an associate of that person or those persons.

However, this does not apply to a vote cast in favour of the Resolution by:

- a person as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with directions given to the proxy or attorney to vote on the Resolution in that way; or
- the Chairperson of the meeting as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chairperson to vote on the Resolution as the Chairperson decides; or
- a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the Resolution; and
 - the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

In addition, the Corporations Act restricts a person who is a member of the key management personnel (**KMP**) at the date of the meeting and their closely related parties from voting undirected proxies on this resolution, except in the case of the Chairperson of the meeting where the Chairperson has been expressly authorised to exercise the proxy.

BY ORDER OF THE BOARD



Ms Marika White
Company Secretary

Dated: 23 October 2020

THE DOCYARD LIMITED

ACN 602 586 407

EXPLANATORY MEMORANDUM

1. Introduction

This Explanatory Memorandum has been prepared for the information of Shareholders in connection with the business to be conducted at the Meeting.

This Explanatory Memorandum should be read in conjunction with and forms part of the Notice of Meeting. The purpose of this Explanatory Memorandum is to provide information to Shareholders in deciding whether or not to pass the Resolutions.

This Explanatory Memorandum includes the following information to assist Shareholders in deciding how to vote on the Resolutions:

Section 2:	Action to be taken by Shareholders
Section 3	Transaction overview
Section 4:	Resolution 1 – Approval to change in nature and scale of activities
Section 5:	Resolution 2 – Approval of consolidation of Shares
Section 6	Resolution 3 – Approval to issue Consideration Shares
Section 7:	Resolution 4 – Approval to issue New Shares
Section 8:	Resolution 5 – Change of Company name
Section 9	Resolution 6 – Approval of Issue of Securities under the Equity Incentive Plan
Section 10	Resolution 7 – Grant of LTI Options to Directors
Section 11	Resolution 8 – Participation in Share Offer by Proposed Directors
Section 12	Resolution 9 – Election of Directors
Section 13	Resolution 10 – Directors Fees
Schedule 1:	Definitions and Interpretation
Schedule 2:	Ansarada Vendors
Schedule 3:	General Information

A Proxy Form is located at the end of this Explanatory Memorandum.

2. Action to be taken by Shareholders

Shareholders should read the Notice of Meeting and this Explanatory Memorandum carefully before deciding how to vote on the Resolutions.

ASX takes no responsibility for the contents of the Notice of Meeting or this Explanatory Memorandum.

2.1 Proxies

A Proxy Form is enclosed with the Notice of Meeting. This is to be used by Shareholders if they wish to appoint a representative (a "proxy") to vote in their place. All Shareholders are invited and encouraged to attend the Meeting or, if they are unable to attend in person, sign and return the Proxy Form to the Company in accordance with the instructions detailed in the Proxy Form. Lodgement of a Proxy Form will not preclude a Shareholder from attending and voting at the Meeting in person.

Please note that:

- (a) a proxy need not be a Shareholder;
- (b) a Shareholder may appoint a body corporate or an individual as its proxy;
- (c) a body corporate appointed as a Shareholder's proxy may appoint an individual as its representative to exercise any of the powers that the body corporate may exercise as the Shareholder's proxy; and
- (d) Shareholders entitled to cast two or more votes may appoint two proxies and may specify the proportion or number of votes each proxy is appointed to exercise, but where the proportion or number is not specified, each proxy may exercise half of the votes.

Proxy Forms must be received by the Company **no later than 2pm** (AEDT) on 22 November 2020 being at least 48 hours before the Meeting.

The Proxy Form provides further details on appointing proxies and lodging Proxy Forms.

2.2 Proxy Forms

To be effective, the Proxy Form must be completed, signed and lodged (together with the relevant original power of attorney or a certified copy if the proxy is signed by an attorney) with the Company's share registry **no later than 2pm** (AEDT) on 22 November 2020 (**Proxy Deadline**) at the address below or submitted electronically:

Boardroom Pty Limited
GPO Box 3993, Sydney NSW 2001

Level 12, 225 George Street, Sydney NSW 2000

Fax: +61 9290 9655

Lodge electronically by going online at: <https://www.votingonline.com.au/tdygm2020>

If you require an additional Proxy Form, contact the Company's share registry on 1300 737 760 (within Australia) or +61 2 9290 9600 (outside Australia), who will supply it on request.

Shareholders are encouraged to submit their Proxy Forms online. If you wish to post a Proxy Form, please be aware of current postal timeframes, including the possibility of delays due to COVID-19 regulations and reduced frequency of deliveries.

2.3 Eligibility to vote

In accordance with the Corporations Act and the Constitution, a person's entitlement to vote at the Meeting will be determined by reference to the number of Shares registered in the name of that person (reflected in the register of members) as at **2pm** (AEDT) on 22 November 2020.

2.4 Participating and Voting Online During the Meeting

Due to COVID-19 restrictions on public gatherings and the temporary modifications to the Corporations Act under the *Corporations (Coronavirus Economic Response) Determination (No. 1) 2020*, (Cth) the Meeting will be held virtually and there will not be a physical meeting where shareholders can attend. Shareholders can listen and participate in the Meeting via the online platform by using:

- **Computer**, by entering the following URL in your browser: <https://web.lumiagm.com>
- **Mobile device**, by entering the following URL in your browser: <https://web.lumiagm.com> or by using the Lumi AGM app.

The meeting ID for the Meeting is: 360 772 816

The **username** is your Voter Access Code (which can be located on the front of your Proxy Form or on your Notice of Meeting email).

Your **password** is your postcode registered on your holding if you are an Australian shareholder. Overseas shareholders should refer to the Online Voting User Guide.

If you have been nominated as a third-party proxy, or for any enquiries relating to virtual participation, please contact the Company's share registry on 1300 737 760 (within Australia) and +61 9290 9600 (outside Australia).

Shareholders will be able to log in to the online platform from **1pm** (AEDT) on the date of the Meeting.

Participating in the Meeting online, enables shareholders to listen to the Meeting live, ask text-based questions and cast votes in the real time poll at the appropriate times during the Meeting.

Further information on how to participate virtually is set out in this Notice of Meeting and in the Online Voting User Guide available online at <https://www.thedocyard.co/investors>

Shareholders are also strongly encouraged to lodge their Proxy Forms before the Proxy Deadline even if they are participating in the Meeting online. If you do not intend, or are unable to participate in, the Meeting online, please lodge your Proxy Forms before the Proxy Deadline.

3. Transaction overview

3.1 Overview of the Acquisition

(a) Acquisition overview

On 1 October 2020, the Company announced that it and Ansarada had entered into a Merger Implementation Deed and a Share Sale Deed to facilitate the proposed acquisition of 100% of Ansarada by the Company and the Offer.

The Merger Implementation Deed and Share Sale Deed replaced the binding terms sheet executed by the Company and Ansarada on 18 August 2020.

The Acquisition is proposed to be affected by the Company acquiring all the issued capital of Ansarada from the existing equity holders of Ansarada. The consideration payable by the Company for 100% of the ordinary shares in

For personal use only

Ansarada will comprise the Consideration Shares. Existing Ansarada Noteholders may receive a cash amount on redemption of their Convertible Notes (unless an individual Ansarada Noteholder has elected to receive Consideration Shares). The cash amount will be funded out of the proceeds of the Offer. The aggregate number of Shares to be issued to the Ansarada Vendors is 43.1 million Consideration Shares.

Upon completion of the Acquisition, the Ansarada Vendors are anticipated to hold the Shares detailed in Section 4.7 below.

(b) **Name change and board change**

It is proposed that the Company will change its name to “Ansarada Group Limited” following Completion and subject to receipt of Shareholder approval as contemplated by this Notice of Meeting. The Company also proposes changing its ASX ticker code to “AND” from Completion and the successful relisting of the Company.

Additionally, following Completion and subject to receipt of Shareholder approval as contemplated by this Notice of Meeting, the Company will appoint Mr Peter James, Mr David Pullini and Mr Sam Riley as Directors of the Company. Mr James, Mr Pullini and Mr Riley are current Directors of Ansarada. Biographies for Mr James, Mr Pullini and Mr Riley are set out in Section 12.2.

(c) **Conditions precedent**

The Acquisition is subject to and conditional upon the satisfaction or waiver of the following conditions:

- the Company obtaining all necessary shareholder and regulatory approvals pursuant to the Corporations Act and the ASX Listing Rules;
- the Company obtaining approval (subject only to conditions usual for such approval) from ASX for the Shares to be reinstated to quotation on ASX;
- the Company meeting the requirements in Chapters 1 and 2 of the ASX Listing Rules as if the Company were applying for admission to the Official List;
- Completion of the Offer at the Offer Price; and
- there being no material breach of the Merger Implementation Deed by either the Company or Ansarada.

The Acquisition is also conditional on the Directors of the Company having not changed their recommendation in relation to the Acquisition.

3.2 Shareholder approval

It is a condition for Completion that all Acquisition Resolutions contemplated by this Notice of Meeting are passed.

3.3 Sources and uses of funds

In conjunction with the Acquisition, the Company is will seek to raise up to \$45,000,000 through the issue of up to 30,400,000 New Shares under the Offer. The proceeds of the Offer will be applied to:

- (a) redeem Convertible Notes from Ansarada Noteholders who have not elected to receive Consideration Shares;
- (b) growth and working capital for the Group;
- (c) exercise the option to acquire 100% of the share capital in Pyramid Vietnam SPV under the PYCO MSA; and
- (d) pay transaction costs associated with the Offer and the Acquisition.

Further detail is provided in the table below:

Sources	\$ million	%	Uses	\$ million	%
Cash proceeds from issue of New Shares	45.0	100%	Redemption of Ansarada Convertible Notes ¹	21.0	56%
			Product Design and Development ²	3.5	8%
			Sales and Marketing	4.0	9%
			Integration costs	0.5	1%
			Transaction costs ³	5.7	13%
			Additional working capital	10.3	23%
Total	45.0	100%	Total	45.0	100%

Notes:

1. An additional \$4.0 million of existing cash held by Ansarada will be used to fund the redemption of Ansarada Convertible Notes.
2. Includes costs associated with the exercise of Ansarada's option to acquire 100% of the share capital in Pyramid Vietnam SPV under the PYCO MSA.
3. Transaction costs include approximately \$5.7 million in costs relating to the Offer, with the remaining \$3.0 million related to transaction costs associated with the merger which will be paid out of the Company and Ansarada's existing cash balances.

3.4 Regulatory relief

On 28 August 2020, ASX confirmed that they consider the Acquisition to constitute a back door listing and therefore the Company is required to comply with ASX Listing Rules 11.1.2 and 11.1.3.

This means that in addition to seeking shareholder approval for the Acquisition, the Company will issue the Prospectus as a re-compliance prospectus for the purposes of satisfying Chapters 1 and 2 of the ASX Listing Rules as though it is seeking re-admission to the official list of ASX following a change in the scale of its activities.

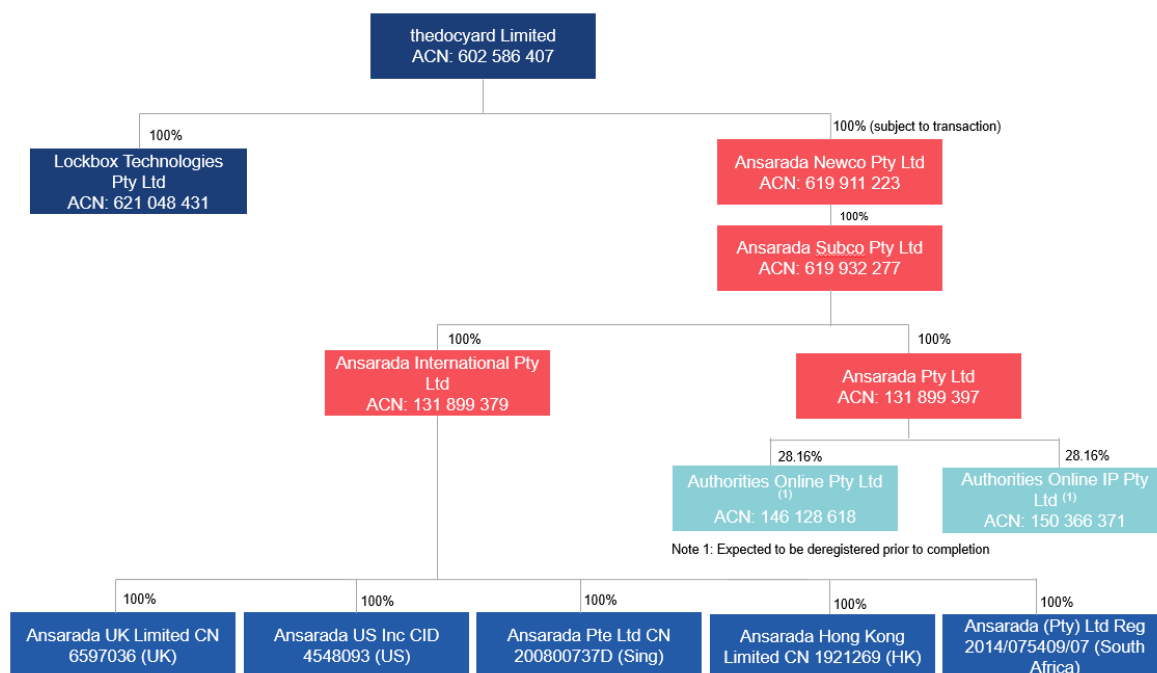
ASX has provided an in-principle confirmation that other than the 74,853,424 fully paid ordinary shares and 1,200,000 performance shares which are already classified as 'restricted securities', the ASX mandatory escrow restrictions in clauses 1, 2, 3, 4, 6, 7, 8 and 9 of Appendix 9B of the ASX Listing Rules will not apply to the Company.

It should be noted that in the event that the Company does not receive conditional approval for re-admission to the Official List, the Company will not proceed with the Offer or the Acquisition.

3.5 Post-Acquisition structure diagram

On Completion, the proposed structure of the Company is as follows:

Company structure



3.6 Summary of Merger Implementation Deed

On 30 September 2020, the Company and Ansarada entered into a merger implementation deed to govern the implementation of the Offer and the acquisition by TDY of 100% of the share capital of Ansarada (**Merger Implementation Deed**).

The key terms and conditions of the Merger Implementation Deed include the following:

- (a) **(Implementation):** Both the Company and Ansarada agree to work together to propose and implement the Acquisition and Offer including preparing all relevant documents relating to the Acquisition and Offer including this Notice of Meeting, the notice of meeting to be sent to Ansarada shareholders and the Prospectus.
- (b) **(Conditions):** Completion of the Merger Implementation Deed is subject to the satisfaction or waiver by parties of the following conditions precedent:
 - in the reasonable opinion of the Company, there has not been a material adverse change between the 30 June 2020 audited accounts and the 2020 financial information for Ansarada made available to the Company as at 30 September 2020;
 - Ansarada obtaining all necessary shareholder approvals for the Acquisition and if necessary, providing evidence to the Company that a 'drag along notice' has been served to the Ansarada shareholders;
 - Ansarada issuing a 'back stop notice' to all Convertible Noteholders setting a 'back stop date' such that the Convertible Noteholders can make relevant elections to redeem their notes for cash or convert their notes into Ansarada ordinary shares;

- Ansarada and the Company executing the Share Sale Deed;
 - the Company obtaining all necessary shareholder approvals in respect of the Acquisition and Offer as contemplated by this Notice of Meeting;
 - the Company entering into the Underwriting Agreement with the Joint Lead Managers and such Underwriting Agreement not being terminated prior to the allotment date in respect of the Offer;
 - the Company obtaining all approvals, waivers and modifications from ASIC and the ASX which are necessary to enable the Acquisition and Offer to proceed in accordance with the terms of the Merger Implementation Deed and the Share Sale Deed; and
 - the Company applying to ASX for quotation of the Company shares, including those to be issued and allotted under the Offer, and the ASX indicating that it will grant permission for the quotation of the Company shares.
- (c) **(Termination):** Either party can terminate the Merger Implementation Deed provided:
- the conditions precedent as outlined at Section (b) above are not satisfied or waived;
 - the other party suffers an insolvency event;
 - the other party is in material breach of the Merger Implementation Deed which is incapable of being remedied;
 - a majority of the Directors change their recommendation in relation to the Acquisition or Offer; or
 - the Share Sale Deed is validly terminated.
- (d) **(Proceeds of the Offer):** The proceeds of the Offer are to applied in the following order:
- first, to the buyer funded note redemption amount (being an amount up to \$25 million that the Company is contributing to redemption of the Convertible Notes under the Share Sale Deed) (the **Buyer Funded Note Redemption Amount**);
 - second, to fund the joint transaction costs of both parties; and
 - the balance to be retained by the Company as growth capital for the purposes outlined in Section 3.3 of this Notice of Meeting.
- (e) **(Warranties):** The Company and Ansarada both provide standard warranties including in respect of title, capacity and capital structure.

3.7 Summary of Share Sale Deed

On 30 September 2020, the Company and Ansarada entered into a share sale deed which provides the mechanics for Ansarada delivering 100% of its share capital to the Company in connection with the Acquisition (**Share Sale Deed**).

The key terms and conditions of the Share Sale Deed include the following:

- (a) **(Acquisition):** On Completion of the Share Sale Deed, each holder of Ansarada ordinary shares (an Ansarada Vendor) must sell their ordinary shares to the Company free of encumbrances.
- (b) **(Consideration):** The consideration payable for the Acquisition is the Company issuing 43,100,000 Consideration Shares to the Ansarada Vendors.
- (c) **(Conditions):** Completion of the Share Sale Deed is subject to the satisfaction or waiver by parties of the following conditions precedent:
- each of the conditions precedent in the Merger Implementation Deed as outlined in Section 3.6(b) being satisfied or waived;
 - all Convertible Noteholders exercising or agreeing to exercise the warrants;
 - sufficient conversion notices being received by Convertible Noteholders such that the note redemption amount is equal to or less than the maximum redemption amount;
 - all Convertible Noteholders executing a Deed of Accession to the Share Sale Deed;
 - preference shareholders holding 75% or more of the preference shares in Ansarada agreeing to convert their preference shares into ordinary shares and amend the Ansarada constitution whether by execution of a Deed of Accession or otherwise;
 - ordinary shareholders holding 75% or more of the Ansarada ordinary shares agreeing to amend the Ansarada constitution;
 - ordinary shareholders and preference shares executing a Deed of Accession or otherwise being subject to a drag along under the Ansarada shareholders deed;
 - execution and delivery of the release of security over Ansarada by Ellerston Capital; and
 - certain key management personnel and other Ansarada securityholders agreeing to execute escrow agreements.
- (d) **(Termination):** The Share Sale Deed can be terminated in the event that the conditions precedent cannot be satisfied or waived, and automatically terminates if the Merger Implementation Deed is terminated.
- (e) **(Warranties):** The Company and the Ansarada Vendors provide standard warranties including in respect of title and capacity.

3.8 Board following Completion

Following Completion, it is proposed that Steven Coffey and Neale Java will resign from the Board and will be replaced by Peter James, Sam Riley, and David Pullini and the Board will comprise the following:

Director	Experience
Peter James <i>Chairman, Independent Non-executive Director</i>	Peter has extensive experience as Chair, Non-Executive Director and Chief Executive Officer across a range of publicly listed and private companies particularly in emerging technologies, digital disruption, cyber security, e-commerce and media.

	<p>Peter is currently Chairman at Droneshield (ASX:DRO), Nearmap (ASX:NEA), Keytone Dairy (ASX:KTD) and Macquarie Telecom Group (ASX:MAQ).</p> <p>Peter is a Fellow of the Australian Institute of Company Directors and a Fellow of the Australian Computer Society.</p>
Sam Riley <i>Chief Executive Officer, Executive Director</i>	<p>Sam co-founded Ansarada and was part of the founding team which built Ansarada from \$30k in seed capital.</p> <p>Sam has 14 years' experience as CEO and has established Ansarada as an employer of choice, having been listed on the top 50 great places to work for 9 years.</p>
Stuart Clout <i>Chief Revenue Officer, Executive Director</i>	<p>Stuart Clout is the Founder + CEO of the Company. Prior to founding the Company Stuart practiced as a corporate lawyer both in large law firm partnership with Colin Biggers & Paisley in Sydney and in house with the Tesco Group, a Fortune 100 company in London. Stuart has over 15 years' experience as a corporate transactional lawyer and is an admitted solicitor in both NSW and England & Wales. In private practice Stuart acted for a variety of large private and listed corporate clients, primarily on M&A and transactional matters. His focus at Tesco was on both corporate and commercial transactions. This deep experience both on advisor and client side is what lead to the insights from which the Company was born.</p>
David Pullini <i>Independent Non-executive Director</i>	<p>David has advisory experience and general management experience across multiple industries including technology.</p> <p>David is currently Principal of Ginostra Capital that actively holds both private and public market investments, together with being Chairman of Humanforce, Director of Vantage Asset Management and Investment Committee Member of Tempus Partners.</p>

3.9 Directors' interests in Shares and other securities

The Directors are not required under the Constitution to hold any Shares.

The Directors' interests in Shares and other securities in the Company after Completion are set out below:

Director	Shares held at Completion	Options held on Completion ²
Peter James ¹	-	946,040
Samuel Riley	4,964,249	1,330,900
Stuart Clout ³	3,495,237	1,035,144
David Pullini ¹	-	946,040
Steven Coffey	8,750	
Neale Java	-	7,500
Total	8,468,236	4,265,624

Notes:

- Does not include Shares which the Non-Executive Directors may subscribe for under the Share Offer at the Offer Price. Note that Resolution 8 seeks Shareholder approval for Messrs Pullini and James to participate in the Share Offer (refer to Section 8 for further details)
- Refers to Options to be granted under the offer of LTI Options (refer to Section 10 for further detail).
- Does not include the 1,200,000 Performance Shares currently held by Mr Clout. The Company intends to seek the buy-back and/or cancellation of the 1,200,000 Performance Shares (which will be 120,000 following Consolidation) following Completion for nominal consideration. The Company intends to seek any relevant Shareholder approvals required for the buy-back and /or cancellation at the Company's next annual general meeting.

All numbers are on a post-Consolidation basis and are subject to rounding resulting from the Consolidation.

3.10 Management team following Completion

Following Completion of the Offer and the Acquisition, the senior management personnel of the Company will be as follows:

Executive	Experience
Sam Riley <i>Co-Founder and Chief Executive Officer</i>	See Section 3.8.
Stuart Clout <i>Co-Founder and Chief Revenue Officer/Head of Growth</i>	See Section 3.8.
James Drake <i>Chief Financial Officer</i>	James has over 20 years' experience in finance and corporate development, with a consumer internet and technology focus with marketplace, subscription, e-commerce, content and media models. James was previously Vice President, Corporate Development and Strategic Finance at LegalZoom, is a Chartered Financial Analyst and holds a Bachelor of Science and Bachelor of Commerce, Finance and Accounting from University of Sydney.

3.11 Employee incentive arrangements

(a) Employee Incentive Plan

In connection with Completion of the Offer and the Acquisition, the Company intends to adopt a new Equity Incentive Plan (**EIP**) to assist in the motivation, reward and retention of key personnel. The EIP is in addition to the Company's existing employee incentive arrangements, and in the future it is intended that the Company will grant awards under the EIP.

The EIP Plan Rules (**Plan Rules**) provide flexibility for the Company to grant EIP Rights, EIP Options and/or EIP Restricted Shares as incentives, subject to the terms of individual offers and the satisfaction of performance and vesting conditions determined by the Board from time to time.

The key features of the Plan Rules are outlined in the table below:

Term	Description
Eligibility	Offers may be made at the Board's discretion to employees or any other person that the Board determines to be eligible to receive a grant under the Plan Rules.
Type of securities	The Company may grant EIP Rights, EIP Options and/or EIP Restricted Shares as incentives, subject to the terms of individual offers. EIP Options are an entitlement to receive shares upon satisfaction of applicable conditions and payment of an applicable exercise price. EIP Rights are an entitlement to receive shares subject to the satisfaction of applicable conditions. EIP Restricted Shares are shares that are subject to dealing restrictions, vesting conditions or other restrictions or conditions. Unless otherwise specified in an offer document, the Board has the discretion to settle EIP Options or EIP Rights with a cash equivalent payment.
Awards under the EIP	Under the Plan Rules, the Board may make offers at its discretion, subject to any requirements for shareholder approval. The Board has the discretion to set the terms and conditions on which it will offer incentives in individual offer documents. An offer must be accepted by the participant and can be made on an opt-in or opt-out basis.
Issue price	Unless the Board determines otherwise, no payment is required for a grant of an EIP Right, EIP Option or EIP Restricted Share allocated under the Plan Rules.

Vesting	Vesting of the incentives is subject to any vesting or performance conditions determined by the Board and specified in the offer document. Subject to the Plan Rules and the terms of the specific offer document, incentives will either lapse or be forfeited if the relevant vesting and performance conditions are not satisfied. EIP Options must be exercised by the employee and the employee is required to pay any exercise price applicable, unless the Board permits cashless exercise. EIP Rights may also have an exercise mechanism; however, no exercise price is payable.
Dividend and voting rights	EIP Options and EIP Rights do not carry any dividend or voting rights. EIP Restricted Shares do have dividend and voting rights.
Cessation of employment	Under the Plan Rules, the Board has a broad discretion in relation to the treatment of entitlements on cessation of employment. It is intended that individual offer documents will provide more specific information on how the entitlements will be treated if a participant ceases employment.
Preventing inappropriate benefits	The Plan Rules provide the Board with broad malus and clawback powers if, for example, the participant has acted fraudulently or dishonestly or there is a material financial misstatement.
Change of control	Unvested incentives will automatically vest if there is a change of control. Individual offer documents may provide for a different treatment.
Rights issues and other corporate actions	The Plan Rules include specific provisions dealing with rights issues, bonus issues, corporate actions and other capital reconstructions. These provisions are intended to ensure that there is no material advantage or disadvantage to the participant in respect of their incentives as a result of such corporate actions. Participants are not entitled to participate in new issues of securities by the Company prior to the vesting (and exercise if applicable) of their EIP Options or EIP Rights. In the event of a bonus issue, EIP Options or EIP Rights will be adjusted in the manner allowed or required by the ASX Listing Rules.
Restrictions on dealing	Prior to vesting, the Plan Rules provide that participants must not sell, transfer, encumber, hedge or otherwise deal with their incentives. After vesting, participants will be free to deal with their incentives, subject to the trading policy.
Other terms	The Plan Rules contain customary and usual terms for dealing with administration, variation, suspension and termination of any incentive plan.

(b) LTI Options

The EIP described in this section will be used to deliver LTI Options as follows:

Term	Description
Eligibility	<p>LTI Options will be granted to:</p> <ul style="list-style-type: none"> Peter James (946,040 LTI Options) Sam Riley (1,330,900 LTI Options) Stuart Clout (1,035,144 LTI Options) David Pullini (946,040 LTI Options) James Drake (630,695 LTI Options) other Ansarada personnel determined by the Board (3,869,462 LTI Options).
Grant of premium priced LTI Options	The Board has determined to use premium priced LTI Options because they create share price alignment between recipients and shareholders but do not provide recipients with the full benefits of share ownership (such as dividend and voting rights) unless and until the LTI Options vest and are exercised. The exercise price also requires significant share price appreciation for recipients to receive value from their LTI Options.

Issue and exercise price	<p>The LTI Options will be issued to the participant at no cost as they form part of the participant's remuneration.</p> <p>Participants must pay an exercise price to exercise their LTI Options and the Board may allow for a cashless exercise mechanism to be used. The exercise price for LTI Options will be set at a 45% premium to the Offer Price.</p>
Grant date	LTI Options will be granted shortly prior to the official re-quotation of the Company's fully paid ordinary shares on the ASX.
Vesting	<p>The LTI Options will be divided into three equal tranches with vesting periods as follows:</p> <ul style="list-style-type: none"> • Tranche 1 (one third of the LTI Options): one year from the Grant Date; • Tranche 2 (one third of the LTI Options): two years from the Grant Date; and • Tranche 3 (one third of the LTI Options): three years from the Grant Date, <p>(each a Vesting Period). Vested LTI Options are exercisable from the end of the relevant Vesting Period until the Expiry Date. The LTI Options cannot be cash settled.</p>
Expiry Date	Any vested but unexercised LTI Options will lapse on the 4th anniversary of the Grant Date.
Cessation treatment	<p>Unless the Board determines otherwise:</p> <ul style="list-style-type: none"> • if a recipient is terminated for cause or resigns (or gives notice of their resignation) prior to the relevant vesting date, all unvested LTI Options will lapse, and they will have 30 days to exercise any vested LTI Options; and • if a recipient ceases employment for any other reason prior to the relevant vesting date (including by mutual agreement), their unvested LTI Options will remain on foot and will vest in the ordinary course as though they had not ceased employment, and any vested LTI Options will be exercisable until the Expiry Date.
Change of control	Unvested LTI Options will automatically vest if there is a change of control.

(c) **Future LTI awards**

The EIP described above will also be used to deliver future long term incentive awards. It is intended that long term incentive Options will be granted under the EIP in 2021 which will be subject to a Compound Annual Growth Rate Total Shareholder Return performance condition that will be tested three years after the grant date.

(d) **Legacy equity incentives**

The Company's legacy incentive arrangements are disclosed in the annual report that was released on 14 August 2020 (see in particular the remuneration report and Note 24 Share-based Payments). These legacy arrangements include options issued under the ESOP (which will remain on foot following Completion) and Performance Shares, including 1,200,000 Performance Shares issued to Stuart Clout on 7 February 2020. The Company intends to seek the buy-back and/or cancellation of the 1,200,000 Performance Shares (which will be 120,000 following Consolidation) issued to Stuart Clout following Completion for nominal consideration. The Company intends to seek any relevant Shareholder approvals required for the buy-back and /or cancellation at the Company's next annual general meeting.

3.12 General information

Additional information in respect of the Company and Ansarada has been included in Schedule 3.

4. Resolution 1 – Approval to change in nature and scale of activities

4.1 General

Resolution 1 seeks Shareholder approval to change the nature and scale of the Company's activities as required under ASX Listing Rule 11.1. This change arises out of the Acquisition and associated Offer.

Resolution 1 is an ordinary resolution.

Resolution 1 is an Acquisition Resolution and is subject to Shareholders passing each of the other Acquisition Resolutions.

4.2 Consequence of Resolution 1 if passed or not passed

Resolution 1 seeks the required Shareholder approval to the Acquisition pursuant to and in accordance with ASX Listing Rule 11.1.2.

If Resolution 1 is passed, then, then subject to all other Acquisition Resolutions being passed, the Company will be able to proceed with the Acquisition and the Offer, including the issue Consideration Shares and New Shares as set out in this Explanatory Memorandum.

Shareholders should be aware that ASX will not re-admit or admit any Shares to official quotation until the Company re-complies with Chapters 1 and 2 of the ASX Listing Rules and is re-admitted by ASX to the Official List. In the event that the Company does not receive conditional approval for re-admission to the Official List, the Company will not proceed with the Offer or the Acquisition.

If Resolution 1 is not passed, the Company will not be able to proceed with the Acquisition and the Offer and all Resolutions in the Notice of Meeting will be withdrawn, the Company will not acquire Ansarada and no securities proposed to be issued as set out in the Notice of Meeting and this Explanatory Memorandum will be issued.

4.3 ASX Listing Rule 11.1

ASX Listing Rule 11.1 provides that where an entity proposes to make a significant change, either directly or indirectly, to the nature and/or scale of its activities it must provide full details to ASX as soon as practicable (and before making the change) and comply with the following:

- (a) provide to ASX information regarding the change and its effect on future potential earnings, and any information that ASX asks for;
- (b) if ASX requires, obtain the approval of holders of its shares and comply with any requirements of ASX in relation to the notice of meeting; and
- (c) if ASX requires, meet the requirements of Chapters 1 and 2 of the ASX Listing Rules as if the entity were applying for admission to the official list of ASX.

The Company has consulted with ASX in relation to the Acquisition, and ASX provided an in-principle advice on 28 August 2020 requiring the Company to:

- (d) obtain the approval of Shareholders for the proposed change of activities pursuant to ASX Listing Rule 11.1.2; and
- (e) re-comply with the admission requirements set out in Chapters 1 and 2 of the ASX Listing Rules (in accordance with ASX Listing Rule 11.1.3).

Accordingly, the Company seeks Shareholder approval for the Company in connection with the change to the nature and scale of its activities under ASX Listing Rule 11.1.2 and pursuant to ASX Listing Rule 11.1.3.

4.4 Guidance Note 12 Disclosures

As noted above, ASX required the Company to seek shareholder approval for the proposed change of activities pursuant to ASX Listing Rule 11.1.2 and to re-comply with the admission requirements set out in Chapters 1 and 2 of the ASX Listing Rules in accordance with ASX Listing Rule 11.1.3.

The Company provides the following information as required under Section 7.2 and Annexure A of Guidance Note 12, to the extent that the information has not been provided elsewhere in the Notice of Meeting or this Explanatory Memorandum.

Specific information

Information	Detail
Parties to, and material terms of, the Acquisition.	See Section 3.
Information about the likely effect of the transaction on the entity's consolidated total assets, total equity interests, annual revenue, annual expenditure and annual profit before tax.	See Section 2 of Schedule 3.
Capital table showing the issued capital of the entity before and after the transaction and explaining any capital restructure that will be conducted.	See Section 4.7.
Specific information if in the preceding 6 months the Company or Ansarada has issued any securities.	See Section 4.5 and 4.6.
Specific information if the Company or Ansarada is proposing to issue securities prior to the Company's re-admission.	See Sections 4.5, 6.2 and 7.2.
Details of any person who will acquire control of, or voting power of 20% or more in, the entity as a result of the Acquisition.	No person will acquire control, or voting power, of 20% or more in, the Company as a result of the Acquisition.

If there are any changes proposed to the Company's board or senior management, details of those changes.	See Section 3.
Timetable for implementing the Acquisition, including the process and timetable for seeking the approval of security holders and for re-complying with ASX's requirements for admission and quotation.	See Section 4.8.
A summary of Ansarada's principal activities and the jurisdictions in which it operates.	See Section 1 of Schedule 3.
A description of Ansarada's business model, including any key dependencies and key risks.	See Section 1 and 3 of Schedule 3.
A copy of Ansarada's accounts, being accounts that would meet the requirements in Listing Rule 1.3.5(b) if the entity were applying for admission to the official list under the assets test on the date of the announcement, or a link to where they can be viewed and downloaded.	See Section 2 of Schedule 3.
Details of any regulatory approvals or waivers required or other material conditions that must be satisfied for the transaction to proceed.	See Section 0.
Details of any fees paid or payable by the entity to any person for finding, arranging or facilitating the transaction.	None.
Confirmation on appropriate enquiries.	See Section 4.9.
Outcome of applications made to the ASX for in-principle advice or for waivers of, or confirmations under, the Listing Rules.	See Section 0 and 4.3.
Prescribed statements.	See Section 2 and 4.10.

4.5 Security issues by the Company in past 6 months

The Company has issued the following securities in the 6 months preceding the Notice of Meeting:

Date of issue	Nature of issue	Consideration provided for the securities	Underwritten? And if so, by who?	Amount raised by the issue and the purposes for which the funds raised were or will be used
8 July 2020	Lockbox Acquisition: Issue of 11,968,165 ordinary shares to Lockbox Shareholders in connection with the acquisition of Lockbox Technologies Pty Ltd.	Lockbox Acquisition (i.e. entry into the transaction documents and 100% of shares in Lockbox).	N/A	N/A
8 July 2020	Lockbox Acquisition: Issue of 7,943,135 unlisted options to Lockbox Shareholders in connection with the acquisition of Lockbox Technologies Pty Ltd.	Lockbox Acquisition (i.e. entry into the transaction documents and 100% shares in Lockbox).	N/A	N/A
15 July 2020	Exercise of employee options: Issue of 1,331,000 ordinary shares on exercise of options granted under the Company's employee option plan.	No consideration. Exercise of unlisted options issued under the ESOP.	N/A	N/A
28 July 2020	Exercise of employee options: Issue of 375,000 ordinary shares on exercise of options granted under the Company's employee option plan.	No consideration. Exercise of unlisted options issued under the ESOP.	N/A	N/A
9 September 2020	Lockbox Acquisition: Issue of 7,056,865 unlisted options to Lockbox Shareholders in connection with the acquisition of Lockbox Technologies Pty Ltd.	Lockbox Acquisition (i.e. entry into the transaction documents and 100% of shares in Lockbox).	N/A	N/A
9 September 2020	Placement: Issue of 3,007,527 unlisted options to placement participants.	No subscription monies for the options.	Not underwritten	N/A
9 September 2020	Placement: Issue of 6,015,064 ordinary shares to	\$1,005,177.35	Not underwritten	Amount raised: \$1,005,177.35

Date of issue	Nature of issue	Consideration provided for the securities	Underwritten? And if so, by who?	Amount raised by the issue and the purposes for which the funds raised were or will be used
	placement participants.			To fund transaction costs associated with the acquisition of Lockbox Technologies Pty Ltd and general working capital.

The Company further confirms that, except as specifically detailed in the Notice of Meeting and Explanatory Memorandum, it does not intend to issue any further securities prior to re-admission. Details regarding the issue of Consideration Shares and New Shares are set out in the remainder of this Explanatory Memorandum.

4.6 Security issues by Ansarada in past 6 months

Ansarada has issued the following securities in the 6 months preceding the Notice of Meeting:

Date of issue	Nature of issue	Consideration provided for the securities	Underwritten? And if so, by who?	Amount raised by the issue and the purposes for which the funds raised were or will be used
8 May 2020	Employee options: Grant of 33,013 options under Ansarada's employee option plan.	No subscription monies for the options.	N/A	N/A
27 July 2020	Employee options: Grant of 30,244 options under Ansarada's employee option plan.	No subscription monies for the options.	N/A	N/A
29 July 2020	Employee options: Grant of 71,210 options under Ansarada's employee option plan.	No subscription monies for the options.	N/A	N/A

The Company further confirms that, except as specifically detailed in the Notice of Meeting and Explanatory Memorandum, Ansarada does not intend to issue any further securities prior to the Company's re-admission. As noted in Section 3, Ansarada will issue new ordinary shares on conversion of its other securities (including preference shares, warrants and notes) into ordinary shares in Ansarada prior to the sale of Ansarada Shares under the Share Sale Deed.

4.7 Capital structure table

Details of the ownership of Shares on Completion are set out in the table below. This capital structure table is shown on a post-Consolidation basis:

Shareholder	Shares at date of Notice of Meeting	% of Shares held prior to Completion	Shares issued	Shares held immediately post-Completion	% of Shares held post-Completion
Stuart Clout	3,495,237	22.9%	-	3,495,237	3.9%
Other Company Shareholders	11,747,887	77.1%	-	11,747,887	13.2%
Samuel Riley	-	-	4,964,249	4,964,249	5.6%
Other founders & senior management	-	-	9,026,796	9,026,796	10.2%
Other Ansarada Shareholders	-	-	29,061,100	29,061,100	32.8%
Investors in the Offer	-	-	30,374,395	30,374,395	34.3%
Total	15,243,124	100.0%	73,426,540	88,669,664	100.0%

4.8 Timetable

The below is an indicative timetable for implementing the Acquisition, including the process and timetable for seeking the approval of security holders and for re-complying with ASX's requirements for admission and quotation:

Milestone	Proposed date
Company despatch of Notice of Meeting	23 October 2020
Lodge Prospectus with ASIC and lodge final listing application with ASX	30 October 2020
Offer (including Shareholder offer) opens	9 November 2020
Company general meeting	24 November 2020
Offer (including Shareholder offer) closes	30 November 2020
Consolidation occurs	1 December 2020
Settlement date for Offer	2 December 2020
Issue and allotment date for Offer	3 December 2020
Completion	4 December 2020
Re-admission of Company to ASX and expected recommencement of trading on ASX	8 December 2020

4.9 Appropriate enquiries

The Company confirms it has undertaken appropriate enquiries into the assets and liabilities, financial position and performance, profits and losses, and prospects of Ansarada for the Board to be satisfied that the transaction is in the interests of the Company and its security holders.

4.10 Prescribed statements

Shareholders should be aware that the Company's Securities have been suspended from the Official List of the ASX since 18 August 2020.

The Company's Securities will continue to remain suspended until such time that:

- (a) Shareholders have approved all the Acquisition Resolutions under this Notice of Meeting; and
- (b) the Company has re-complied with Chapters 1 and 2 of the ASX Listing Rules in accordance with ASX Listing Rule 11.1.3.

Some of the key requirements of Chapters 1 and 2 of the ASX Listing Rules are:

- (c) the Company must satisfy the shareholder spread requirements relating to the minimum number of Shareholders and the minimum value of the shareholdings of those Shareholders; and
- (d) the Company must satisfy the "assets test" as set out in ASX Listing Rule 1.3.

The above do not, and are not proposed to, constitute a full list of the requirements under the ASX Listing Rules that the Company may be required to satisfy. It is expected that completion of the Acquisition and the Offer pursuant to the Prospectus will enable the Company to satisfy the requirements for re-compliance with Chapters 1 and 2 of the ASX Listing Rules.

It is the Company's intention to meet these requirements as soon as practicable after the Meeting is held, and following the successful Completion.

The Company also notes that:

- the Acquisition requires Shareholder approval under the ASX Listing Rules and therefore may not proceed if that approval is not forthcoming;
- the Company is required to re-comply with ASX's requirements for admission and quotation and therefore the Acquisition may not proceed if those requirements are not met;
- ASX has an absolute discretion in deciding whether or not to re-admit the Company to the official list and to quote its securities and therefore the transaction may not proceed if ASX exercises that discretion; and
- investors should take account of these uncertainties in deciding whether or not to buy or sell the Company's securities.

4.11 Board recommendation

The Board recommends that Shareholders vote in favour of Resolution 1.

The Chairperson intends to exercise all available proxies in favour of Resolution 1.

5. Resolution 2 – Approval of consolidation of Shares

5.1 General

Resolution 2 seeks Shareholder approval for the Company to undertake a consolidation of its capital on a 10 for 1 basis (**Consolidation**).

The purpose of the Consolidation is to implement a more appropriate capital structure for the Company due to its market capital following Completion.

Resolution 2 is an ordinary resolution.

Resolution 2 is an Acquisition Resolution and is subject to Shareholders passing each of the other Acquisition Resolutions.

If Resolution 2 is not passed, the Company will not be able to proceed with the Acquisition and the Offer and all Resolutions in the Notice of Meeting will be withdrawn, the Company will not acquire Ansarada and no securities proposed to be issued as set out in the Notice of Meeting and this Explanatory Memorandum will be issued.

5.2 Legal requirements

Section 254H of the Corporations Act provides that a company may, by resolution passed in a general meeting, convert all or any of its shares into a larger or smaller number.

ASX Listing Rule 7.20 requires that the following information be provided to Shareholders where there is to be a reorganisation of securities:

Information	Detail
The effect of the consolidation on the number of securities and the amount unpaid (if any) on the securities.	<p>The existing issued share capital of the Company, being 152,431,234 Shares, will be consolidated at the ratio of 10 Shares equal 1 consolidated Share.</p> <p>There are no Shares in respect of which an amount is unpaid.</p> <p>The final number of shares after Consolidation will be 15,243,124 Shares (subject to rounding). This does not include the of the Consideration Shares or the issue of the New Shares, each of which will be issued post Consolidation.</p>
The proposed treatment of any fractional entitlements arising from the reorganisation.	See Section 5.5.
The proposed treatment of any convertible securities on issue.	See Sections 5.3 and 5.4.

ASX Listing Rule 7.22.1 requires that when a listed entity undertakes a consolidation of capital, the number of its options must be consolidated in the same ratio as the ordinary capital and the exercise price must be amended in inverse proportion to that ratio.

5.3 Performance Shares

On 13 November 2019, the Board resolved to create Series A Performance Shares for the purposes of incentivising the senior management team on the terms and conditions set out in the Board's resolution (**Performance Shares**) and authorise the issue of up to 2 million Performance Shares. The Board has issued 1,200,000 to Stuart Clout which will be consolidated to 120,000 Performance Shares under Resolution 2. Under the terms of the Board approval, no further Performance Shares can be issued without approval by the Company at a general meeting of shareholders.

As noted above, the Company intends to seek the buy-back and/or cancellation of the Performance Shares following Completion for nominal consideration. The Company intends to seek any relevant Shareholder approvals required for the buy-back and /or cancellation at the Company's next annual general meeting.

5.4 Options

As at the date of this Notice of Meeting, the Company has 19,112,047 Options on issue, being:

- (a) 7,943,135 Options issued on 8 July 2020 in connection with the Lockbox Acquisition to Lockbox Shareholders;
- (b) 7,056,865 Options issued on 9 September 2020 in connection with the Lockbox Acquisition to Lockbox Shareholders;
- (c) 3,007,527 Options issued on 9 September 2020 in connection with the Lockbox Acquisition to placement participants; and
- (d) 1,104,520 Options issued to employees under the ESOP.

These will be consolidated into 1,911,205 Options under Resolution 2.

5.5 Fractional entitlements

Not all Securityholders will hold that number of Securities which can be evenly divided by 10. Where a fractional entitlement occurs, the Company will round that fraction up to the nearest whole Security.

5.6 Taxation

It is not considered that any taxation implications will exist for Securityholders arising from the Consolidation. However, Securityholders are advised to seek their own tax advice on the effect of the Consolidation and the Company accepts no responsibility for the individual taxation implications arising from the Consolidation.

5.7 Holding statements

From the date of the Consolidation, all holding statements for Securities will cease to have any effect, except as evidence of entitlement to a certain number of Securities on a post-Consolidation basis.

After the Consolidation becomes effective, the Company will arrange for new holding statements for Securities to be issued to holders of those Securities.

It is the responsibility of each Securityholder to check the number of Securities held prior to disposal or exercise (as the case may be).

5.8 Effect on capital structure

The approximate effect which the Consolidation will have on the Company's capital structure post Completion is set out in Section 4.7 above. All numbers are subject to rounding.

5.9 Consolidation timetable

If Resolution 2 is passed, the Consolidation will take effect in accordance with the timetable set out in Section 4.8.

5.10 Board recommendation

The Board recommends that Shareholders vote in favour of Resolution 2.

The Chairperson intends to exercise all available proxies in favour of Resolution 2.

6. Resolution 3 – Approval to issue Consideration Shares

6.1 General

Resolution 3 seeks Shareholder approval for the Company to issue, on a post-Consolidation basis, up to 43,100,000 Consideration Shares in accordance with the Share Sale Deed.

Resolution 3 is an ordinary resolution.

Resolution 3 is an Acquisition Resolution and is subject to Shareholders passing each of the other Acquisition Resolutions.

Under the Share Sale Deed the Company will acquire 100% of the issued shares in Ansarada in consideration for the issue of the Consideration Shares being in aggregate up to 43,100,000 Shares on a post-Consolidation basis.

The issue of the Consideration Shares will result in the following Ansarada Vendors and their associates holding more than 5% of the total Shares on issue (including the New Shares):

- (a) Sam Riley (Proposed Director, CEO and Co-Founder of Ansarada): 4,964,249 Shares (5.6% of Shares immediately post Completion); and
- (b) Andrew Slavin (Co-Founder of Ansarada and Chief Architect) : 6,564,943 Shares (7.4% of Shares immediately post Completion).

The issue of the Consideration Shares will not result in any other individual Ansarada Vendors and their associates holding more than 5% of the total Shares on issue (including the New Shares), except to the extent that any such individual Ansarada Vendors and their associates are also issued New Shares.

In addition, on Completion, no individual Shareholder (together with any of its associates), will hold a relevant interest in more than 20% of the Company.

6.2 Application of ASX Listing Rule 7.1

ASX Listing Rule 7.1 provides that a company must not, subject to specified exceptions, issue or agree to issue more equity securities (as defined in the ASX Listing Rules) during any 12 month period than that amount which represents 15% of the number of fully paid ordinary securities on issue at the commencement of that 12 month period.

The issue of Consideration Shares will not fall into these exceptions and exceeds the 15% limit in ASX Listing Rule 7.1. It therefore requires the approval of the Company's shareholders under ASX listing Rule 7.1.

If Resolution 3 is passed, it will allow the Company to issue, on a post-Consolidation basis, up to 43,100,000 Consideration Shares during the period of 3 months after the Meeting (or a longer period, if allowed by ASX) without using the Company's 15% placement capacity.

If Resolution 3 is not passed, the Company will not be able to proceed with the Acquisition and the Offer and all Resolutions in the Notice of Meeting will be withdrawn, the Company will not acquire Ansarada and no securities proposed to be issued as set out in the Notice of Meeting and this Explanatory Memorandum will be issued.

6.3 Specific information required by ASX Listing Rule 7.3

The following information is provided in relation to the proposed issue of Shares pursuant to and in accordance with ASX Listing Rule 7.3:

Information	Detail
The names of persons to whom the Company will issue the securities	The Consideration Shares are to be issued to the Ansarada Vendors who hold all of the issued share capital in Ansarada. Details of the identity of the Ansarada Vendors are set out in Schedule 2 of this Explanatory Memorandum. Consideration Shares will be issued to Ansarada Vendors based on their proportionate holding of ordinary shares in Ansarada and in the amounts calculated in accordance with the Share Sale Deed.
Maximum number of securities and class of securities	<p>The maximum number of securities to be issued (on a post-Consolidation basis) is 43,100,000 Consideration Shares (subject to rounding).</p> <p>The Consideration Shares will be fully paid ordinary shares in the capital of the Company and will rank equally with the Company's existing Shares on issue.</p>
The date by which the securities will be issued	The Consideration Shares are proposed to be issued the day after allotment of the shares under the Offer and in any event no Consideration Shares will be issued later than 3 months after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules).
The issue price	The Consideration Shares are being issued as consideration for the Company's acquisition for 100% of the issued shares

Information	Detail
	in Ansarada and will be issued for nil cash consideration.
Intended use of the funds raised	No funds will be raised from the issue of the Consideration Shares as they are to be issued in consideration for the Ansarada Vendors disposing of their Ansarada Shares.
Material terms of the agreement under which the securities are being issued	See Section 3.
Voting exclusion statement	A voting exclusion statement is contained in Resolution 3.

6.4 Effect on capital structure

The approximate effect which the issue of Consideration Shares will have on the Company's capital structure post Completion is set out in Section 4.7 above. All numbers are subject to rounding.

6.5 Board recommendation

The Board recommends that Shareholders vote in favour of Resolution 3.

The Chairperson intends to exercise all available proxies in favour of Resolution 3.

7. Resolution 4 – Approval to issue New Shares

7.1 General

Resolution 4 seeks Shareholder approval to issue up to a maximum of 30,400,000 Shares (on a post- Consolidation basis) at an issue price of \$1.48 per Share under the Offer (**New Shares**).

Resolution 4 is an ordinary resolution.

Resolution 4 is an Acquisition Resolution and is subject to Shareholders passing each of the other Acquisition Resolutions.

The Company intends to raise up to \$45,000,000 under the Offer which will be the minimum subscription (**Minimum Subscription**).

The New Shares will be issued under the Prospectus in order to re-comply with Chapters 1 and 2 of the ASX Listing Rules.

7.2 ASX Listing Rule 7.1

A summary of ASX Listing Rule 7.1 is set out in Section 6 above.

The issue of New Shares will not fall into these exceptions and exceeds the 15% limit in ASX Listing Rule 7.1. It therefore requires the approval of the Company's shareholders under ASX listing Rule 7.1.

If Resolution 4 is passed, it will allow the Company to issue up to 30,400,000 New Shares on a post-Consolidation basis (subject to rounding) during the period of 3 months after the Meeting (or a longer period, if allowed by ASX), without using the Company's 15% annual placement capacity.

If Resolution 4 is not passed, the Company will not be able to proceed with the Acquisition and the Offer and all Resolutions in the Notice of Meeting will be withdrawn, the Company will not acquire Ansarada and no securities proposed to be issued as set out in the Notice of Meeting and this Explanatory Memorandum will be issued.

7.3 Specific Information required by ASX Listing Rule 7.3

The following information is provided in relation to the proposed issue of New Shares pursuant to and in accordance with ASX Listing Rule 7.3:

Information	Detail
The names of persons to whom the Company will issue the securities	The Offer for New Shares will be available to sophisticated and professional investors identified and selected by the Joint Lead Managers in Australia, New Zealand, Hong Kong, Singapore and the UK and to retail investors in Australia. In particular, the Offer includes an offer to Shareholders with a registered address in Australia who will be entitled to a priority allocation over other retail investors in the Offer.
Maximum number of securities and class of securities	The maximum number of New Shares to be issued (on a post-Consolidation basis) under the Offer is 30,400,000 New Shares (subject to rounding). The New Shares will be fully paid ordinary shares in the capital of the Company and will rank equally with the Company's existing Shares on issue.
The date by which the securities will be issued	The New Shares are proposed to be issued one day prior to Completion and in any event no New Shares will be issued later than 3 months after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules).
The issue price	The issue price for the New Shares under the Offer will be the Offer Price.
Intended use of the funds raised	See Section 3.3.

Information	Detail
Material terms of the agreement under which the securities are being issued	See Section 3.7.
Voting exclusion statement	A voting exclusion statement is contained in Resolution 4.

7.4 Effect on capital structure

The approximate effect which the issue of New Shares will have on the Company's capital structure post Completion is set out in Section 4.7 above. All numbers are subject to rounding.

7.5 Board recommendation

The Board recommends that Shareholders vote in favour of Resolution 4.

The Chairperson intends to exercise all available proxies in favour of Resolution 4.

8. Resolution 5 – Change of Company name

8.1 General

Section 157 of the Corporations Act requires the members to pass a special resolution to change the Company's name. Accordingly, Resolution 5 seeks Shareholder approval for the Company to change its name to "Ansarada Group Limited".

Resolution 5 is an Acquisition Resolution and is subject to Shareholders passing each of the other Acquisition Resolutions.

The Board considers that the change of name is appropriate on the basis that it more accurately reflects the proposed future operations of the Company on Completion.

Resolution 5 is a special resolution and therefore requires approval of 75% of the votes cast by Shareholders present and eligible to vote (in person, by proxy, by attorney or, in the case of a corporate Shareholder, by a corporate representative).

If this special resolution is approved by Shareholders, the proposed name change of the Company will be lodged with the ASIC. The change of name will take effect on the date that ASIC alters the details of the Company's registration.

The ASX code of the Company will change to "AND".

If Resolution 5 is not passed, the Company will not be able to proceed with the Acquisition and the Offer and all Resolutions in the Notice of Meeting will be withdrawn, the Company will not acquire Ansarada and no securities proposed to be issued as set out in the Notice of Meeting and this Explanatory Memorandum will be issued.

8.2 Board recommendation

The Board recommends that Shareholders vote in favour of Resolution 5.

The Chairperson intends to exercise all available proxies in favour of Resolution 5.

9. Resolution 6 – Approval of Issue of Securities under the Equity Incentive Plan

9.1 General

The Board has adopted an Equity Incentive Plan (**EIP**).

Resolution 6 seeks Shareholder approval for the issue of securities under the EIP in accordance with ASX Listing Rule 7.2 (Exception 13(b)).

Resolution 6 is an ordinary resolution.

Resolution 6 is an Acquisition Resolution and is subject to Shareholders passing each of the other Acquisition Resolutions.

If Resolution 6 is not passed, the Company will not be able to proceed with the Acquisition and the Offer and all Resolutions in the Notice of Meeting will be withdrawn, the Company will not acquire Ansarada and no securities proposed to be issued as set out in the Notice of Meeting and this Explanatory Memorandum will be issued.

9.2 ASX Listing Rule 7.1 and ASX Listing Rule 7.2 (Exception 13(b))

A summary of ASX Listing Rule 7.1 is set out in Section 6 above.

ASX Listing Rule 7.2 (Exception 13(b)) provides that ASX Listing Rule 7.1 does not apply to an issue of securities under an employee incentive scheme if, within three years before the date of issue of the securities, Shareholders have approved the issue of equity securities under the scheme as an exception to ASX Listing Rule 7.1.

Exception 13(b) is only available if and to the extent that the number of equity securities issued under the EIP does not exceed the maximum number set out in the Notice of Meeting. Exception 13(b) also ceases to be available if there is a material change to the terms of the EIP from those set out in the Notice of Meeting.

The effect of Resolution 6 will be to allow the Company to issue EIP Rights, EIP Options and/or EIP Restricted Shares (and the issue of all resultant shares in the Company that are able to be allocated as a result from the vesting and/or exercise of EIP Rights or EIP Options) up to the amount stated in Section 9.5 during the period of 3 years after the Meeting, without using the Company's 15% annual placement capacity under ASX Listing Rule 7.1.

The Company will still be required to seek Shareholder approval under ASX Listing Rule 10.14 in respect of any future issues of EIP Rights, EIP Options or EIP Restricted Shares under the EIP to a related party or a person whose relationship with the Company or the related party is, in ASX's opinion, such that approval should be obtained. For this reason, the Company is also seeking approval under Resolution 7 to issue LTI Options to Directors pursuant to the EIP.

If Resolution 6 is not passed, the Company will not be able to rely on Exception 13(b) under ASX Listing Rule 7.2 for the issue of EIP Rights, EIP Options and EIP Restricted Shares under the EIP and the issue of EIP Rights, EIP Options and EIP Restricted Shares under the EIP to eligible participants will remain subject to the 15% placement capacity on issuing securities without Shareholder approval set out in ASX Listing Rule 7.1.

9.3 Summary of the terms of the Equity Incentive Plan

A summary of the EIP is set out in Section 3.11.

9.4 Securities issued to date

The Company is also seeking approval under Resolution 7 to issue LTI Options to Directors pursuant to the EIP. The Company has not issued any other EIP Rights, EIP Options or EIP Restricted Shares under the EIP.

9.5 Maximum number of securities

The maximum number of EIP Rights, EIP Options and EIP Restricted Shares proposed to be issued under the EIP following approval under Resolution 6 is, and the maximum number of shares in the Company that may be issued assuming the vesting and exercise of all EIP Rights, EIP Options and EIP Restricted Shares, is 8,758,281 on a post-Consolidation basis, including the LTI Options proposed to be issued under Resolution 7.

It is not envisaged that the maximum number of EIP Rights, EIP Options and EIP Restricted Shares for which approval is sought will be issued immediately.

9.6 Board recommendation

The Board, Mr Stuart Clout abstaining, recommends that Shareholders vote in favour of Resolution 6.

The Chairperson intends to exercise all available proxies in favour of Resolution 6.

10. Resolution 7 – Grant of LTI Options to Directors

10.1 General

Each of the Resolutions which form part of Resolution 7 is an ordinary resolution.

Each of the Resolutions which form part of Resolution 7 are Acquisition Resolutions and are subject to Shareholders passing each of the other Acquisition Resolutions.

If all of the Resolutions which form part of Resolution 7 are not passed, the Company will not be able to proceed with the Acquisition and the Offer and all Resolutions in the Notice of Meeting will be withdrawn, the Company will not acquire Ansarada and no securities proposed to be issued as set out in the Notice of Meeting and this Explanatory Memorandum will be issued.

10.2 ASX Listing Rule 10.14

Under ASX Listing Rule 10.14 Shareholder approval is required for a Director to acquire equity securities under an employee incentive scheme (unless an exception under ASX Listing Rule 10.16 applies).

Resolution 7 contains Resolutions to approve the grant of the following LTI Options under the EIP to the following individuals who will be Directors following Completion:

- (a) 946,040 LTI Options to Mr Peter James;
- (b) 1,330,900 LTI Options to Mr Sam Riley;
- (c) 1,035,144 LTI Options to Mr Stuart Clout; and

- (d) 946,040 LTI Options to Mr David Pullini.

No relevant exemption in ASX Listing Rule 10.16 applies in respect of the grant of the above LTI Options.

If any of the resolutions contained in Resolution 7 are not passed, the Company will consider alternative arrangements in relation to the equity incentives for Directors.

10.3 LTI Options

A summary of the material terms of the EIP and LTI Options is set out in Section 3.11

10.4 ASX Listing Rule 7.1

As Shareholder approval is sought under ASX Listing Rule 10.14, approval under ASX Listing Rule 7.1 is not required for the grant of LTI Options under Resolution 7. Accordingly, the issue of LTI Options to the Directors or their respective nominee(s) will not reduce the Company's 15% placement capacity for the purposes of ASX Listing Rule 7.1.

10.5 Specific information required by ASX Listing Rule 10.15

- (a) All persons named in this Resolution are or will be Directors for the purposes of ASX Listing Rule 10.14.1.
- (b) Following Completion, the current total remuneration package of each person named in this Resolution will be as follows:
- Peter James: Chairman's fee of \$125,000 per annum;
 - Sam Riley: Base salary of \$350,000 plus superannuation, target short term incentive of 33.33% of base salary and target long term incentive of 33.33% of base salary;
 - Stuart Clout: Base salary of \$300,000 plus superannuation, target short term incentive of 33.33% of base salary and target long term incentive of 33.33% of base salary;
 - David Pullini: \$100,000 per annum comprising his base director fee and his fee for chairing the Audit & Risk Committee.
- (c) The Company has not previously issued any securities under the EIP.
- (d) The Board has determined to use premium priced LTI Options because they create share price alignment between recipients and shareholders but do not provide recipients with the full benefits of share ownership (such as dividend and voting rights) unless and until the LTI Options vest and are exercised. The exercise price also requires significant share price appreciation for recipients to receive value from their LTI Options.
- (e) The Company values the LTI Options at 27.5 cents based on an internal Black-Scholes calculation with the following inputs:

Share Price	1.48
Strike Price	2.15
Time to Maturity	3.00
Risk Free Rate	1.400%
Volatility	55%
Option Value	0.28

- (f) It is intended that the LTI Options will be issued shortly prior to the official re-quotations of the Company's fully paid ordinary shares on the ASX but in any event no later than 12 months after the date of the meeting.
- (g) Options are awarded at no cost to participants and will have the strike (i.e. exercise) price set out above.
- (h) No loan will be made available in connection with the LTI Options.
- (i) Details of any LTI Options issued under the EIP will be published in the annual report relating to the period in which they were issued, along with a statement that approval for the issue was obtained under listing rule 10.14. Any additional persons covered by listing rule 10.14 who become entitled to participate in an issue of LTI Options under the EIP after the resolution is approved and who are not named in this notice of meeting will not participate until approval is obtained under that rule.

10.6 Board recommendation

The Board, with Mr Stuart Clout abstaining, recommends that Shareholders vote in favour of Resolution 7.

The Chairperson intends to exercise all available proxies in favour of Resolution 7.

11. Resolution 8 – Participation in Share Offer by Proposed Directors

11.1 General

Resolution 8 seeks Shareholder approval for certain related parties of the Company to participate in the Share Offer as follows (on a post-Consolidation basis):

- (a) approval for Mr David Pullini to subscribe for up to 101,352 New Shares at an issue price of \$1.48 per Share for a subscription amount of up to approximately \$150,000; and
- (b) approval for Mr Peter James to subscribe for up to 101,352 New Shares at an issue price of \$1.48 per Share for a subscription amount of up to approximately \$150,000,

each of Messrs Pullini and James being Related Party Participants.

Each of the Resolutions that form part of Resolution 8 are separate ordinary resolutions.

Each of the Resolutions which form part of Resolution 8 are Acquisition Resolutions and are subject to Shareholders passing each of the other Acquisition Resolutions.

If all of the Resolutions which form part of Resolution 8 are not passed, the Company will not be able to proceed with the Acquisition and the Offer and all Resolutions in the Notice of Meeting will be withdrawn, the Company will not acquire Ansarada and no securities proposed to be issued as set out in the Notice of Meeting and this Explanatory Memorandum will be issued.

11.2 ASX Listing Rule 10.11

ASX Listing Rule 10.11 requires shareholder approval to be obtained where an entity issues, or agrees to issue, securities to a related party, or a person whose relationship with the entity or a related party is, in ASX's opinion, such that approval should be obtained

unless an exception in ASX Listing Rule 10.12 applies. Under the ASX Listing Rules, related parties include Directors of a Company and persons whom the Company reasonably believes will become a related party in the future. As such, Messrs Pullini and James (each a Proposed Director) are all related parties of the Company.

As the participation by the Related Party Participants in the Share Offer involves the issue of Shares to related parties of the Company, Shareholder approval pursuant to ASX Listing Rule 10.11 is required unless an exception applies. It is the view of the Board that the exceptions set out in ASX Listing Rule 10.12 do not apply in the current circumstances.

Resolutions 8(a) and 8(b) seek the required Shareholder approval to proceed with the issue of New Shares to the Related Party Participants pursuant to and in accordance with ASX Listing Rule 10.11.

If Resolution 8(a) is not passed the Company will not be able to proceed with the issue of New Shares to Mr Pullini (or his nominee) and he will not participate in the Share Offer.

If Resolution 8(b) is not passed the Company will not be able to proceed with the issue of New Shares to Mr Pullini (or his nominee) and he will not participate in the Share Offer.

11.3 ASX Listing Rule 7.1

Approval pursuant to ASX Listing Rule 7.1 is not required to issue New Shares to the Related Party Participants if approval is obtained under ASX Listing Rule 10.11. Accordingly, the issue of the New Shares to the Related Party Participants (or their nominees) will not be included in the 15% calculation of the Company's annual placement capacity pursuant to ASX Listing Rule 7.1.

11.4 Specific information required by ASX Listing Rule 10.13

Pursuant to and in accordance with ASX Listing Rule 10.13, the following information is provided in relation to Resolution 8:

- (a) New Shares will be issued to the Related Party Participants;
- (b) the maximum number of New Shares to be issued to the Related Party Participants (on a post-Consolidation basis) is:
 - up to 101,352 New Shares to Mr Pullini (or his nominees); and
 - up to 101,352 New Shares to Mr James (or his nominees);
- (c) the New Shares will be issued no later than 1 month after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules).
- (d) as detailed above the Related Party Participants are Proposed Directors and therefore are related parties of the Company;
- (e) the Shares issued to the Proposed Directors will be issued at the same price as other New Shares, being the Offer Price.
- (f) the Shares will be fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;
- (g) the purpose of the issue and the intended use of the funds as a result of the issue are the same as the purpose and intended use of funds for the Share Offer as set out in paragraph 4.4 of this Explanatory Memorandum;

- (h) the Shares to be issued to the Related Party Participants are not being issued to remunerate or incentivise the Related Party Participant and are not being issued under an agreement;
- (i) a voting exclusion statement has been included in the Notice of Meeting.

11.5 Board recommendation

The Board recommends that Shareholders vote in favour of each of Resolutions 8(a) and 8(b).

The Chairperson intends to exercise all available proxies in favour of each of Resolutions 8(a) and 8(b).

12. Resolution 9 – Election of Directors

12.1 General

Pursuant to the Merger Implementation Deed, at Completion it is proposed that each of Messrs Sam Riley, Peter James and David Pullini will be appointed as Directors.

All Proposed Directors have been nominated for election as Directors by the Board under rule 9.2(f) of the Constitution.

Each of the Resolutions which form part of Resolution 9 seek approval for the election of the Proposed Directors. Each of the Resolutions which form part of Resolution 9 is a separate ordinary resolution, and are Acquisition Resolutions and subject to Shareholders passing each of the Acquisition Resolutions.

Please refer to Section 12.2 for information on the qualifications, skills, experience and interests of each of the Proposed Directors, including any remuneration under the EIP.

Each of the Resolutions which form part of Resolution 9 is an ordinary resolution.

Each of the Resolutions which form part of Resolution 9 are Acquisition Resolutions and are subject to Shareholders passing each of the other Acquisition Resolutions.

If all of the Resolutions which form part of Resolution 9 are not passed, the Company will not be able to proceed with the Acquisition and the Offer and all Resolutions in the Notice of Meeting will be withdrawn, the Company will not acquire Ansarada and no securities proposed to be issued as set out in the Notice of Meeting and this Explanatory Memorandum will be issued.

12.2 Proposed Director profiles and remuneration under the EIP

Refer to Section 3.

12.3 Board recommendation

The Board recommends that Shareholders vote in favour of each of Resolution 9(a), Resolution 9(b) and Resolution 9(c).

The Chairperson intends to exercise all available proxies in favour of Resolution 9(a), Resolution 9(b) and Resolution 9(c).

13. Resolution 10 – Directors Fees

13.1 General

Resolution 10 seeks Shareholder approval to increase the total aggregate amount of directors' fees payable to all of its non-executive Directors to \$600,000 per annum plus any LTI Options issued to Directors and approved in accordance with the ASX Listing Rules and other applicable laws.

Approval is required under ASX Listing Rule 10.17 to increase the total aggregate amount of directors' fees payable to all of the Company's non-executive directors.

The current maximum total aggregate fees payable to non-executive Directors is \$300,000 per annum. If Resolution 10 and 7 are approved the maximum amount will increase by \$300,000 per annum to \$600,000 per annum plus any LTI Options issued to Directors and approved in accordance with the ASX Listing Rules and other applicable laws. Under Resolution 7, Shareholders will be asked to approve the issue of LTI Options to Directors and Proposed Directors as set out in Section 10, which based on an option value of \$0.275, have a total value of approximately \$1,170,984. Following Completion this will be the maximum aggregate amount of directors' fees that may be paid to all of the entity's non-executive directors.

Following Completion, the Company intends to appoint a third independent non-executive director in the short term, once a suitable candidate has been identified.

The increase to the fee pool will:

- (a) accommodate the new independent director. The Company will be seeking a candidate with deep experience and expertise with SaaS businesses with demonstrable expertise to supplement the existing Board and potential candidates are likely to be based in the US. The Board believes that the proposed increase in non-executive Directors' fees is necessary to enable the Company to attract the desired talent;
- (b) provide flexibility with future Board and Committee appointments, so that the Board can appropriately manage succession planning and potential new director appointments in light of the mix of skills, experiences and diversity on the Board to ensure it is operating effectively (and so that any changes in composition are effected as smoothly as possible); and
- (c) enable review of non-executive director fees in the future, so that the Board can continue to attract and retain high quality directors for the benefit of the Company. There is no current intention to review non-executive director fees in the near term.

This aggregate fee pool is a maximum limit only. The additional headroom is seen as prudent to give the Board the necessary flexibility to continue operating effectively and manage succession planning.

If Resolution 10 is approved, and subject to the Acquisition Resolutions being approved, from Completion, the annual Non-Executive Directors' base fee agreed to be paid by the Company to:

- the Chairman will be \$125,000; and
- each of the other Non-Executive Directors will be \$90,000.

Non-Executive Directors will also be paid Committee fees of \$10,000 per year for each Board Committee of which they are a Chair. Directors will not receive additional fees for being a member of a Board Committee. All Non-Executive Directors' fees are inclusive of statutory superannuation contributions.

Resolution 10 is an ordinary resolution.

Resolution 10 is not an Acquisition Resolution but is subject to Shareholders passing each of the Acquisition Resolutions.

If Resolution 10 is not passed, the Company will be able to proceed with the Acquisition and the Offer if the Acquisition Resolutions are passed but the maximum total aggregate fees payable to non-executive Directors will continue to be \$300,000.

13.2 Securities issued to non-executive Directors

There have been no Securities issued to any non-executive directors under ASX Listing Rules 10.11 or 10.14 since the Company listed on the ASX.

13.3 Board recommendation

The Board recommends that Shareholders vote in favour of Resolution 10.

The Chairperson intends to exercise all available proxies in favour of Resolution 10.

It is noted that no member of the Board making this recommendation will benefit from the proposed increase in directors' fees as two of those Directors will retire from the Board with effect from Completion and the third is an executive director and does not receive directors' fees payable to non-executive Directors.

Schedule 1 Definitions and Interpretation

1. Definitions

In the Notice of Meeting and this Explanatory Memorandum, unless the context otherwise requires the following terms have the following meanings:

Term	Meaning
AASB	Australian Accounting Standards Board.
Acquisition	the acquisition by the Company of 100% of the shares of Ansarada on the terms of the Share Sale Deed.
Acquisition Resolutions	each of the Resolutions in the Notice of Meeting other than Resolution 10.
Advisers	investment banks, legal and accounting firms.
AEDT	Australian Eastern Daylight Time.
AI	artificial intelligence.
Ansarada	Ansarada NewCo Pty Limited.
Ansarada Australia	Ansarada Pty Limited.
Ansarada Founders	Mr Sam Riley, Ms Rachel Riley, Mr Andrew Slavin and Daphane Chang.
Ansarada Group	Ansarada and its subsidiaries.
Ansarada Noteholders	holders of Convertible Notes as at the date of the Prospectus.
Ansarada Preference Shareholders	holders of preference shares in Ansarada as at the date of the Prospectus.
Ansarada Shares	100% of the ordinary issued shares in the capital of Ansarada immediately prior to Completion.

Term	Meaning
Ansarada Vendors	holders of ordinary shares in Ansarada immediately prior to Completion.
APAC	Asia-Pacific.
API	application programming interface.
Applicant	a person who submits an Application.
Application	an application made to subscribe for New Shares offered under the Prospectus.
ASIC	Australian Securities and Investments Commission
ASX	Australian Securities Exchange.
ASX Listing Rules	the listing rules of ASX, as amended, modified or waived from time to time.
ASX Recommendations	ASX Corporate Governance Council's Corporate Governance Principles and Recommendations (third edition, March 2014).
Athena Board	a secure SaaS online board platform to facilitate simple and secure Board meeting preparation and execution, built on end-to-end encrypted file transfer and storage architecture.
Australian Accounting Standards or AAS	Australian Accounting Standards and other authoritative pronouncements issued by the Australian Accounting Standards Board.
AWS	Amazon Web Services.
Azure	Microsoft Azure.
Board	the board of directors of the Company.
Board or Board of Directors	the board of directors of the Company.

Term	Meaning
Chairperson	the person appointed to chair the Meeting convened by the Notice of Meeting.
Company	thedocyard Limited (ACN 602 586 407).
Completion	completion of the Offer and the Acquisition.
Completion of the Offer	completion the allotment and issue of New Shares to successful Applicants under the Offer by the Company.
Consideration Shares	the Shares to be issued by the Company to the Ansarada Vendors under the Acquisition.
Consolidation	the consolidation of the Company's issued capital pursuant to Resolution 2.
Constitution	the constitution of the Company.
Continuous Disclosure Policy	the Company's disclosure policy adopted by the Board.
Convertible Notes	convertible notes issued by Ansarada to Ansarada Noteholders.
Corporations Act	Corporations Act 2001 (Cth).
COVID-19	the infectious disease caused by the SARS-CoV-2 virus.
Deed of Accession	the deed of accession to the Sale Deed to be executed by all Ansarada Noteholders.
Director	each of the directors of the Company.
EBIT	earnings before interest and taxation.
EBITDA	earnings before interest, taxation, depreciation and amortisation.
EFSS	enterprise file sync & sharing.

Term	Meaning
eGRC	enterprise governance risk and compliance.
EIP	the Company's new equity incentive plan.
EIP Option	an option granted under the EIP conferring an entitlement to receive shares upon satisfaction of applicable conditions and payment of an applicable exercise price.
EIP Restricted Share	a share granted under the EIP and subject to dealing restrictions, vesting conditions or other restrictions or conditions.
EIP Right	a right granted under the EIP conferring an entitlement to receive shares subject to the satisfaction of applicable conditions.
Ellerston Capital	Ellerston Capital Limited ACN 110 397 674.
EMEA	Europe, the Middle East and Africa.
Escrowed Shareholders	The Ansarada Founders, Other Management Shareholders, Ansarada Noteholders and Ansarada Preference Shareholders.
ESOP	the Company's existing employee share ownership plan.
EU	European Union.
Executive Directors	following Completion, Mr Sam Riley and Mr Stuart Clout.
Expiry Date	the date which is 13 months after the Prospectus Date.
Explanatory Memorandum	this explanatory memorandum.
Financial Information	the Historical Financial Information.
FY18	financial year ending 30 June 2018.

Term	Meaning
FY19	financial year ending 30 June 2019.
FY20	financial year ending 30 June 2020.
GDPR	General Prudential Protection Regulation (EU) 2016/679 in Europe.
GRC	Governance Risk and Compliance.
Group	the Company and its subsidiaries following Completion, and where the context requires, the business conducted by those companies.
GST	goods and services tax.
Historical Financial Information	the Statutory Historical Financial Information and the Pro Forma Historical Financial Information.
IASB	International Accounting Standards Board.
IFRS	International Financial Reporting Standards.
Information Governance	a set of processes that ensures the efficient and systematic management, protection and distribution of important and critical information throughout an organization.
Information Governance Platform or the Platform	product that allow businesses to identify and manage risk, protect and control information, securely collaborate, objectively scorecard individuals and information against best practices, automate workflows, combined with integrations, notifications, reports and insights to enable decision making.
ISO27001	the International Organisation for Standardisation 27001.
JobKeeper	the JobKeeper payment scheme offered as a temporary subsidy for businesses significantly affected by COVID-19.
Joint Lead Managers	Moelis Australia Limited and Morgans Corporate Limited.

Term	Meaning
Lockbox	Lockbox Technologies Pty Ltd ACN 621 048 431
Lockbox Acquisition	the acquisition of 100% of the share capital in Lockbox Technologies by the Company on 6 July 2020.
Lockbox Shareholders	the shareholders of Lockbox as at 6 July 2020.
LRQA	Lloyds Register Quality Assurance.
LTI Options	options issued to employees, Executive Directors and proposed Non-Executive Directors under the Company's LTI Plans, as described in Section 3.11(b).
LTI Plans	The long-term incentive plans of the Company, as described in Section 3.11, including the EIP.
MEA	Middle East and Africa.
Meeting	has the meaning given in the introductory paragraph of the Notice of Meeting.
Merger Implementation Deed	the merger implementation deed entered into between the Company and Ansarada on 30 September 2020 (as amended on 12 October 2020) to govern the implementation of the Offer and the Acquisition.
New Shares	the new Shares to be issued by the Company under the Offer.
Non-Executive Directors	following Completion, Mr Peter James and Mr David Pullini.
Notice of Meeting	the notice convening the Meeting and includes the agenda, Explanatory Memorandum and the Proxy Form.
Offer	the offers of Shares and LTI Options under the Prospectus.
Offer Price	\$1.48 per Share.

Term	Meaning
Official List	the official list of entities that ASX has admitted to and not removed from listing.
Online Voting User Guide	the Online Voting User Guide available online at https://www.thedocyard.co/investor-relations/ .
Option	an option to acquire a Share.
Optionholder	the holder of an Option.
Other Management Shareholders	members of management of the Group, excluding the Executive Directors, who hold, or will on Completion hold, Shares.
Pathways	Pathways is Ansarada's governance and compliance platform that assists companies throughout their lifecycle through a range of events where the accuracy and security of information is critical.
Performance Shares	has the meaning given in Section 5.3.
Pro Forma Historical Consolidated Income Statements	the pro-forma historical income statements for the Group for FY18, FY19 and FY20.
Pro Forma Historical Consolidated Statement of Financial Position	the pro-forma historical consolidated statement of financial position for the Group as at 30 June 2020.
Pro Forma Historical Financial Information	the Pro Forma Historical Consolidated Income Statements and Pro Forma Historical Consolidated Statement of Financial Position.
Proposed Director	the Directors proposed to be appointed to the Board following Completion.
Prospectus	the prospectus proposed to be issued by the Company in relation to the offers of Shares and LTI Options.

Term	Meaning
Proxy Deadline	2.00pm (AEDT), Sunday, 22 November 2020.
Proxy Form	the proxy form attached to or which accompanies the Notice of Meeting.
PwC	PricewaterhouseCoopers.
PYCO	Pyramid Consulting Asia Ltd.
PYCO MSA	the master services agreement entered into between Ansarada Australia and PYCO dated 27 November 2015.
Pyramid Vietnam SPV	an SPV entity incorporated by PYCO for the purposes of the PYCO MSA.
Related Party	has the meaning given in ASX Listing Rule 19.
Related Party Participant	the following Proposed Directors: <ul style="list-style-type: none"> • Mr David Pullini; and • Mr Peter James.
Resolution	any resolution detailed in the Notice of Meeting as the context requires.
SaaS	software as a service.
SaaS Revenue	priced based on data usage, predominantly paid in advance.
SALs	sales accepted leads.
Schedule	a schedule to this Explanatory Memorandum.
Section	a section of this Explanatory Memorandum.
Securities	any Shares or Options issued by the Company.
Securityholder	a holder of a Security.

Term	Meaning
Share	a fully paid ordinary share in the capital of the Company.
Shareholder	a registered holder of Shares.
Share Offer	the offer of Shares under the Offer.
Share Registry	Boardroom Pty Ltd (ABN 14 003 209 836).
Share Sale Deed	the share sale deed entered into between the Company and Ansarada on 30 September 2020 in connection with the Acquisition.
SMBs	Small and Medium-sized Business.
SME	Small and Medium Enterprises, organisations with less than 1,000 employees.
Statutory Historical Financial Information	the statutory historical financial information of the Company and Ansarada for FY18, FY19 and FY20.
Underwriting agreement	the underwriting agreement to be entered into between the Company and the Joint Lead Managers.
UK	United Kingdom.
US	United States of America.
VDR	Virtual Data Rooms.
Workflow Engine	The Company's product which incorporates workflow management, project management and collaboration solutions to allows users to standardise and digitise repeatable processes (e.g. checklists, timetables and information request lists).

2. Interpretation

In the Notice of Meeting and this Explanatory Memorandum, headings and words in bold are for convenience only and do not affect the interpretation of the Notice of Meeting and this Explanatory Memorandum and, unless the context otherwise requires:

- For personal use only
- (a) words importing the singular include the plural and vice versa;
 - (b) words importing a gender include any gender;
 - (c) other parts of speech and grammatical forms of a word or phrase defined in the Notice of Meeting or this Explanatory Memorandum have a corresponding meaning;
 - (d) a term not specifically defined has the meaning given to it (if any) in the Corporations Act;
 - (e) a reference to a statute, regulation, proclamation, ordinance or by-law includes all statutes, regulations, proclamations, ordinances or by-laws amending, consolidating or replacing it, and a reference to a statute includes all regulations, proclamations, ordinances and by-laws issued under that statute;
 - (f) a reference to a document includes all amendments or supplements to, or replacements or novations of, that document;
 - (g) a reference to a body (including, without limitation, an institute, association or authority), whether statutory or not:
 - (i) which ceases to exist; or
 - (ii) whose powers or functions are transferred to another body,is a reference to the body which replaces it or which substantially succeeds to its powers or functions;
 - (h) “**include**” and “**including**” are not words of limitation; and
 - (i) “\$” is a reference to Australian currency.

Schedule 2 Ansarada Vendors

Samuel Ross Riley

Andrew Slavin

Rachel Christina Riley

Chin Fen Chang

Ape Man Pty Limited (ACN 123 237 258) as trustee of the Tupper Street Trust

Dataroom Nominees Pty Ltd (ACN 129 630 557)

Adara Development (Australia) (ACN 131 310 355)

Niwot Pty Ltd (ACN 165 674 144) as trustee for the John Callaghan Family Testamentary Trust (ABN 68 342 676 883)

Southard Nominees Pty Ltd (ACN 603 400 246) as trustee for Southard Trust (ABN 77 929 288 509)

Robert Michael Sean Cooke

Gutman Investment Partners Pty Ltd (ACN 134 984 491) as trustee for Gutman Family Trust (ABN 45 134 984 491)

Rocklands Corporate Advisory Services Pty Ltd (ACN 111 761 007)

Gil Investment Company Pty Ltd (ACN 163 687 821)

Metafutures Pty Ltd (ACN 127 904 938) as Trustee for Metafutures Investment Trust (ABN 43 015 022 148)

Nicola Susan Senior

Benjamin Hawter

Inishail Pty Limited (ACN 113 055 922) as trustee for The Keeble Family Trust

92 Bower Pty Limited (ACN 625 731 026) as trustee for The Bower Trust (ABN 77 605 007 531)

Ellerston Ventures Partnership LP ILP0000143

Ellerston Capital Limited (ACN 110 397 674) as trustee for the Ansarada Compartment of the Ellerston Special Opportunities Platform

Tempus Partners Ventures Pty Ltd (ACN 614 351 058) as trustee for the Tempus Partners Ansarada Trust

Tempus Partners Fund 2, LP ILP1600032

Toridage Pty Ltd (ACN 623 924 185) as trustee for each of:

- Chaleyer Investments Pty Ltd ACN 165 375 897 as trustee for the Etham Investment Trust;
- Fresh Innovations Pty Ltd ACN 602 094 726;
- RS Kerman Pty Ltd ACN 602 626 086 as trustee for The Kery Family Trust; and
- PVO Partners Pty Limited ACN 158 817 488.

Belay Capital Pty Limited (ACN 613 444 143) as trustee for Belay Capital Opportunities Fund A (ABN 81 570 102 543)

National Nominees Limited (ACN 004 278 899) as nominee for Australian Ethical Investment Ltd (ABN 47 003 188 930) as Responsible Entity of the Australian Ethical Australian Shares Fund (ARSN 089 919 175)

National Nominees Limited (ACN 004 278 899) as nominee for Australian Ethical Investment Ltd ABN 47 003 188 930 as Responsible Entity of the Australian Ethical Emerging Companies Fund (ARSN 606 254 157)

MSG Holdings Pty Ltd (ACN 087 954 103) ATF for MJ and SJ Gregg Superannuation Fund (ABN 82 457 604 768)

Fabemu (No.2) Pty Ltd (ACN 003 954 470) ATF Gibbon Superannuation Fund ABN 58 967 371 163

Moelis Australia Private Investment Fund (ABN 99 839 690 895) acting through its general partner MAAM GP Pty Ltd (ACN 164 411 607)

Moelis Australia Growth Capital Fund II (ABN 98 183 070 228) acting through its general partner MAAM GP Pty Ltd (ACN 164 411 607)

Moelis Australia Asset Management Ltd (ACN 142 008 535)

1. Company Overview

1.1 Introduction

Following Completion the Group will be a global provider of cloud-based SaaS information governance solutions. The Group's platform will provide end-to-end document and process management to support critical decisions and events for organisations throughout their lifecycle. The Group will provide SaaS solutions to manage risk, monitor information sharing and track workflows for business events and outcomes such as Board meetings, raising capital, mergers and acquisitions, post-acquisition integration, audits, asset portfolio management, tenders, governance, risk and compliance.

The Group will have over 140 full-time employees and is headquartered in Sydney, Australia with offices in Chicago, London, Amsterdam, Johannesburg and Ho Chi Minh City. The Company's and Ansarada's solutions are currently used by over 2,700 active customers¹ and 460,000 users² including leading global corporates, governments, investment banks, private equity firms, accountants.

1.2 Company history

The Company was founded in 2016 by Stuart Clout, a former corporate lawyer with expertise in corporate transactions, in particular mergers & acquisitions and capital markets transactions both as a partner of a large law firm and in the capacity of a senior in house lawyer for a Fortune 100 company.

The Company is an Australian technology company with the ambition to become the trusted technology partner to corporates, financial sponsors and their advisors. Its service offerings focus on digitising how their customers execute key events, with a focus on transaction and board management. Currently the Company has two core offerings, a transaction management solution which combines the traditional virtual data room with project and workflow management tools, and a board management solution which facilitates the secure compilation and digital distribution of board and committee documents. The Company currently has 14 employees predominately located in Sydney, Australia.

The Company listed on the ASX on 14 February 2020, raising \$4.2 million through an initial public offering of Shares. On 6 July 2020 the Company announced the acquisition of LockBox Technologies Pty Ltd, which was the owner and developer of Athena Board, a secure document creation and sharing platform for company boards. The Athena Boards' SaaS solution provided the Company with an entry into the board portal management software market.

1.3 Ansarada history

Ansarada was founded in 2005 by Sam Riley (CEO), Rachel Riley, (Founding CFO), Andrew Slavin (Chief Architect) and Daphane Chang with the intention to provide businesses with a digital platform for sharing and accessing secure documents to support critical transactions.

Following the launch of its VDR product, Ansarada continued to invest to further refine its core product offering, including the introduction of AI analytics tools to enhance deal preparation and execution. Ansarada also introduced specific modules to create the Tender

¹ Active customers includes any subscription/contract with an active room or pathway. Customers may have more than one room or pathway solution open at any given time. As at 30 September 2020.

² As at September 2020. Refers to unique data room user profiles (unique profiles excludes those deleted or disabled).

platform. Ansarada expanded internationally with offices in London, Chicago, Amsterdam, Ho Chi Minh City and Johannesburg.

Ansarada identified an opportunity to help companies more easily achieve and maintain a high standard of information governance and began assisting customers with more than just execution of critical transactions. To rapidly establish a broader platform to capitalize on this opportunity, in 2018, Ansarada undertook a capital raising of \$23.8 million via the issue of Convertible Notes, the proceeds from this capital raising delivered major product developments, established a platform business model and transformed the revenue and billing model from transactional data based pricing to subscription based pricing and also facilitated Ansarada's continued international expansion. A central element of the investment in this broader platform is Ansarada's Pathways product, together with an investment in specialized sales, marketing and customer success capabilities to support the product. Pathways provides companies with a single platform to manage and measure the quality of an organizations information to achieve a specific outcome (for example a compliance review, or financial audit). Pathways helps accelerate preparedness to achieve outcomes by ensuring companies have all the required information in one place, with appropriate governance protocols and process controls in place. Ansarada partners with industry leading advisors to develop industry and transaction specific pathways and underlying content which can be purchased by customers as required to support their business needs.

In October 2018, Ansarada transitioned to subscription-based pricing, providing more predictable and scalable cash flows and the ability to increase the value generated per customer (see Section 1.9(b) for further detail). Building on this strategy, Ansarada launched its e-commerce channel in January 2020, allowing Ansarada to further scale a self-service offering and expand its digital customer acquisition capability to win larger volumes of business more efficiently than via a direct sales channel alone.

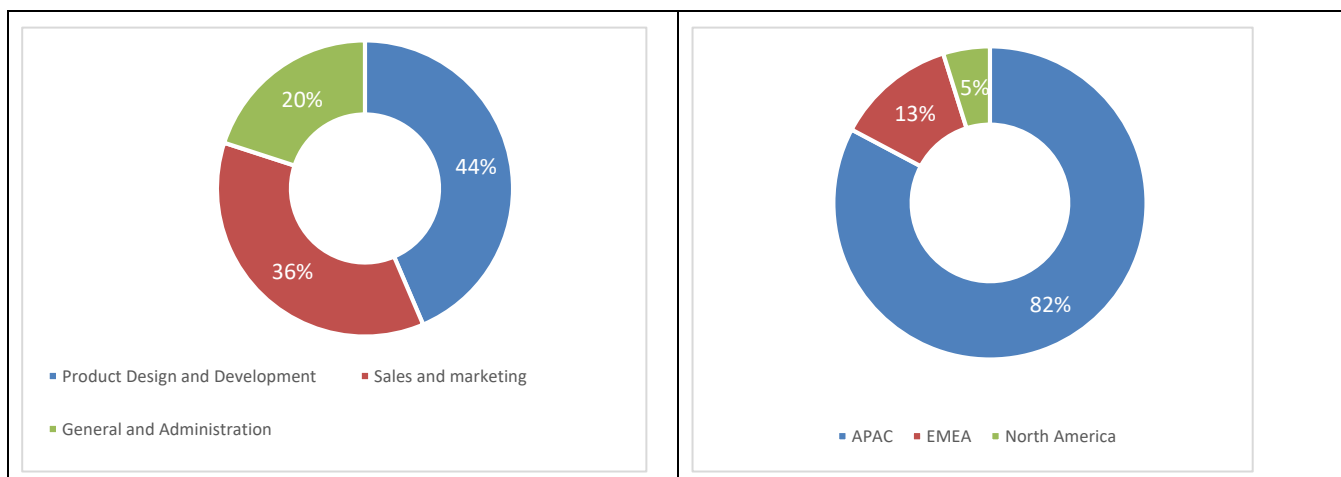
As the capabilities of the Ansarada platform have developed since inception, Ansarada has also managed to grow its customer base significantly from founding in August 2005, to 2,734 as at 30 September 2020, across a diverse range of industries, company sizes and geographies.

1.4 Our Team

Headquartered in Sydney, Australia, following Completion, The Group will have over 140 full-time employees with offices in Sydney, Chicago, London, Amsterdam, Johannesburg and Ho Chi Minh City (as at 1 October 2020). While the majority of employees will be located in the APAC region as per Figure 2 below, global growth remains a key strategic focus in the medium term and it is expected that a portion of the proceeds from the Offer will be used to expand the sales and marketing function in select growth regions.

Figure 1: Employees by function (as at 1 October 2020)

Figure 2: Employees by geography (as at 1 October 2020)



1.5 Group Vision, Mission & Values

The Company and Ansarada believe that a strong internal culture is core to providing a high-quality customer experience and experience for the team. Our values shape all decisions and both the Company and Ansarada have, and plan to continue to invest significantly in the development of their employees. The culture of the Group will be defined by a belief in being vision and purpose led. Collectively, this belief will be at the core of the Group's mission to solve the challenges that help companies, their stakeholders and advisors realise and protect their potential.

Our Vision

To be the information governance platform that company boards, management teams and advisors rely on to be confident in decisions and managing critical outcomes

Our Mission

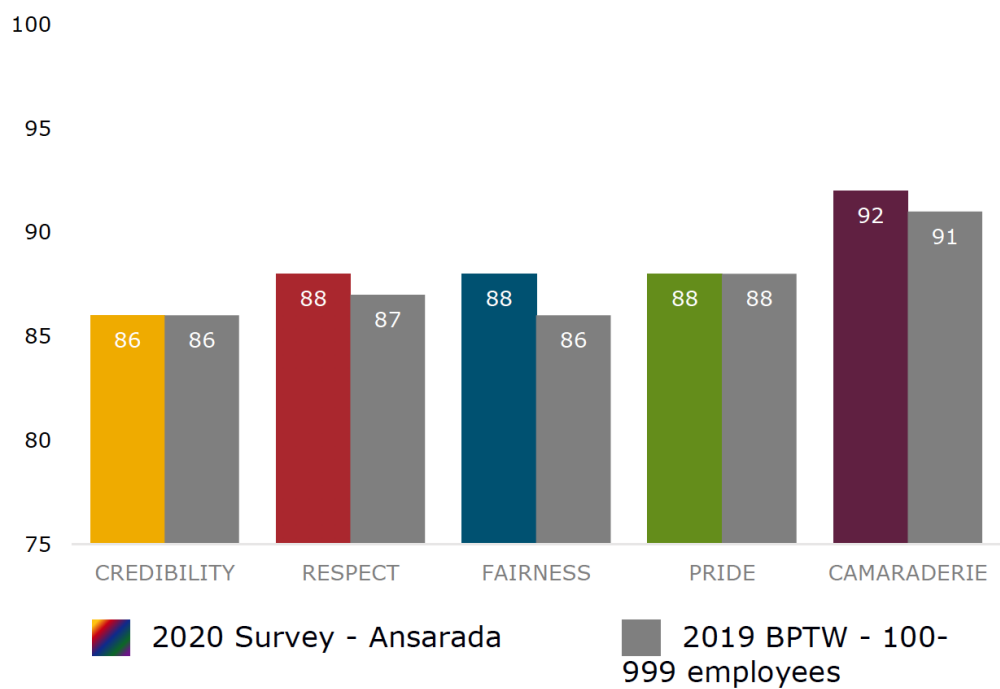
Help millions of organisations protect and realise their potential

Our Values

- (a) **Care:** Love the customer and nurture every bit of potential
- (b) **Curiosity:** Ask another question, you can never know too much.
- (c) **Courage:** Listen to that small voice, challenge convention and take the lead.
- (d) **Change:** Influence positive change and help others on their journey too.

In addition to a belief in being vision and purpose led, the Group's culture will be governed by a framework that is based on trust with leaders, managers and individual team members through a focus on credibility respect, fairness, camaraderie and pride. The Company and Ansarada are proud of the cultures they have built within their respective organisations. Ansarada is pleased to have been publicly recognised on multiple occasions as a 'Top 50 Great Place to Work' in Australia which is an annual award that measures and benchmarks employee engagement based on this framework. Ansarada has ranked in the Top 50 Best Places to Work, consecutively since 2013. Ansarada ranks above or on par with peers across the information technology industry, as per Figure 3 below.

Figure 3: Ansarada Employee Engagement Scores – Recognised as Top 50 Great Place to Work, 2020 Survey



1.6 The Platform

(a) Overview

Information is growing in volume and complexity. This increased volume and complexity of information, together with increasing regulation, simultaneously presents risks and opportunity to organisations. Poor information governance increases risks and inefficiencies within an organisation. However, when information is governed well it produces increases in productivity, greater visibility, more control and enables faster and better decisions across the organisation.

Information governance risk to organisations are increasing due to, amongst other things, increasing regulatory and compliance requirements as well as cybersecurity risks. Information governance represents the overall strategy that organisations use to maximise the value of information throughout its lifecycle whilst also balancing the risks. The benefits companies get from improving the governance of their information grows over time in line with the growth in the size and complexity of the information that is managed.

Figure 4: Benefits of Information Governance

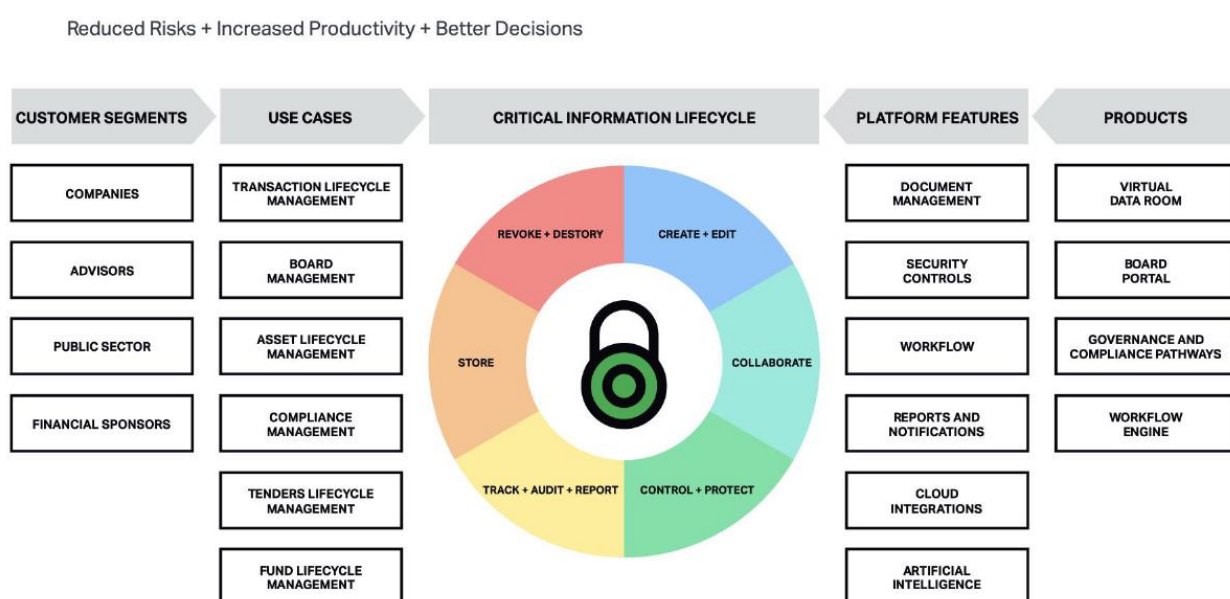


The Company's and Ansarada's cloud-based SaaS products have respective strengths in managing critical information across various use cases across a diverse range of organisations (boards, management, and teams) together with advisors and other stakeholders.

Following Completion, the Group will combine its product offering to offer its customers a single information governance platform (**Platform**) addressing multiple use cases across the information governance lifecycle (see Figure 5 below). The product offering incorporates a range of features and functionality that allow businesses to identify and manage risk, protect and control information, securely collaborate, objectively scorecard individuals and information against best practices, automate workflows, combined with integrations, notifications, reports and insights to enable decision making.

As per Figure 5 below, the Platform is comprised of 4 main products that individually and collectively deliver 6 key features and benefits that organisations rely on for 6 main use cases. The Platform is industry-agnostic and highly scalable which the Company and Ansarada believe represents a key competitive advantage in the market. The Company's and Ansarada's products currently support over 2,700 customers and over 460,000 active users across a diverse range of industries.

Figure 5: The Group's Information Governance Platform

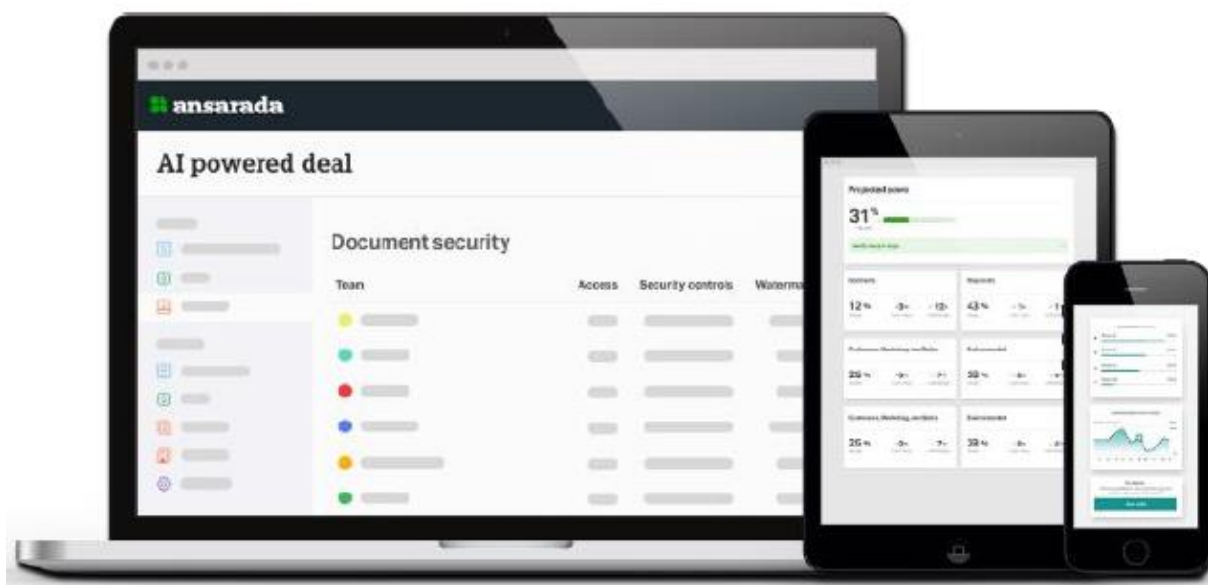


1.7 Products and Features

(a) VDR

The VDR is a valuable tool for controlling and protecting information during the due diligence phase of a transaction, while providing detailed audit trails and reporting over a shared platform for multiple stakeholders.

Ansarada's VDR product has been developed over 15 years and has accumulated significant volumes of data across more than 23,000 critical events covering user activity, documentation requirements, behaviour (e.g. behaviour of advisors, bidders, and vendors) and transaction outcomes. Ansarada has made significant investments to structure this data and apply machine learning and AI capabilities to provide users with AI-enabled features such as preparedness for the critical event, automation of document sorting and structuring, and an algorithm that benchmarks the level of engagement of parties to the behaviours and patterns of highly engaged parties from thousands of previous deals managed on the Platform.



The key features of the VDR include:

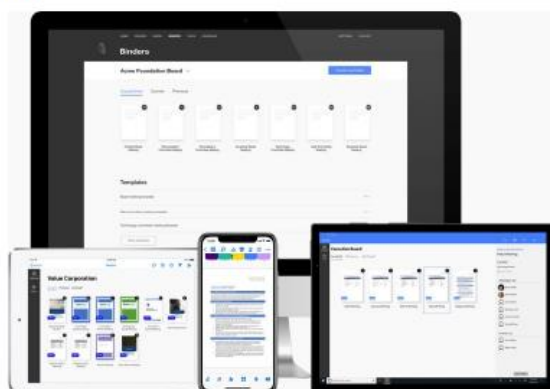
Feature	Description
Workflow automation and management	<ul style="list-style-type: none"> Workflow management solutions to standardise and digitise repeatable processes (e.g. checklists, timetables, information request lists)
Security controls	<ul style="list-style-type: none"> Comprehensive infrastructure, application and organisational security controls and processes ISO 27001 accredited and audited since 2009 Digital rights management controls and dynamic watermarking protection over documents in their native PDF and Microsoft Office formats
Document management	<ul style="list-style-type: none"> Multi jurisdictional document storage, redaction, search, tagging, indexing, uploading, exporting and syncing with cloud storage providers
Q&A Facility	<ul style="list-style-type: none"> User rich Q&A experience with multiple access, security collaboration and reporting functions
Reports and notifications	<ul style="list-style-type: none"> Large suite of reports and audit trails capturing actions and events Dashboard displays, automated notifications and email based reporting AI based analytics on user engagement
Cloud Integrations	<ul style="list-style-type: none"> Synchronisations with EFSS programs including Google Drive, Dropbox, OneDrive, Box and others
Artificial Intelligence	<ul style="list-style-type: none"> Smart sorting of documents Bidder Engagement Scores to help clients identify and target the most likely deal prospects Smart redaction of transaction documents launched in September 2020

(b) **Athena Board**

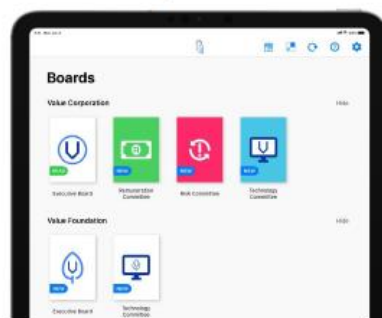
Athena Board is a secure SaaS online board management solution which facilitates simple and secure board meeting preparation and execution, and is built on end-to-end encrypted file transfer and storage architecture. Company secretaries and administrators can upload documents into a secure environment, set policies, scheduling and audit usage.

Board members can review board papers (for current and past meetings), annotate and print documents, sign resolutions and cast votes via the Athena Board native applications for Apple IOS and Windows

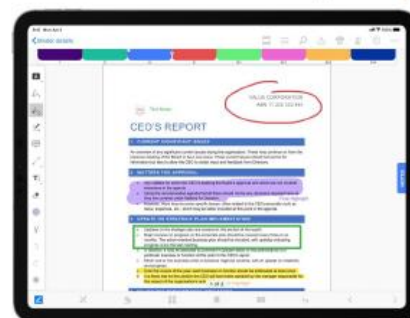
Athena Board platform



Athena Board multiple account view



Athena Board annotation/editing



Key features of the Athena Board platform include:

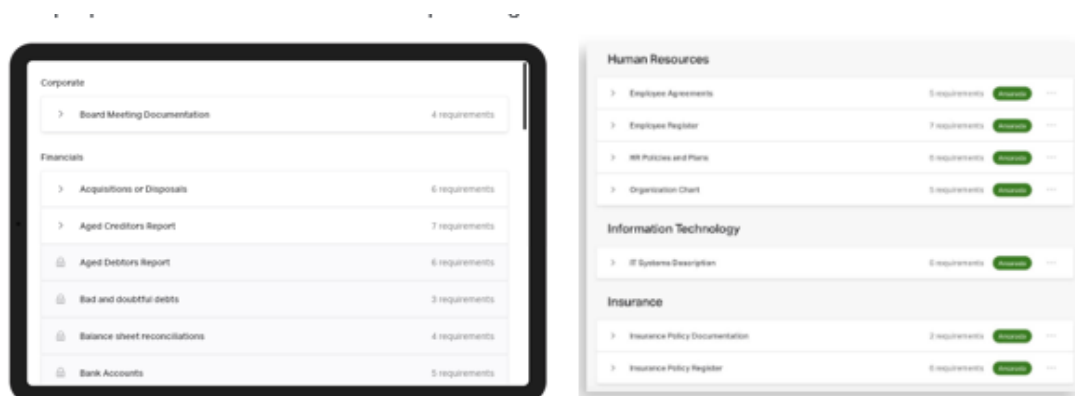
Feature	Description
All digital meetings	<ul style="list-style-type: none"> All digital and easy to use meeting solution covering entire process from scheduling to digital signing
Access everywhere	<ul style="list-style-type: none"> Device agnostic with optimized user interface
Multiple accounts	<ul style="list-style-type: none"> With one Athena Board account you can be invited to multiple company board meetings
Document editing	<ul style="list-style-type: none"> Ability to annotate on documents, take notes and compare
Digital resolutions	<ul style="list-style-type: none"> Increase productivity by signing meeting memos and resolutions electronically and securely
Secure collaboration	<ul style="list-style-type: none"> Share the meeting agenda and materials securely with end to end encryption file transfer and secure file storage

(c) Pathways

Pathways is a Governance and Compliance platform that assists companies throughout their lifecycle through a range of events where the accuracy and security of information is critical. These events can include deals, conducted through the "Transaction Lifecycle Management Product" (such as capital raisings, tenders, mergers and acquisitions) or

regular events such as board meetings (with information sharing facilitated through Athena Board), financial audits, compliance audits or other events.

Pathways allows users to establish repeatable, digitised checklists, scorecards and reporting to assess how prepared their business is for an upcoming event.



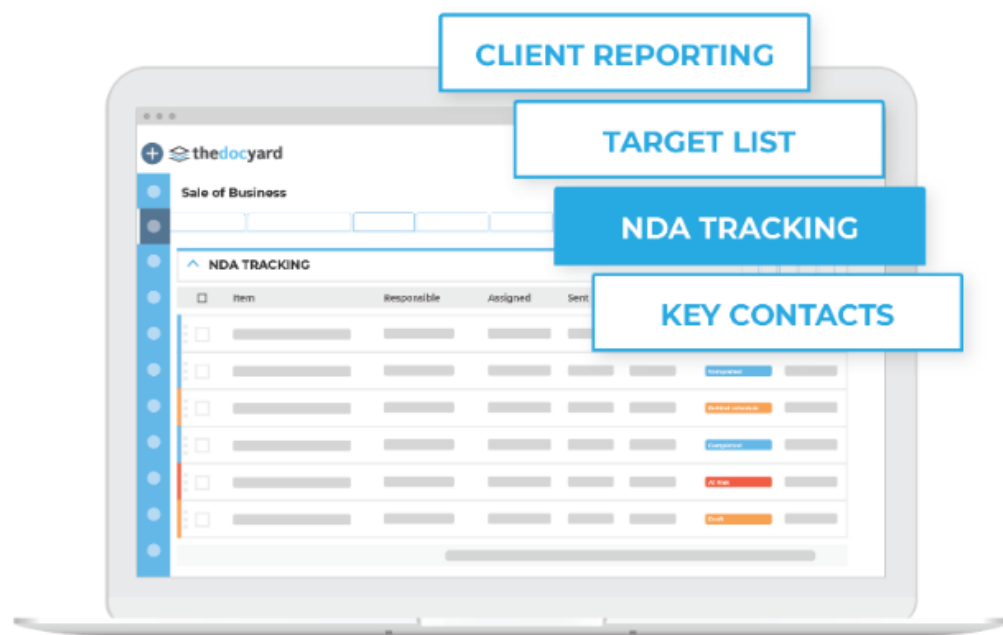
The key features of the Pathways platform include:

Feature	Description
Ad-hoc live platform “Always on” critical information governance	<ul style="list-style-type: none"> • Due dates, suggested Pathways, alerts and notifications • Efficient re-use of material information across events
Workflow automation and management	<ul style="list-style-type: none"> • Commenting, target dates, due dates, tasks and timelines • Accountability benefits from assigning scorecards, review and verification workflow • Recurring due dates, suggest pathways, regulatory alerts • Re-use templates of key workstreams
Advisor	<ul style="list-style-type: none"> • Custom dashboard, custom content, digitised checklist and workflow • Prospecting and business development tools
Custom content	<ul style="list-style-type: none"> • Pathways templates provided by both Ansarada and experts • Question topics
Progress	<ul style="list-style-type: none"> • Automated benchmarking and tracking of timing and quality of information • Visibility for senior stakeholders

(d) **Workflow Engine**

The Company’s Workflow Engine incorporates workflow management, project management and collaboration solutions that allows users to standardise and digitise repeatable processes (e.g. checklists, timetables and information request lists), complete transactions in an efficient and auditable manner, while allowing all parties to work collaboratively to complete transactions on the same platform.

The Workflow Engine will be integrated into other products as a feature to assist customers in managing a range of use cases.



1.8 Customers, Users and Use Cases

(a) Customers

Customers refers to the companies, entities or organisations that enter into the agreement to acquire the Company's or Ansarada's products. A customer will typically open one agreement at the time that it acquires the product, although some larger organisations and government departments may open multiple agreements for different projects or different parts of their organisation.

The Company's and Ansarada's products are currently used by a diverse range of global customer segments including companies (large corporates through to SMBs), Advisers (including investment banks, legal and accounting firms), the public sector (including State Governments and Local Councils) and financial sponsors (including asset managers, private equity firms and venture capital firms).

Examples of the Company's and Ansarada's customers across its customer segments include:

Companies	Rhipe, VMware, Virgin, BPAY, CBRE, Westpac, Stockland, BHP, Commonwealth Bank of Australia, Qantas
Advisors	Citi, Deloitte, PWC, Credit Suisse, EY, Goldman Sachs, UBS, Macquarie, Allen & Overy
Public sector	State Government – NSW, VIC, QLD New Zealand Govt, Etihad Rail, ofgem
Financial Sponsors	KKR, Quadrant PE, Anchorage Capital Partners, Pacific Equity Partners, BainCapital

Figure 6: Customer Numbers

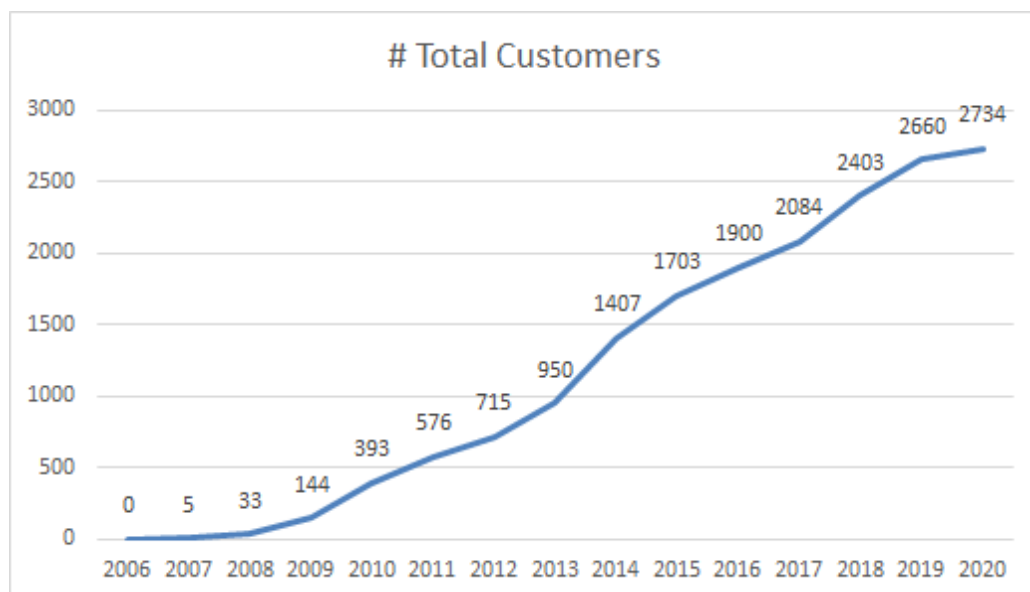


Figure 7: Diverse Customer Profile by Industry³

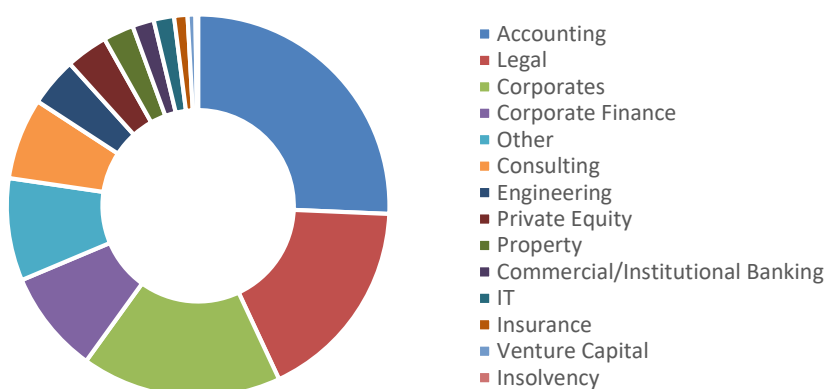
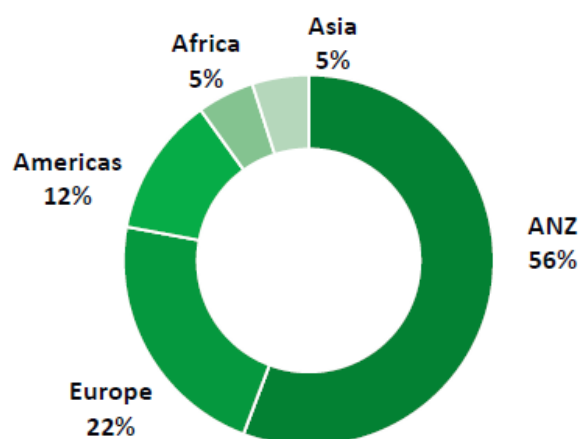


Figure 8: FY20 Revenue by Geography⁴



³ As at 30 September 2020, represents Ansarada standalone. Other refers to customers who did not specify a role type/title

⁴ Refers to the combined pro forma Ansarada Group for FY20.

(b) **Users**

Users refers to the personnel from the customer and its contractors, representatives and advisers who access and utilize the Company's and Ansarada's products once it has been acquired by the customer. The Company's and Ansarada's products are utilised by users across all levels of an organisation, from board members to junior team members, meaning that the Company's and Ansarada's solutions are relevant to a broad user base and the Company's and Ansarada's brand is recognised at each level of an organisation.

Figure 9: Users by Title (Corporates)⁵

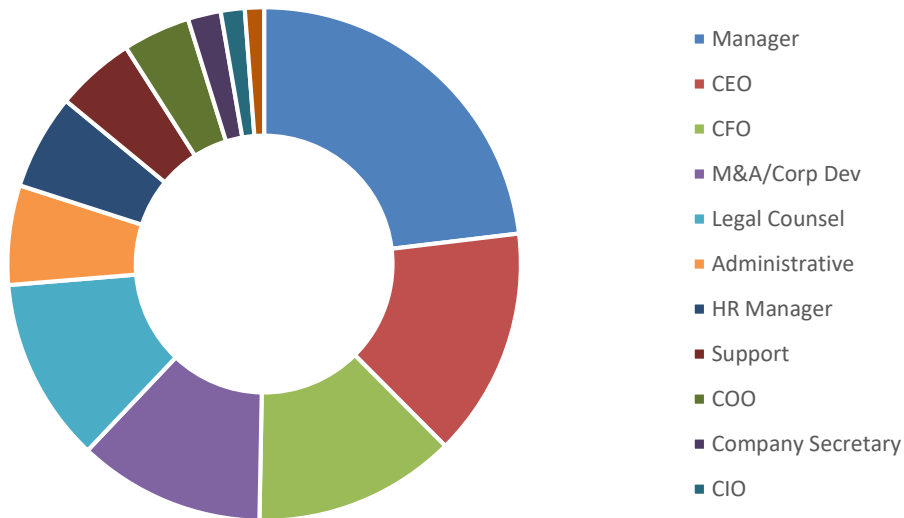
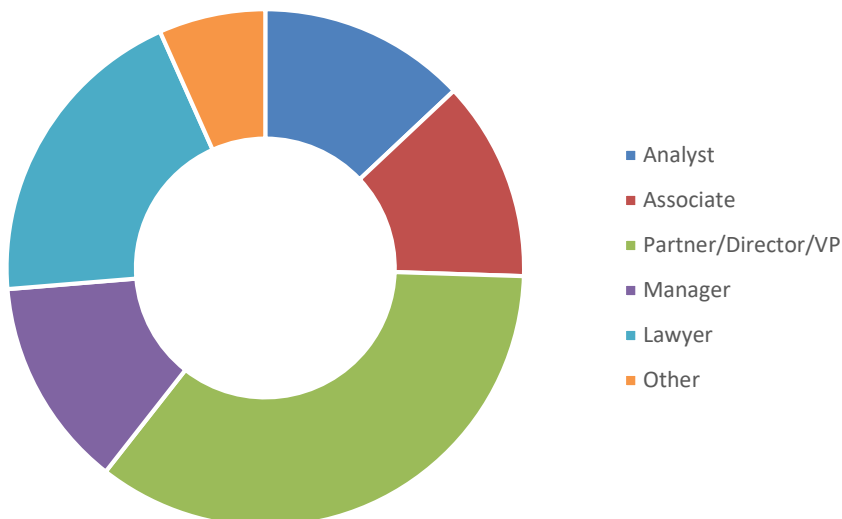


Figure 10: Users by Title (Advisors)⁶



⁵ As at 30 September 2020, represents Ansarada standalone.

⁶ As at 30 September 2020, represents Ansarada standalone.

(c) Use Cases

The Company and Ansarada have developed their products and features to assist in managing critical information throughout its lifecycle in a range of use cases.

Critical information within an organisation has a lifecycle from its creation, editing and collaboration, security and protection, auditing and reporting, storage and in certain circumstance being revoked or destroyed.

The Company's and Ansarada's customers will be able to use the Platform for a range of use cases, which include:

Use Case	Description	Proof points
VDR	<ul style="list-style-type: none">Transaction planning and preparationWorkflow managementVirtual data room and Q&ADocument collaborationCritical task managementAudit trails, dashboards and reports	<ul style="list-style-type: none">83% retention of top 100 advisers over last 3 years⁷
Board Management	<ul style="list-style-type: none">Board meeting preparationSet policies and audit usageReview Board papers, annotate and print documentsSign resolutions and cast votes	<ul style="list-style-type: none">White label agreement executed with leading Registry business100% customer retention since launch
Asset Lifecycle Management	<ul style="list-style-type: none">Managing the entire lifecycle of an assetAcquisition, compliance management, additions, reporting and disposal	<ul style="list-style-type: none">A\$1,284 average revenue per account per month⁸
Compliance Management	<ul style="list-style-type: none">Establishing compliance process and frameworksMonitoring the progress of compliance processes and completion of activitiesManaging the documentation requiredWorkflow management and automationSecurity and protection of information inside and outside an organisation	<ul style="list-style-type: none">US\$2.2b global market⁹
Tender Lifecycle Management	<ul style="list-style-type: none">Managing, tracking and executing complex and large scale tendersCustomers across government, infrastructure, technology and resource sectors	<ul style="list-style-type: none">38% CAGR between FY18 to FY20 in Tender businessTypically running for greater than 12 months
Fund Lifecycle Management	<ul style="list-style-type: none">Fund raising, sharing of information and ongoing reportingConsolidating asset information into a centralised place	<ul style="list-style-type: none">A\$1,595 revenue per account per month¹⁰

⁷ Three year retention rate of top 100 advisers (by number of wins in last 12 months) with constitutive wins year over year (YoY) over last 3 years.

⁸ Average Revenue per account for annual contracts where account role is Asset Management. Average over all new contracts since October 2018 (last 2 years).

⁹ MarketsandMarkets, "Enterprise Governance Risk and Compliance Market" (December 2019). Estimate represents forecast for Compliance software market in 2020.

¹⁰ Average Revenue per account for annual contracts where account role is PE/VC. Average over top 50 contracts since October 2018 (last 2 years).

	<ul style="list-style-type: none"> • Providing a wholistic view of fund assets and establishing readiness and information governance of critical information 	
--	---	--

The Group's pro-forma revenue in FY20 was primarily driven by transaction use cases (e.g. merger and acquisitions, capital raisings and restructurings) reflecting Ansarada's heritage and track record in providing VDRs, as well as the Company's more recent product initiatives around workflow management and the Athena Board.

1.9 Key aspects of the business

(a) Overview of revenue categories

The Group will generate revenue through the provision of its software as a service (**SaaS**) Platform to customers under a subscription model (either monthly, annual or multi-year agreements) or under Ansarada's legacy data-based model e.g. dollar per megabyte (Ansarada's data-based pricing model is referred to in this prospectus as "Legacy").

Historically, Ansarada provided its VDR product via a data-based pricing, where the majority of fees were paid upfront. In October 2018 Ansarada transitioned its pricing model to a Platform subscription model, calculated on a per user basis and billed either on monthly or on an annual basis. This transition reflected a broader trend in the industry and capitalised on evolving customer preferences that each of the Ansarada and the Company had observed.

Other than the Group's Tenders solution, following Completion, the majority of the Group's revenue is expected to be derived under its subscription pricing model.

An overview the Group's revenue streams are set out in Table 1 below.

Table 1: Revenue by type

Revenue Model	Product
Subscription	<ul style="list-style-type: none"> • VDR • Athena Board • Workflow Engine
Data-based	<ul style="list-style-type: none"> • VDR • Tenders

(b) Transition to the SaaS subscription pricing model

Whilst the Company has always delivered its products via a SaaS model, Ansarada has made significant investments to strategically transition its business to a subscription pricing model. While the transition of Ansarada's pricing model impacted the revenue profile of the Ansarada over the short-term (as a result of the decline of large upfront usage fees), the Company and Ansarada believe subscription pricing will generate greater lifetime revenue per customer than an equivalent data-based contract. This is because the subscription model is expected to provides added flexibility to customers for upgrades and prolonged usage on the Group's core solutions, allowing the Group to better service multiple customer needs. In particular, the Company and Ansarada believe that the subscription based pricing model provides a number of benefits over its data-based pricing model, including:

- Potential to generate greater customer revenues, particularly for contracts which last beyond the initial term (typically 1 year) and for those customers now able to purchase multiple products under the one platform; and

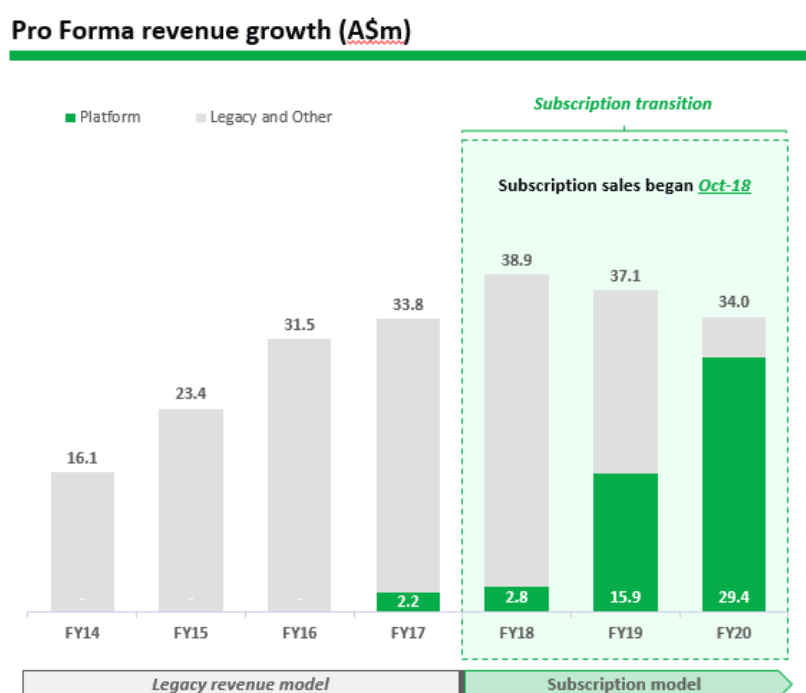
- Smoother revenue recognition profile, providing a higher quality revenue base and greater visibility with the growth of subscription revenue as a portion of total revenue.

The Company and Ansarada also believe that subscription pricing benefits customers through increased pricing transparency and certainty.

As customers made the shift from paying upfront for the use of the platform to a model where they pay over time, reported revenue lowers in the short term compared to the historical data-based revenue model. As this change was made in Q2 FY19, the impact on revenue and the cost base have largely occurred in FY19 and FY20.

This is demonstrated by the Figure 11 below which shows the transition from data-based revenues to subscription revenues.

Figure 11: Revenue composition over time



(c) Case studies: growth in subscription revenue

As mentioned above, a key strategic focus for the Group will be transitioning its customers from a Legacy data-based pricing model to a platform subscription pricing model, with the exception of Tenders, by encouraging customers to:




- sign longer term, annual or multi-year agreements to use the “Transaction Lifecycle Management Product”, including integrated workflow solutions, for all their transactions;
- use Pathways as a solution across the entire information lifecycle of a customer to prepare for critical events such as audits, board meetings, and transactions; and

- utilize other subscription based products available such as Athena Board.




Some of the Company's and Ansarada's customers have successfully expanded usage and made the transition to Pathways for a variety of use cases as referred to in Figure 12 below. In the case studies below, the Company and Ansarada now generate greater annual subscription revenue, compared to than in the previous financial year and retains far greater revenue visibility given the contracts are annual subscriptions in nature.

Figure 12: Customer case studies

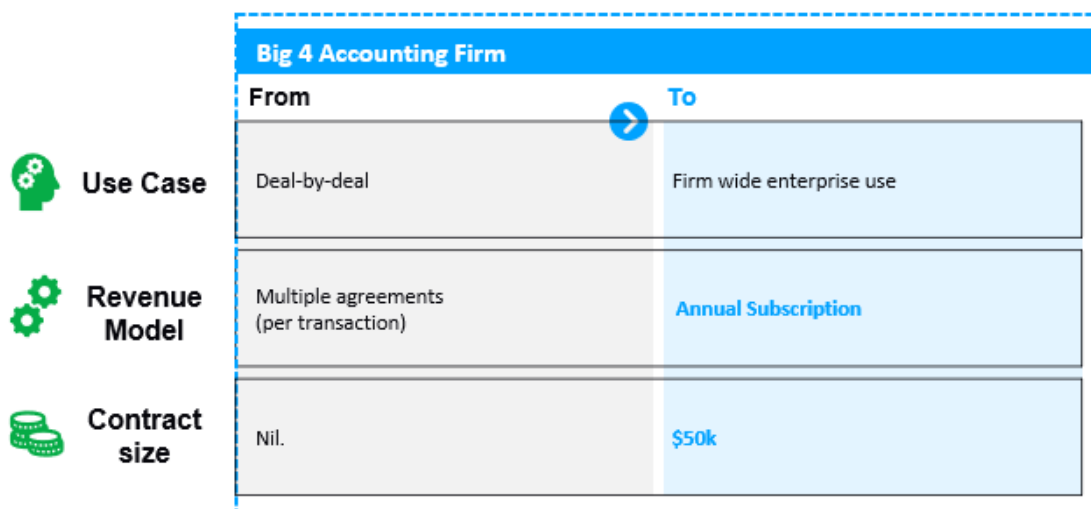
Case Study 1: Leading Global Technology Company

Leading Global Technology Company		
	From	To
 Use Case	Targeted acquisitions (VDR)	Targeted acquisitions (Pathways)
 Revenue Model	Multiple agreements (per transaction) Charged based on data	Annual Subscription (in second year renewal)
 Contract size	\$297k	\$410k

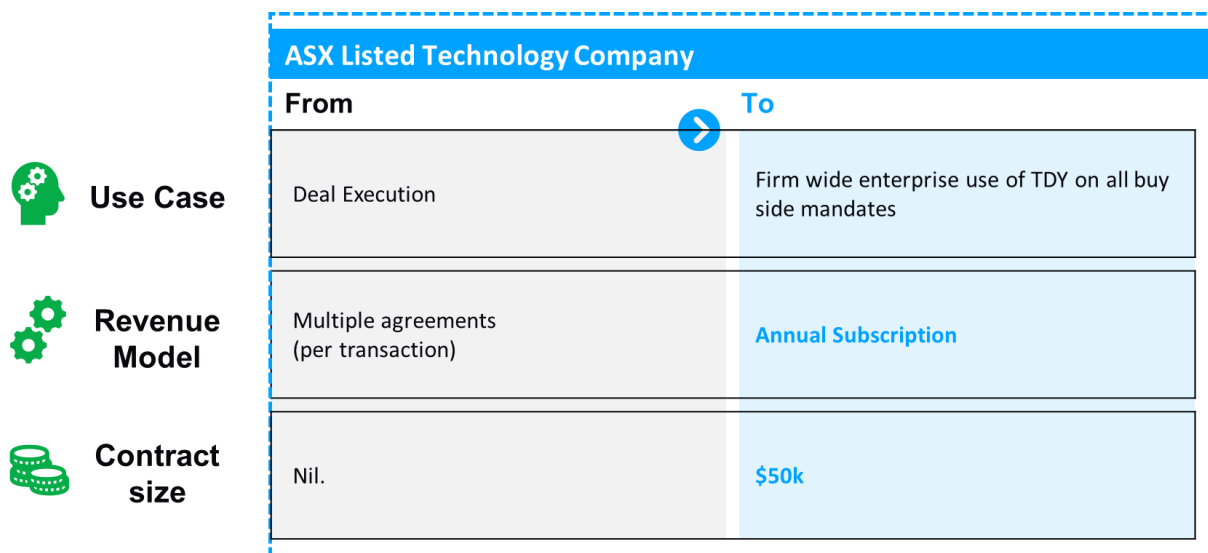
Case Study 2: Real-estate investment manager

Real Estate Asset Manager		
	From	To
 Use Case	Deal Execution	Deal executions (VDR) Revaluations (VDR) Treasury (debt facility)/equity raise (VDR/Pathways)
 Revenue Model	Multiple agreements (per transaction) Charged based on data	Annual Subscription (in second year renewal)
 Contract size	\$65k	\$188k

Case Study 3: Big 4 Accounting Firm

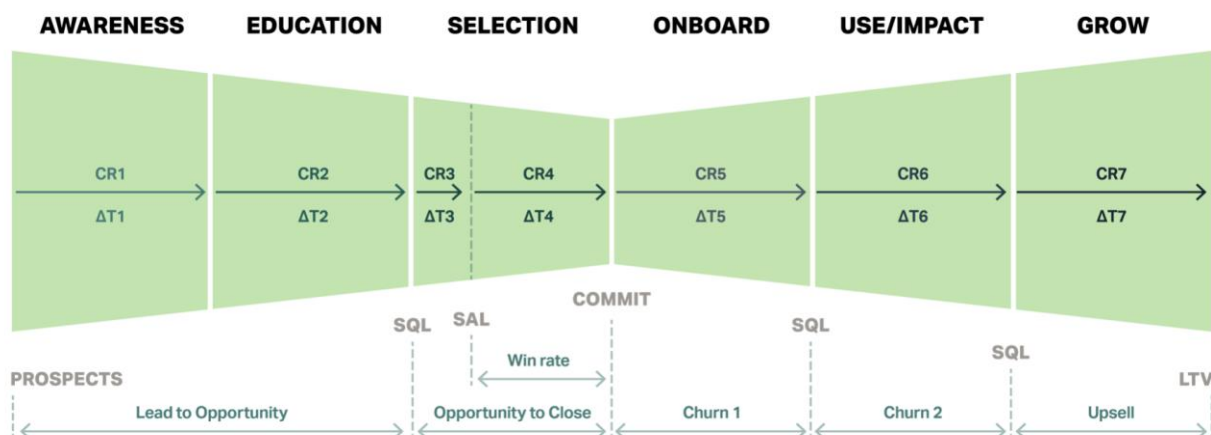


Case Study 4: ASX Listed Technology Company



(d) Marketing, Sales and Customer success methodology and process

Figure 13: The Ansarada customer journey: Sales, marketing and customer success methodology and process.



The Group will aim to support growth through its sales function by using data to build a predictable omnichannel sales and marketing organisation based on executing a SaaS

'bowtie' funnel methodology outlined in Figure 13 above. The Company and Ansarada have adopted this methodology and process, which is data-driven and highly scalable. This approach to sales and marketing execution is intended to drive effective investments into optimising lead volumes, conversions and velocity at each stage of the funnel.






Key processes of the Group's sales function will include:

- Developing powerful case studies of our diverse customers through sharing their stories and the positive impact and outcomes they have achieved in authentic and highly engaging content;
- An awareness and educational content based strategy targeted at specific use cases and customer types to enable nurturing of customers through each stage of the buying journey;
- Automated targeting, tracking and reporting of marketing, sales and customer success activity against each stage of the customer journey in reports and notifications;
- Predictive modelling using volume, velocity and conversion targets and management of them through objectives and key results (**OKR's**);
- Account based marketing with health mapping on marketing campaign and product engagement metrics;
- Design and execution of activities ensuring we diagnose a prospect or customer situation, information governance pains and potential impact prior to recommending and delivering a solution;
- Growing and expanding customers by delivering initial value and then continuing to work with them to diagnose additional information governance pains and where the Group can provide a solution ; and
- Investments into continued building of brand to increase share of voice to support increased conversion rates of all other marketing activity.

(i) **Customer acquisition channels**

The Group will seek to generate sales leads via a number of customer acquisition channels that combine effectively for targeted lead generation conversion into customers and expansion of usage, including:

Omni-Channel Distribution Strategy

1	 Direct Sales	<ul style="list-style-type: none"> Increasingly winning corporate / enterprise customers directly, by passing the traditional advisor referral channels The direct customer acquisition channel will remain a key focus for the Group going forward
2	 Advisors	<ul style="list-style-type: none"> Historically the largest customer acquisition channel, the Company and Ansarada have and continue to build a strong brand and significant trust with leading advisors around the world The Group will be well positioned to continue to capitalise on opportunities from Advisors
3	 E-Commerce	<ul style="list-style-type: none"> Complete no-touch channel that enables new and existing customers to sign up for Ansarada Platform solutions online, without contact with a Group rep Strong early traction amongst new customers, with 453 customers signing up (activating free trial) through the digital channel during the first three months of FY21
4	 White Label	<ul style="list-style-type: none"> Group has pursued a white label distribution strategy for the Athena Board product Active discussions in relation to other white label partnerships, including through intermediaries such as Accounting firms
5	 Partnerships	<ul style="list-style-type: none"> Established partnership program for the Pathways solution Partner may develop their own Pathway to assist potential customers in preparing for a range of critical business events

(ii) Historical Win Rate

Ansarada's historical win rate (where Ansarada has won a customer after being asked to submit a proposal) has averaged approximately 53%¹¹ globally, which the Company and Ansarada believe is a reflection of its strong market position and the quality of its products and solutions.

On a geographical basis, Ansarada enjoys a strong market position in Australia and New Zealand, with a 69% win rate¹². For Europe, Middle East and Africa, Ansarada reflects a combined win rate average of 47%¹³. Ansarada has an emerging presence in the North American market with an office based in Chicago and customers throughout the Americas, where the Group has a 33% win rate¹⁴. Ansarada has experienced growth in quality marketing leads and stable win rates with conversion of Sales Accepted Leads (**SALs**) at 53% globally¹⁵.

Importantly, approximately 23% of the Group's top 30 customers are subscribed across geographies outside of APAC¹⁶.

While Ansarada enjoys a win rate of 53% globally in a competitive market, with two large incumbent competitors, Ansarada is currently underrepresented at the initial tender stage of the process and post Completion will focus on the earlier stage of the sales cycle (awareness and education) to drive leads.

Figure 14: FY20 Win Rate by Geography

¹¹ Refers to the combined pro forma Ansarada Group for FY20 Sales Accepted Leads (when asked to submit a proposal) converted to wins..

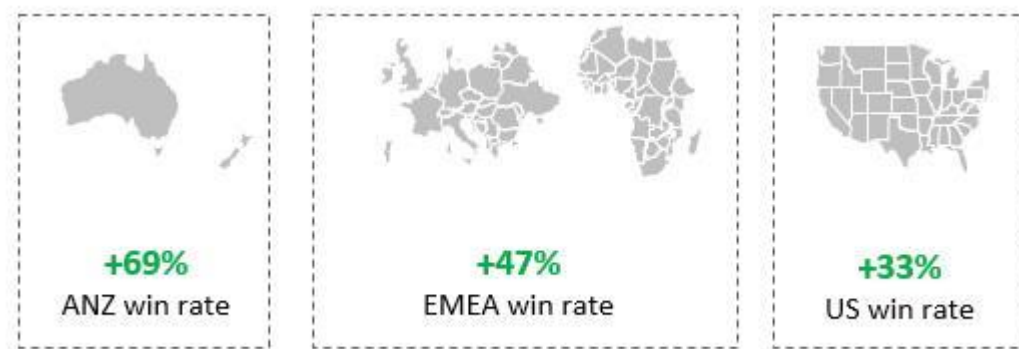
¹² Refers to the combined pro forma Ansarada Group for FY20 Australia and New Zealand Sales Accepted Leads (when asked to submit a proposal) converted to wins..

¹³ Refers to the combined pro forma Ansarada Group for FY20 EMEA region Sales Accepted Leads (when asked to submit a proposal) converted to wins..

¹⁴ Refers to the combined pro forma Ansarada Group for FY20 American region Sales Accepted Leads (when asked to submit a proposal) converted to wins..

¹⁵ Refers to the combined pro forma Ansarada Group for FY20 Sales Accepted Leads (when asked to submit a proposal) converted to wins..

¹⁶ FY20 billed revenue top 30 customers by sales opportunity account location



1.10 Technology infrastructure and platform

The Company's and Ansarada's solutions are built on a scalable modern technology stack and powered by modern software architecture that leverages a serverless, microservices and API driven approach. The Company and Ansarada use a combination of proprietary, internal developed software and technologies and licensed third-party software.

Since 2014, Ansarada has capitalised over \$50 million in technology development costs to enable it to successfully grow through expanding market share, entering new markets, broadening its product offer whilst continuously innovating and enhancing its product features.

The Company and Ansarada have adopted an "all in the cloud" strategy with their products hosted on Amazon Web Services (**AWS**) and Microsoft Azure (**Azure**). All data processing infrastructure as at prospectus date is hosted in Australia AWS region or the Azure region with data storage regions available for customers to use in Australia, Germany, Ireland, Norway, Singapore, South Africa, Switzerland, United Arab Emirates, UK and US.

Ansarada has invested into and established AI and machine learning infrastructure including the resources, processes, and tooling needed to develop, train, and operate machine learning models. This capability has been used to successfully turn Ansarada's vast quantities of data into useful products and analytics tools that provide more value to customers in managing risks, increasing productivity and using insights for better decision making. This is an ongoing objective as the use of AI and machine learning to improve information governance is rapidly growing.

The Company's and Ansarada's solutions also leverage external SaaS products that help improve the customer experience and enable rapid product development. These products include but are not limited to Cloudflare, Auth0, Segment, and Chargebee. The terms and conditions used by these cloud providers (and other IT suppliers) are the standard terms and conditions utilised by these suppliers. Given the stature of the suppliers with which the Company and Ansarada is contracting, the terms are generally favourable to the IT supplier, with the supplier seeking to limit its liability generally and reserving the right to amend its charges.

All internal software development is supported by a quality assistance team. This team ensures coding issues are reduced through cultural processes of risk assessment and deep automated regression testing. Bug scores are measured consistently and assessed against targets to ensure quality.

The Company's and Ansarada's customers highly value the ability to access information with minimal interference and interruption. The Group will continue to invest significantly in

its platform architecture to ensure it has been engineered for redundancy and resiliency. The Group will target 99.7% availability of all vital functionality and 99.7% basic uptime.

(a) **Confidentiality and data protection**

The Company and Ansarada have invested with the aim to create the best-in-class compliance frameworks and IT security and cyber capabilities to both protect customers data and provide assurance and evidence of that protection. Due to the sensitive nature of data that is hosted on the Company's and Ansarada's solutions, credibility and reputation with respect to data security and privacy across the industry remains a significant barrier to entry.

Ansarada is GDPR compliant and has maintained accreditation since 2009 to the industry-recognised standard ISO 27001. To attain accreditation, Ansarada is periodically audited by Lloyds Register Quality Assurance (LRQA) against 114 individual security policies, procedures and techniques. The ISO 27001 controls also define robust Disaster Recovery Standards and Business Continuity Processes. The ISO 27001 accreditation scope statement covers a significant portion of the business, reflecting Ansarada's deep commitment to providing security and privacy to customers.

Ansarada's information security management system ("ISMS") and overall approach to Security and Risk management follows the Plan-Do-Check-Act ("PDCA") cycle; this ensures ongoing monitoring, review and updating of systems, process, controls and policies to ensure a continual robust ISMS environment is maintained. The PDCA cycle follows the following 4 principles:

- Plan: Establish ISMS policy, objectives, processes, and procedures relative to risk management. Fine-tune information security to provide results mirroring objectives of the organization.
- Do: Implement the ISMS policy, processes, procedures, and controls.
- Check: Monitor, review, and assess the ISMS
- Act: Initiate any relevant update and or improvements to the ISMS based on the results of an internal audit.



1.11 Intellectual Property

The proprietary source code of the Company's and Ansarada's solutions, as well as the technologies and operational processes involved in delivering these solutions will be the primary intellectual property assets of the Group. Various procedures have been designed and put in place to protect the intellectual property of the Company and Ansarada, including:

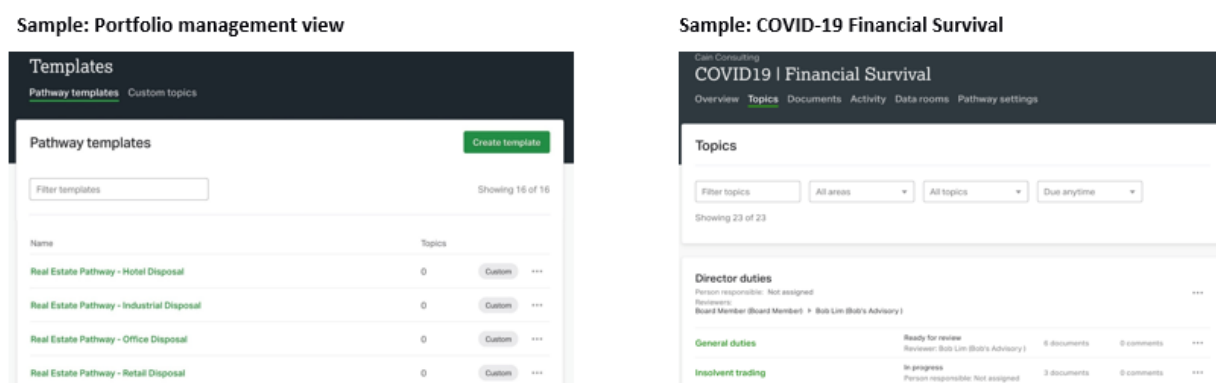
- (a) **Trademarks and legal counsel:** the Group employs both internal and external legal counsel to register its name and logo as registered trademarks and continuously monitor potential breaches by third parties;
- (b) **Copyright:** the Company and Ansarada assert copyright on all software and related assets created by its employees; and
- (c) **Contractual terms and conditions of employments:** employment is provided on standard form contracts, either on the basis of full-time or part-time. Employments contracts differ across jurisdictions according to particular legal requirements (for example notice of superannuation/pension requirements) however they typically cover acceptable use policy and non-disclosure.

1.12 COVID-19

The Company and Ansarada responded quickly to the impacts and opportunities of COVID-19.

COVID-19 represented an opportunity for Ansarada, and its products, specifically with respect to corporate governance as the need for companies to assess and ready themselves for various events became critical. As a result, Ansarada responded quickly and launched various initiatives in order to support and provide solutions to the market. This included the launch of the COVID-19 financial survival and asset management (management and response templates) on its Pathways platform (see Figure 15 below). In addition, the Tenders business seized on opportunities as the Australian Government deployed capital into major infrastructure developments; providing deeper penetration on existing government clients and new wins in the Tenders business.

Figure 15: Pathways Platform



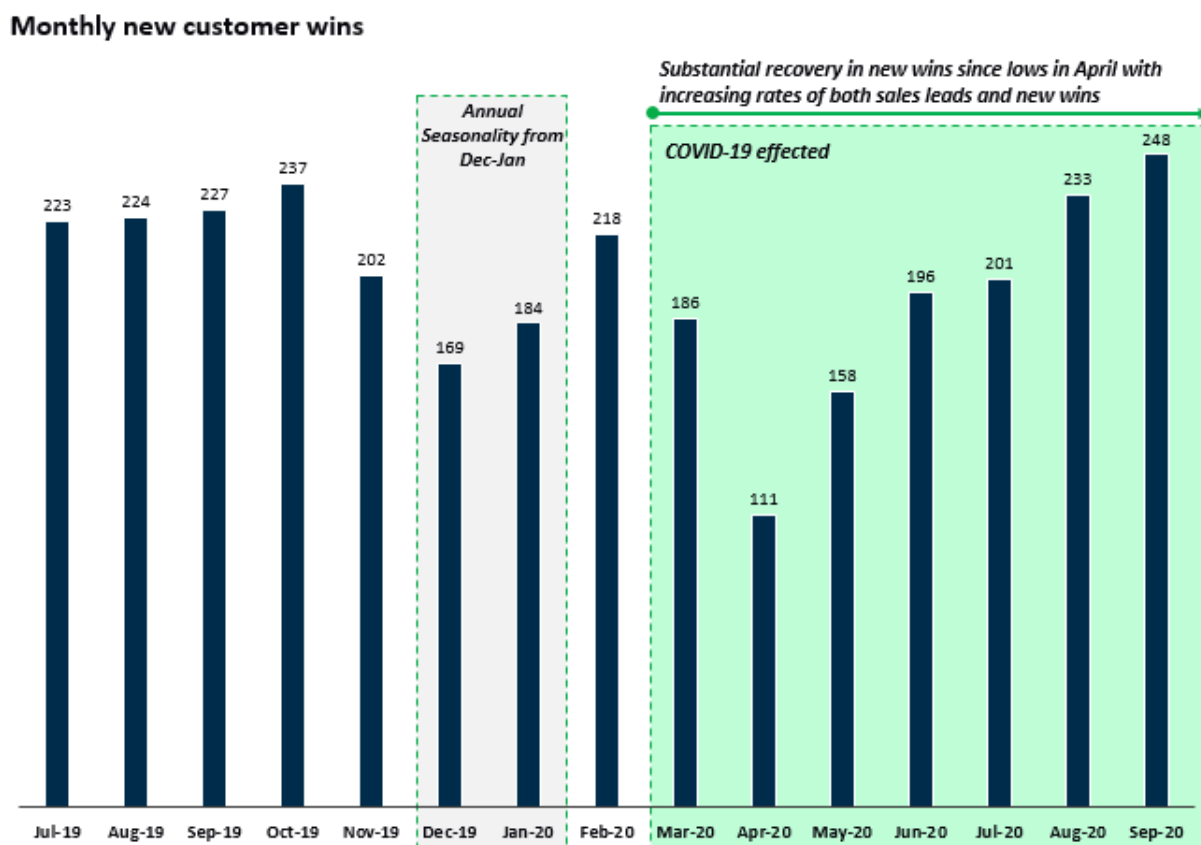
From an operation perspective both the Company's and Ansarada's ability to operate and provide customer service was largely unaffected with the workforce able to work remotely.

The main financial impact on the business was driven by the slowdown in capital markets, largely impacting Merger and Acquisition transactions as these were delayed or put on hold. The Company and Ansarada, as a result, experienced a slowdown in new sales activity and revenue from March 2020, primarily related to the VDR and other transaction management products. As per Figure 16 below the win rate decline has recovered materially since April 2020 and is trending back to pre-COVID-19 levels.

Given the reduction in revenue and prevailing uncertainty, the Company and Ansarada made the prudent decision to reduce its cost base with deliberate cost reduction measures put in place between April and September 2020, see Section 2 for further information.

The Company and Ansarada experience some seasonal declines in new business “Wins” typically between November and February, which can be seen in Figure 16 below. Both the Company and Ansarada experienced a reduction in Wins in March and April 2020, being impacted by the uncertainty of COVID-19. As can be seen in Figure 16 Win rates have recovered materially since April 2020 and are trending back towards pre COVID-19 levels. In September 2020, the Company and Ansarada generated 248 new wins, representing a 17.4% monthly compound growth rate in Wins since April 2020.

Figure 16: Monthly new business wins Jul-19 to Aug-20

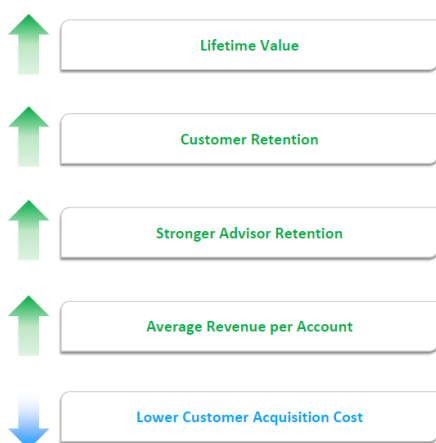


Note: represents Ansarada's standalone wins of paying subscription/contract customers.

1.13 Go to Market and Growth Strategy

The Group's growth strategy will be focused on continuing the current growth trajectory, particularly in its offshore regions and converting the current pipeline into sales. The Group will also continue to enhance its product and service capabilities by ongoing development of its technology platform to provide a wider range of solutions for its users and customers.

As a result of the following initiatives the Company and Ansarada are targeting the following business outcomes:



(a) **Grow customer numbers**

Ansarada has historically achieved strong Win Rates (as discussed above), which tend to increase the longer the Group operates in a particular market (either product market or geographic market).

As described above, the Company and Ansarada believe that the combination of Ansarada's products as part of a single SaaS Platform will be attractive to companies, advisors, public sector customers and financial sponsors both domestically and in international markets.

The Group intends to improve awareness and adoption of its products through a number of strategies, as set out below

(iii) **Grow the advisor channel**

The Group will be committed to strengthening the relationship and foundations of trust with accounting, legal and investment banking Advisors to drive increasing volume of deals managed through the Platform.

Advisors have historically contributed a significant portion of the Group's pro-forma revenue and are expected to remain important to revenue generation in the future. The Group will aim to increase market penetration through establishing relationships with new advisors across a range of industries and geographies and strengthening relationships with existing advisors.

It is intended that a portion of Offer proceeds will be used to invest in targeted marketing to Advisers, as well as expanding its account management function to service a greater number of Advisor accounts.

The Group also intends to encourage advisors to standardise on the platform (with the aim of the Advisors becoming enterprise customers) and / or becoming referrers for other solutions (e.g. Athena Board) to their client base.

(iv) **Expand corporate relationships**

The Company and Ansarada have current relationships with over 2,700 customers.

As per the case studies outlined above, the Group plans to engage with corporate customers with acquisitive business models to transition them from transactional purchasing of their VDR requirements, to an annual subscription for the combined VDR, board management and workflow solutions.

Leveraging the expanded product offering, the Group will aim to engage with its corporate customers to present its enterprise SaaS solutions in Pathways and Athena Board that provide information governance solutions beyond the VDR.

(v) Grow the e-commerce channel

The Company and Ansarada have invested in developing pricing models and e-commerce capability that allow corporate customers to self-serve and gain access to its products in a cost-effective way.

It is intended that a portion of Offer proceeds will be used to invest in targeted marketing to drive e-commerce sales.

The investment in the e-commerce channel is expected to:

- Increase conversion rates for potential customers;
- Achieve access to market segments and geographies with little or no sales presence;
- Continue leveraging this low friction and efficient channel to accelerate acquisition of new SMB/SME customers at scale; and
- Enable direct sales resources to be more focussed on larger enterprise level SaaS opportunities.

With over 80% of e-commerce sign-ups being corporate customers, the e-commerce channel will also potentially provide leads for other products including Pathways and Athena Board.

(vi) Expand Tenders business

The Company and Ansarada believe that the Group will be well positioned to capitalise on opportunities in the Tenders market, with Ansarada's Tender management solution having achieved product-market fit in a market that remains relatively underserved. While based primarily on the VDR product, the Tenders solution includes specific features (such as two way Q&A, locked box submissions, in built evaluation tool) that are desirable to customers in this channel.

The Group's strategy to expand its Tenders business will include, but is not limited to, the following:

- Capitalising on significant pipeline conversion opportunities of tender business in overseas markets, particularly the UK, IRE and Africa;
- Seeking US growth partners to grow the volume of tender customers in North America;
- Leverage the Athena Board management product to serve the board and committee process that are a critical aspect of in governing information in large complex tenders
- Onboarding new government agency customers in Australia and New Zealand by leveraging existing relationships with various Government agencies;
- Expanding usage of existing government agency customers; and

- Continuing investment into 'Evaluation Tools' and other tender specific features to serve end to end tender lifecycle.

(b) **Grow usage by Customers into additional use case**

The Group intends to focus on insuring that customers extract value from its products early in their customer journey. The Company and Ansarada have invested in developing a broad suite of SaaS products (VDR, Pathways, Athena Board and Workflow Engine), together with the customer success function to facilitate the cross-sell and upsell of those products.

The Company and Ansarada have identified significant opportunities from a number of customers, particularly large corporates, that may only currently be using the VDR product on an ad hoc transactional basis. A core marketing strategy is to educate customers on the broader solutions to operate as a holistic information governance platform to assist companies throughout their entire lifecycle.

The Company and Ansarada also intend to market the Workflow Engine to advisers, who use the product on an ongoing basis to manage transactions and other processes. By way of example, on 2 October 2020 the Company announced a multi-year enterprise contract with PwC UK to access its deal management technology, including the Workflow Engine.

(c) **Strategic partnerships and white label distribution agreements**

(i) **Athena Board**

While Athena Board is available for sale direct to end customers, the Company has also pursued a white label distribution strategy for this product.

The first white label agreement for Athena Board was signed with Boardroom Pty Ltd on 1 January 2020 providing access to their share registry and corporate secretarial customers.

The Company is in active discussions in relation to other white label partnerships, including through intermediaries such as accounting firms, in a number of geographies including Australia and the UK. Post Completion the Group intends to continue these discussions and target new white label agreements.

Post Completion the Group also intends to pursue direct sales of Athena Board to corporate customers through targeted marketing campaigns to Ansarada's active customer base of over 2,700 customers.

(ii) **Pathways**

Ansarada has established a partnership program for its Pathways corporate governance solution. Under the partnership program advisors and consultants sign-up as Pathway Partners and specific Topic Partners connecting with companies through the platform.

Under this program, a partner may develop their own Pathway to assist potential customers in preparing for a range of critical business events. Ansarada has partners for post acquisition integration and insolvency use cases. We aim to grow partners for regulatory compliance use cases such as GDPR and the International Organisation for Standardisation (**ISO**) and other standards compliance. Pathways across topics such as mergers and acquisitions, initial public offerings (**IPO**) preparation, capital raising preparation and audit preparation.

Post Completion, the Group intends to encourage increased use of the Pathways product through targeted marketing campaign and incentives such as via a 'freemium' model, where customers can establish a limited number of governance and compliance pathways for their organisation before becoming a paying customer.

(d) **Grow the international business**

Ansarada enjoys an existing international market presence in the US, the UK, the Netherlands and South Africa. In FY20 the Group generated approximately 44% of Pro-Forma revenue outside Australia.

The Company and Ansarada believe there is an opportunity to significantly grow the proportion of revenue generated outside of Australia.

It is intended that a portion of Offer proceeds will be used to invest in growing its international business. This investment will include:

- Marketing to distinct customer segments and industry verticals through a combination of digital marketing and direct sales
- Securing overseas partners that provide advisory, compliance and risk-based consulting to companies
- Dedicated marketing, sales and customer success resources in established offices to win more new customers, grow existing and increase retention rates.

(e) **Strategic acquisitions**

In July 2020, the Company completed the acquisition of LockBox, which was the owner of Athena Board.

It is intended that the Group will assess potential acquisitions from time to time that fits with its objective to become a market leader in information governance SaaS solutions. This might include targeted acquisitions of additional solutions, or similar businesses in other geographic markets to assist in driving international growth.

2. Financial Information

2.1 Introduction

The financial information of the Group contained in this Section includes historical financial information for FY18, FY19 and FY20 (collectively the **Financial Information**) as summarised in Table 2 below.

Table 2: Overview of the Group's Financial Information

	Statutory Financial Information	Pro Forma Financial Information
Historical Financial Information	Statutory Historical Financial Information comprises the:	Pro Forma Historical Financial Information comprises the:
	<ul style="list-style-type: none"> statutory historical consolidated income statements for each of the Company and Ansarada for FY18, FY19 and FY20 (Statutory Historical Income Statements); aggregated historical consolidated income statements for the Company and 	<ul style="list-style-type: none"> pro forma historical consolidated income statements for FY18, FY19 and FY20 (Pro Forma Historical Income Statements); pro forma historical consolidated cash flows for FY18, FY19 and FY20 (Pro Forma Historical Cash Flows); and

Statutory Financial Information	Pro Forma Financial Information
<p>Ansarada combined for FY18, FY19 and FY20 (Aggregated Statutory Historical Income Statements);</p> <ul style="list-style-type: none"> aggregated statutory historical consolidated cash flows for the Company and Ansarada combined for FY18, FY19 and FY20 (Statutory Historical Cash Flows); and aggregated statutory historical consolidated statement of financial position for the Company and Ansarada combined as at 30 June 2020 (Statutory Historical Statement of Financial Position). 	<ul style="list-style-type: none"> pro forma historical consolidated statement of financial position as at 30 June 2020 (Pro Forma Historical Statement of Financial Position).

Also summarised in this Section are:

- (a) The basis of preparation and presentation of the Financial Information;
- (b) Information regarding certain non-IFRS financial measures;
- (c) Summary of key pro forma operating and financial metrics;
- (d) The pro forma adjustments to the Statutory Historical Financial Information and reconciliations to the Pro Forma Historical Financial Information;
- (e) Details of the Company's and Ansarada's cash and cash equivalents and pro forma cash position at the assumed date of Completion;
- (f) Information regarding liquidity, capital resources and indebtedness;
- (g) Information regarding the Company's and Ansarada's contractual obligations, commitments and contingent liabilities;
- (h) Qualitative disclosures about market risk;
- (i) Management discussion and analysis of the Pro Forma Historical Financial Information; and
- (j) A summary of the Group's proposed dividend policy.

The information in this Section should also be read in conjunction with the risk factors set out in Section 3, the Group's significant accounting policies which will be provided in Appendix A of the Prospectus, and the other information contained in this Explanatory Memorandum.

All amounts disclosed in Section 3 and the Appendices are presented in the Company's functional currency, Australian Dollars, unless otherwise noted, are rounded to the nearest \$0.1 million. Some numerical tables included in this Explanatory Memorandum have been subject to rounding adjustments. Any differences between totals and sums of components in tables or tables contained in this Explanatory Memorandum are due to rounding.

2.2 Basis of preparation and presentation of the Financial Information

- (a) **Overview and preparation and presentation of the Financial Information**

The Financial Information included in this Notice of Meeting is intended to present potential investors with information to assist them in understanding the historical financial performance, cash flow and financial position of the Group.

The statutory historical consolidated financial statements of each of the Company and Ansarada are general purpose financial statements which have been prepared in accordance with Australian Accounting Standards (**AAS**) adopted by the Australian Accounting Standards Board (**AASB**) and the Corporations Act. The consolidated financial statements comply with the International Financial Reporting Standards (**IFRS**) adopted by the International Accounting Standards Board (**IASB**). The Statutory Historical Financial Information has been derived from the statutory historical consolidated financial statements of each of the Company and Ansarada.

In addition to the Financial Information, this Section describes certain non-IFRS financial measures that will be used to manage and report on the Group's business that are not defined under or recognised by AAS or IFRS.

The Directors are responsible for the preparation and presentation of the Financial Information.

The Financial Information has been reviewed by KPMG Financial Advisory Services (Australia) Pty Limited, in accordance with the Australian Standard on Assurance Engagements ASAE 3450 Assurance Engagements involving Corporate Fundraisings and/or Prospective Financial Information, as stated in its Independent Limited Assurance Report. Shareholders should note the scope and limitations of the Independent Limited Assurance Report (which will be provided in the Prospectus).

(b) Segment information

The Group intends to manage its operations as a single business operation, providing information governance solutions including VDR, workflow and collaboration tools for customers via a cloud-based software platform. No parts of its business are expected to qualify as individual operating segments under IFRS 8 Operating Segments. The Board intends to assess the financial performance of the Group on an integrated basis only and accordingly, the Group will be managed on the basis of a single segment. Notwithstanding the above, the Group intends to review revenue by region and type which has been presented further in this document.

(c) Preparation of Historical Financial Information

The consolidated financial statements of Ansarada for FY18, FY19 and FY20 will be lodged with ASX and available at www.ansarada.com/investors at the date of Completion. The consolidated financial statements of the Company for FY18, FY19 and FY20 have been lodged with ASX and are available on the ASX website.

The Historical Financial Information presented in this Explanatory Memorandum comprises the aggregation of Historical Statutory Financial Information of the Company and Ansarada for years ending 30 June 2018, 2019 and 2020 as if they were one entity in these periods.

The Pro Forma Historical Financial Information has been prepared solely for inclusion in this Notice of Meeting. The Pro Forma Historical Financial Information has been derived from the Statutory Historical Financial Information adjusted for the effects of the following pro forma adjustments:

- the Offer;

- the Acquisition, including, in connection with the Acquisition, the redemption and conversion of convertible equity instruments previously issued by Ansarada;
- the Lockbox Acquisition;
- the removal of material one-off non-recurring items of expenditure that have been incurred by each of the Company and Ansarada, including costs associated with the Offer and the Acquisition; and
- the tax impact of the above adjustments, as applicable.

Section 2.3(c), Table 5 sets out the pro forma adjustments made to the Statutory Historical Income Statements and a reconciliation of the Statutory Historical Income Statements to the Pro Forma Historical Income Statements, as if the Offer, the Acquisition and the Lockbox Acquisition had occurred on 1 July 2017.

Pro forma adjustments were also made to the Statutory Historical Cash Flows to reflect:

- the cash impact of the pro forma adjustments to the Statutory Historical Cash Flows; and
- the cash impact of costs and proceeds associated with the Offer and the Acquisition.

Section 2.4(b) Table 10 sets out the pro forma adjustments to the Statutory Historical Cash Flows and a reconciliation of the Statutory Historical Cash Flows to the Pro Forma Historical Cash Flows, as if the Offer, the Acquisition and the Lockbox Acquisition had occurred on 1 July 2017.

Section 2.5, Table 13 sets out the pro forma adjustments to the Statutory Historical Statement of Financial Position, and a reconciliation of the Statutory Historical Statement of Financial Position to the Pro Forma Historical Statement of Financial Position. Pro forma adjustments were made to the Statutory Historical Statement of Financial Position to reflect the impact of the Offer, the Acquisition and the Lockbox Acquisition, as if they had occurred as at 30 June 2020.

In preparing the Pro Forma Historical Financial Information, the Company's and Ansarada's accounting policies have been consistently applied throughout the periods presented. During FY20, the Company and Ansarada has adopted AASB 16 Leases, for the first time. Pro forma adjustments have been included in the FY19 and FY18 Pro Forma Historical Income Statements and Pro Forma Historical Cash Flows, to reflect the impact as if AASB 16 had been adopted on 1 July 2017.

Shareholders should note that past results are not a guarantee of future performance.

(d) **Explanation of certain non-IFRS financial measures**

The Company and Ansarada use certain measures to manage and report on its business that are not recognised under IFRS (or AAS). These measures are collectively referred to in this Section and under Regulatory Guide 230 Disclosing Non-IFRS Financial Information published by ASIC as "non-IFRS financial measures". The principal non-IFRS financial measures that are referred to in this Notice of Meeting are as follows:

- **Platform revenue** comprises subscription fees, both annual and monthly, generated from customers who subscribe to its VDR, workflow, Pathways or Athena Board cloud-based SaaS products. These fees can either be invoiced upfront, over the subscription period or on a monthly basis.

Revenue is recognised in the accounting period in which the services are rendered. Platform revenue also incorporates revenue generated from the sale of the Group's Tender's solution, which is typically billed on a transactional usage basis.

- **Legacy and Other revenue** represents revenue generated from Ansarada's discontinued pricing model where the amount billed to customers is based on data usage (e.g. amount of data uploaded or pages occupied). Consideration from Legacy revenue is recognised as revenue on a straight-line basis over the estimated life of the deal room.
- **Subscription revenue** relates to revenue generated from customers under subscription-based contracts.
- **Subscription average revenue per account (ARPA)** represents the average monthly revenue generated from customers on subscription-based contracts.
- **Tenders revenue** relates to revenue generated from customers who use the Group's platform for tender management, which is typically billed on a transactional usage basis.
- **Cost of sales** comprises sales commissions for sales employees and third-party fees for software used to provide product features and VDR archive expenses.
- **Gross profit** is revenue less cost of sales.
- **Gross profit margin** is gross profit expressed as a percentage of revenue;
- **EBITDA** is earnings or losses before interest (net finance income), taxation, depreciation and amortisation. The Group uses EBITDA to evaluate the operating performance of the business without the non-cash impact of depreciation, amortisation and before interest and taxation. EBITDA margin, which is EBITDA expressed as a percentage of total revenue is also presented. EBITDA can be useful to help understand the cash generation potential of the business. EBITDA and EBITDA margin should not be considered as an alternative to measures of cash flow under IFRS and investors should not consider EBITDA in isolation from, or as a substitute for, an analysis of the results of the Group operations.
- **EBITDA margin** is EBITDA expressed as a percentage of revenue.
- **EBIT** is earnings or losses before interest (net finance income) and taxation.
- **Operating cash flow** is EBITDA after the removal of non-cash items in EBITDA (e.g. share-based payment expenses and movements in provisions, changes in working capital and the payments of lease expenses). The Group uses operating cash flow as a measure to indicate the level of operating cash flow generated from EBITDA.
- **Free cash flow** is operating cash flow less capitalised development costs and other capital expenditure. The Group uses free cash flow as a measure of the net cash the Group generates before tax, interest and other investing cash flows.

- **Operating cash flow conversion ratio** is operating cash flow expressed as a percentage of EBITDA.
- **Free cash flow conversion ratio** is free cash flow expressed as a percentage of EBITDA.
- **Working capital** is trade and other receivables and other current assets less trade and other payables, accruals, deferred revenue, research and development tax credit balances and other current liabilities.
- **Net debt** represents total loans and borrowings and bank overdrafts, less cash and cash equivalents.
- **Capital expenditure** is a combination of capitalised development costs and other costs primarily related to property, plant and equipment.
- **Product design and development expense** is product design and development inclusive of product maintenance expenses (excluding depreciation and amortisation).
- **Capitalised development cost** are related to significant enhancements to products that are expected to derive a future benefit to the Group and are capitalised in accordance with IFRS 38 Intangible Assets.
- **Total product design and development cost** is research and development expense plus capitalised development costs, which the Group uses as a measure of its total product design and development investment. Total product design and development costs expressed as a percentage of total revenue is a ratio which the Group calculates and uses to consider the total investment in product design and development relative to the total revenue of the business from period to period and in comparison to other similar businesses.

Although the Company and Ansarada believe that these measures provide useful information about the financial performance of the business, they should be considered as supplements to the income statement measures that have been presented in accordance with IFRS and not as a replacement for them. As these non-IFRS financial measures are not based on IFRS (or AAS), they do not have standard definitions, and the way the Company and Ansarada calculate these measures may differ from similarly titled measures used by other companies. Investors and readers of this Explanatory Memorandum should therefore not place undue reliance on these non-IFRS financial measures.

2.3 Historical Income Statements

(a) Pro Forma Income Statements

Table 3 sets out the Group's Pro Forma Historical Income Statements. The Statutory Historical Income Statements (which are set out in Section 2.3(d)) are reconciled to the Pro Forma Historical Income Statements respectively in Section 2.3(c). See Section 2.11(c) for a description of the presentation and composition of the cost and expenses categories in Table 17.

Table 3: Summary of Pro Forma Historical Income Statements

\$ millions	Notes	FY18	FY19	FY20
Platform		2.8	15.9	29.4
Legacy and Other		36.1	21.2	4.6
Total Revenue		38.9	37.1	34.0

Cost of sales	(2.7)	(3.3)	(3.2)
Gross profit	36.2	33.8	30.9
Product Design & Development	(12.1)	(15.2)	(9.7)
Sales & Marketing	(15.1)	(21.4)	(11.9)
General & Administration	(6.3)	(8.9)	(9.9)
Total operating expenses	(33.5)	(45.5)	(31.5)
EBITDA	2.6	(11.7)	(0.6)
Depreciation and amortisation	(6.6)	(8.1)	(9.1)
EBIT	(4.0)	(19.8)	(9.7)
Net finance expense	(0.2)	(0.2)	(0.6)
Other Income / (Losses)	0.6	0.3	0.1
Profit/(loss) before tax	(3.6)	(19.7)	(10.1)
Income tax expense	2.8	4.1	(0.4)
Net profit/(loss) after tax	(0.8)	(15.5)	(10.5)

Notes: Refer to Section 2.2 for details of the basis of preparation of the Pro Forma Historical Income Statements

1. Ansarada's pro forma and statutory expenses have been offset by certain COVID-19 related government benefits including JobKeeper incentives (refer to Section 2.11(c) below).

(b) Key operating and financial metrics

Table 4 summarises the Group's key pro forma historical operating and financial metrics for FY18, FY19 and FY20.

Table 4: Key pro forma operating and financial metrics for FY18 to FY20

	Notes	FY18	FY19	FY20
Key Operating Metrics				
Headcount (period end)	1	228	174	181
Subscription revenue (as % of total revenue)	2	1%	33%	74%
Total Subscription Customers at Year End		61	1,667	1,747
Subscription average revenue per account (ARPA)			1,263	1,130
Tenders revenue		2.3	3.6	4.1
Tenders revenue (as % of total revenue)		6%	10%	12%
Key Financial Metrics				
Platform revenue (as % of total revenue)		7.2%	42.8%	86.3%
Platform revenue growth			469.5%	84.8%
Legacy and Other revenue (as % of total revenue)		92.8%	57.2%	13.7%
Gross profit margin		92.9%	91.0%	90.7%
Sales and marketing expense (as % of revenue)		38.8%	57.6%	34.9%
Product design and development expense (as % of revenue)		31.1%	40.9%	28.5%
Capitalised development cost (as % of revenue)		30.8%	28.6%	27.0%
Total product design and development cost (as % of revenue)		61.8%	69.4%	55.5%

Notes:

1. Headcount refers to full time equivalent (FTE) employees
2. Subscription revenue represents Platform products charged on subscription-pricing. Refer to Section 2.10(b).
3. Subscription customers include customers on paid subscription contracts.

(c) Pro forma adjustments to the statutory income statements

Table 5 sets out the pro forma adjustments that have been made to the profit/(loss) after tax in the Statutory Historical Income Statements (which are set out in Section 2.3(d)).

Table 5: Pro forma adjustments to the Statutory Historical Income Statement

\$ millions	Notes	FY18	FY19	FY20
-------------	-------	------	------	------

Platform		2.8	15.9	29.3
Legacy and Other		36.1	21.2	4.6
Statutory revenue		38.9	37.1	33.9
Lockbox Acquisition	1	-	0.0	0.2
Pro forma revenue		38.9	37.1	34.0
Statutory profit/(loss) after tax		(1.5)	(27.6)	(30.2)
Transaction costs relating to the initial public offering of the Company	2	-	-	1.5
Convertible Note Finance Expense	3	1.9	12.4	16.2
Ansarada Transaction Fees	4	0.1	1.3	0.4
Product Design & Development Impairment Expenses	5	-	0.3	2.8
Lockbox Acquisition	1	(0.3)	(0.9)	(0.7)
TDY Lease Expense	6	0.0	0.0	0.1
Ansarada Share Based Payments	7	0.2	(0.0)	0.6
Ansarada AASB16 adjustment	8	(0.2)	(0.2)	-
Incremental listed Company Costs	9	(0.4)	(0.4)	(0.4)
Estimated future annual EIP expense	10	(0.8)	(0.8)	(0.8)
Macquarie Bank facility interest expense	11	0.2	0.2	-
Pro forma profit/(loss) after tax		(0.8)	(15.5)	(10.5)

Notes:

1. The Lockbox Acquisition was completed in July 2020. The unaudited revenue and expenses of Lockbox for each financial year presented have been included as pro forma adjustments in deriving the pro forma historical financial statements.
2. Transaction costs relating to the initial public offering of the Company in February 2020 are considered to be one-off in nature and not reflective of the ongoing operations of the Group and have therefore been added back as a pro forma adjustment in deriving the pro forma historical financial statements.
3. In conjunction with Completion, convertible notes issued by Ansarada will be either redeemed in cash or converted to ordinary shares of the Company. Accordingly, all historical expenses, including transaction costs and finance expenses, have been added back as a pro forma adjustment in deriving the pro forma historical financial statements to reflect the ongoing capital and debt structure of the Group.
4. Ansarada has previously undertaken certain capital raising and capital restructuring activities prior to entering into a sale and purchase agreement with the Company. The costs of undertaking this capital raising and restructuring activity are considered to be one-off in nature and not reflective of the ongoing operations of the Group following Completion, and have therefore been added back as a pro forma adjustment in deriving the pro forma historical financial statements.
5. In FY20, Ansarada derecognised previously capitalised costs associated with certain product development that has been discontinued pursuant to the Acquisition incurring impairment expenses upon derecognition of the asset. The associated impairment expense has been added back as a pro forma adjustment in deriving the pro forma historical financial statements.
6. The statutory historical financial statements of the Company include costs related to the lease of its office premises in Sydney. Given there is sufficient capacity within Ansarada's existing office space, the Company has elected not to renew its lease and to benefit from the Group's shared office space. The historical lease expense has therefore been added back as a pro forma adjustment to reflect the impact of the Acquisition as if it the existing lease had been shared in each of the historical periods.
7. The statutory historical financial statements of Ansarada have previously included costs associated with certain share based payment remuneration to senior executives and employees of Ansarada. As the Company will be implementing a new employee incentive scheme following Completion, the costs of the historical share based payment remuneration of the Ansarada business have been added back as a pro forma adjustment in deriving the pro forma historical financial statements. Refer to note 10 below for details on the treatment of the Company's new Equity Incentive Plan (EIP).
8. As both the Company and Ansarada adopted AASB 16 Leases from 1 July 2019 and did not apply the adjustment retrospectively (as is permitted under AASB 16 Leases), a pro forma adjustment has been made to exclude the net impact of historical lease expenses in FY18 and FY19 (net of the right of use asset amortisation that would have otherwise been recognised) so as to present the pro forma historical financial statements on a consistent basis as if AASB 16 had been applied from 1 July 2017.
9. Although the Company is already listed on the ASX, with the increase in scale of operations following the Acquisition, it is expected that the Group will incur additional incremental costs associated with ongoing listing fees, financial reporting, investor relations and other related costs. Such costs have been included as an additional pro forma adjustment in deriving the pro forma historical financial statements.

10. The Company will establish a new LTI Plan (the EIP) under which individual grants of LTI Options will be provided to employees, and certain grants will have been made on Completion pursuant to the LTI Offer. The potential go forward cost of the EIP has been estimated and included as a pro forma adjustment to the historical statutory income statements.
11. In July 2019, Ansarada paid down in full an outstanding loan facility held with Macquarie Bank. As such, all expenses incurred by Ansarada, including interest expenses and other bank charges in relation to this facility have been added back as a pro forma adjustment in deriving the pro forma historical financial statements.

(d) Statutory Historical Income Statements

Table 6 sets out the aggregated Statutory Historical Income Statements of each of the Company and Ansarada, which represents the “Statutory revenue” and “Statutory profit/(loss) after tax” as shown in the above table. Refer to Section 2.3(e) for the stand-alone Statutory Historical Income Statements of each of Ansarada and the Company.

Table 6: Statutory Historical Income Statements

\$ millions	Notes	FY18	FY19	FY20
Platform		2.8	15.9	29.3
Legacy and Other		36.1	21.2	4.6
Total Revenue		38.9	37.1	33.9
Cost of sales		(2.7)	(3.1)	(2.9)
Gross profit		36.2	34.0	31.0
Product Design & Development		(11.9)	(14.8)	(11.8)
Sales & Marketing		(15.1)	(21.4)	(11.9)
General & Administration		(5.9)	(9.5)	(11.2)
Total operating expenses		(32.9)	(45.7)	(34.9)
EBITDA		3.3	(11.7)	(3.9)
Depreciation and amortisation		(6.0)	(7.5)	(9.1)
EBIT		(2.7)	(19.2)	(13.0)
Net finance expense		(2.1)	(12.7)	(16.8)
Other Income / (Losses)		0.5	0.2	0.0
Profit/(loss) before tax		(4.3)	(31.7)	(29.8)
Income tax expense		2.8	4.1	(0.4)
Net profit/(loss) after tax		(1.5)	(27.6)	(30.2)

Refer to the notes to Table 5 above.

Refer to Section 2.3(e) for the stand-alone Statutory Historical Income Statements of each of Ansarada and the Company.

(e) Statutory Historical Income Statements (Ansarada and the Company standalone)

Table 7 and Table 8 set out the standalone Statutory Historical Income Statements of each of the Company and Ansarada.

Table 7: Statutory Historical Income Statement (Ansarada standalone)

\$ millions	Notes	FY18	FY19	FY20
Total Revenue		38.7	36.6	33.2
Cost of sales		(2.6)	(2.9)	(2.6)
Gross profit		36.1	33.6	30.5
Product Design & Development		(11.4)	(14.2)	(10.6)
Sales & Marketing		(14.8)	(21.1)	(11.4)
General & Administration		(5.3)	(9.2)	(8.6)
Total operating expenses		(31.5)	(44.5)	(30.6)
EBITDA		4.6	(10.9)	(0.1)
Depreciation and amortisation		(6.0)	(7.5)	(9.1)

EBIT	(1.5)	(18.4)	(9.1)
Net finance expense	(2.1)	(12.7)	(16.5)
Other Income / (Losses)	0.1	0.1	0.0
Profit/(loss) before tax	(3.5)	(30.9)	(25.7)
Income tax expense	2.8	4.1	(0.4)
Net profit/(loss) after tax	(0.7)	(26.8)	(26.0)

Table 8: Statutory Historical Income Statement (the Company standalone)

\$ millions	Notes	FY18	FY19	FY20
Total Revenue		0.2	0.6	0.7
Cost of sales		(0.1)	(0.1)	(0.2)
Gross profit		0.2	0.4	0.4
Product Design & Development		(0.5)	(0.6)	(1.2)
Sales & Marketing		(0.3)	(0.3)	(0.4)
General & Administration		(0.6)	(0.3)	(2.7)
Total operating expenses		(1.4)	(1.2)	(4.3)
EBITDA		(1.3)	(0.8)	(3.9)
Depreciation and amortisation		-	-	(0.0)
EBIT		(1.3)	(0.8)	(3.9)
Net finance expense		(0.0)	(0.0)	(0.2)
Other Income / (Losses)		0.4	0.1	-
Profit/(loss) before tax		(0.8)	(0.7)	(4.1)
Income tax expense		-	-	-
Net profit/(loss) after tax		(0.8)	(0.7)	(4.1)

2.4 Historical Cash Flows

(a) Pro Forma Historical Cash Flows

Table 9 sets out the Group's Pro Forma Historical Cash flows. The Statutory Historical Cash Flows (which are set out in Section 2.4(c)) are reconciled to the Pro Forma Historical Cash Flows in Section 2.4(a).

Table 9: Pro Forma Historical Cash Flows

\$ millions	Notes	FY18	FY19	FY20
Cash flows from operating activities				
Receipts from customers		42.3	43.8	39.5
Payments to suppliers and employees		(38.5)	(49.2)	(37.1)
Income tax paid		(0.0)	(0.1)	(0.1)
Receipts from government grants and incentives		-	0.1	0.7
Net cash flows from operating activities		3.8	(5.4)	3.0
Cash flows from investing activities				
Change in property, plant and equipment		(0.6)	(0.7)	(0.1)
Capitalised development costs		(12.0)	(10.6)	(9.2)
Net cash flows from investing activities		(12.5)	(11.3)	(9.3)
Cash flows from financing activities				
Proceeds from issuance of convertible notes, net of issue costs		-	0.2	-
Proceeds from issue of share capital, net of issue costs		0.9	2.4	5.7

Net change in borrowings		0.5	1.1	0.6
Net Interest		0.4	(0.2)	(0.2)
Repayment of Lease Liabilities	1	(0.8)	(0.7)	(0.8)
Net cash flows from investing activities		1.0	2.7	5.3
Net increase/(decrease) in cash (pre exchange differences)		(7.8)	(14.0)	(1.0)
Effect of exchange differences on cash		(0.1)	0.0	0.0
Net increase/(decrease) in cash		(7.9)	(14.0)	(1.0)

Refer to Section 2.2 for details of the basis of preparation of the Pro Forma Historical Cash Flows.

Notes:

- For the financial years FY18 and FY19, repayment of lease liabilities has been reallocated from 'payments to suppliers and employees' for the purpose of presenting the pro forma historical cash flow.

(b) Pro forma adjustments to the Statutory Historical Operating Cash Flows

Table 10 set out the pro forma adjustments that have been made to the Statutory Historical Cash Flows. These adjustments are summarised and explained below.

Table 10: Pro forma adjustments to the Statutory Historical Cash Flows

\$ millions	Notes	FY18	FY19	FY20
Statutory net cash flow		16.6	(17.8)	8.9
Lockbox Acquisition	1	0.2	(0.0)	0.2
Transaction costs relating to the initial public offering of the Company	2	-	-	0.8
Removal of net proceeds of convertible notes of Ansarada	3	(23.8)	-	(13.0)
Removal of Ansarada Transaction Fees	4	0.9	1.1	0.9
Removal of the Company's cash lease costs	5	0.0	0.0	0.1
Macquarie Bank facility adjustment	6	(1.5)	3.0	1.5
Incremental listed Company costs	7	(0.4)	(0.4)	(0.4)
Pro forma net cash flow		(7.9)	(14.0)	(1.0)

Notes:

- Acquisition of Lockbox by the Company, was completed in July 2020. The unaudited net cash flows of Lockbox for each financial year presented have been included as pro forma adjustments in deriving the pro forma historical cash flows.
- Transaction costs relating to the Offer and IPO of the Company in February 2020 are considered to be one-off in nature and not reflective of the ongoing operations of the Group.
- In conjunction with Completion, convertible notes issued by Ansarada will be either redeemed in cash or converted to ordinary shares of the Group. Accordingly, all historical expenses, including transaction costs and finance expenses, have been added back.
- Ansarada has previously undertaken certain capital raising activities and capital restructuring activities prior to entering into an agreement with the Company – the costs of undertaking this capital raising activity and capital restructuring activity is considered to be one-off in nature and not reflective of the ongoing operations of the Group.
- The statutory historical financial statements of the Company include costs related to the lease of its office premises in Sydney. Given there is sufficient capacity within Ansarada's existing office space, the Company has elected not to renew its lease and to benefit from the Group's shared office space. The historical lease expense has therefore been added back as a pro forma adjustment to reflect the impact of the Acquisition as if it the existing lease had been shared in each of the historical periods.
- In July 2019, Ansarada paid down in full an outstanding loan facility held with Macquarie Bank. As such, all cash inflows and outflows in relation to the principal drawdown, repayment, interest changes charges and other bank charges in relation to this facility have been added back as a pro forma adjustment in deriving the pro forma historical financial statements.
- Although the Company is already listed on the ASX, with the increase in scale of operations following the Acquisition, it is expected that the Group will incur additional incremental costs associated with ongoing listing fees, financial reporting, investor relations and other related costs. Such costs have been included as an additional pro forma adjustment in deriving the pro forma historical financial statements

(c) Statutory Historical Cash Flows

Table 11 sets out the aggregated Statutory Historical Cash Flows of each of the Company and Ansarada, which represents the "Statutory net cash flow" as shown in the above table.

Table 11: Statutory Historical Cash Flows

\$ millions	Notes	FY18	FY19	FY20
Cash flows from operating activities				
Receipts from customers		42.3	43.8	39.3
Payments to suppliers and employees		(39.5)	(49.7)	(36.8)
Income tax paid		(0.0)	(0.1)	(0.1)
Receipts from government grants and incentives		-	0.1	0.7
Net cash flows from operating activities		2.7	(6.0)	3.1
Cash flows from investing activities				
Change in property, plant and equipment		(0.6)	(0.7)	(0.1)
Capitalised development costs		(12.0)	(10.6)	(9.2)
Net cash flows from investing activities		(12.5)	(11.3)	(9.3)
Cash flows from financing activities				
Proceeds from issuance of convertible notes, net of issue costs		23.8	0.2	13.0
Proceeds from issue of share capital, net of issue costs		0.9	2.4	4.9
Net change in borrowings		1.7	(2.6)	(1.8)
Net Interest		0.2	(0.4)	(0.2)
Repayment of Lease Liabilities		-	-	(0.8)
Net cash flows from investing activities		26.5	(0.5)	15.1
Net increase/(decrease) in cash (pre exchange differences)		16.7	(17.8)	8.9
Effect of exchange differences on cash		(0.1)	0.0	0.0
Net increase/(decrease) in cash		16.6	(17.8)	8.9

2.5 Historical Balance Sheet

(a) Overview

Table 12 sets out the Statutory Historical Statement of Financial Position and the pro forma adjustments that have been made to prepare the Pro Forma Historical Statement of Financial Position for the Group. These adjustments, as detailed in Table 12 below, reflect the impact of the effect of the Offer, changes to the capital structure, pursuant to the Acquisition and the acquisition of Lockbox (including associated transaction costs of each), as if they had occurred as at 30 June 2020. The Pro Forma Historical Statement of Financial Position is provided for illustrative purposes only and is not represented as being necessarily indicative of the Group's view of its financial position upon Completion or at a future date.

Table 12: Statutory Historical Statement of Financial Position and Pro Forma Historical Statement of Financial Position as at 30 June 2020

	Statutory Historical	Pro Forma Adjustments	Pro forma Historical
\$ millions	30-Jun-20		30-Jun-20
Current Assets			
Cash and cash equivalents	11.8	9.9	21.7
Trade and Other Receivables	2.9	0.0	2.9
Other current assets	1.3	-	1.3
Total Current Assets	16.1	9.9	26.0

Non-Current Assets			
Intangible Assets	23.4	18.5	41.9
Property, Plant and Equipment	1.5	-	1.5
Right of Use Asset	3.0	-	3.0
Deferred Tax Asset	5.4	-	5.4
Other non-current Assets	-	(0.3)	(0.3)
Total Non-Current Assets	33.3	18.2	51.5
Total Assets	49.4	28.1	77.5
Liabilities			
Current Liabilities			
Trade and other payables	6.4	0.1	6.4
Lease Liabilities	1.0	-	1.0
Borrowings	-	-	-
Employee benefits	1.6	(1.4)	0.2
Convertible note payable	65.6	(65.6)	-
Deferred revenue	8.1	-	8.1
Total Current Liabilities	82.7	(66.9)	15.8
Non-Current Liabilities			
Lease Liabilities	2.3	-	2.3
Convertible note payable	-	-	-
Employee benefits	0.1	0.0	0.1
Provisions	0.3	-	0.3
Total Current Liabilities	2.8	0.0	2.8
Total Liabilities	85.4	(66.9)	18.5
Equity			
Shareholders capital	11.4	125.0	136.4
Shareholders capital adjustment	-	(31.2)	(31.2)
Retained earnings/(loss)	(48.4)	1.2	(47.1)
Reserves	0.9	-	0.9
Total Equity	(36.1)	95.0	59.0

Notes:

1. The legal acquisition of Ansarada by the Company is, for accounting purposes, treated as Ansarada acquiring the Company (reverse acquisition accounting) in accordance with the requirements of AASB 3 Business Combinations.
2. See Table 13 for further information in relation to the pro forma adjustments to the Historical Statement of Financial Position.

Table 13: Pro Forma adjustments to the Statutory Historical Statement of Financial Position

	Proceeds of the Offer	Estimated Redemption/Conversion of Convertible Notes	Lockbox Acquisition	The Acquisition (TDY)	Costs of the Offer	Repayment of Tax	Total Pro Forma Adjustments
\$ millions						Liability	
Notes	1	2	3	4	5	6	
Current Assets							
Cash and cash equivalents		(25.0)	0.2	-	(8.7)	(1.5)	9.9
Trade and Other Receivables	-	-	0.0	-	-	-	0.0

Other current assets	-	-	-	-	-	-	-
Total Current Assets	45.0	(25.0)	0.2	-	(8.7)	(1.5)	9.9
Non-Current Assets							
Intangible Assets	-	-	-	18.5	-	-	18.5
Property, Plant and Equipment	-	-	-	-	-	-	-
Right of Use Asset	-	-	-	-	-	-	-
Deferred Tax Asset	-	-	-	-	-	-	-
Other non-current Assets	-	-	-	(0.3)	-	-	(0.3)
Total Non-Current Assets	-	-	-	18.2	-	-	18.2
Total Assets	45.0	(25.0)	0.2	18.2	(8.7)	(1.5)	28.1
Liabilities							
Current Liabilities							
Trade and other payables	-	-	0.1	-	-	-	0.1
Lease Liabilities	-	-	-	-	-	-	-
Borrowings	-	-	-	-	-	-	-
Employee benefits	-	-	0.1	-	-	(1.5)	(1.4)
Convertible note payable	-	(65.6)	-	-	-	-	(65.6)
Deferred revenue	-	-	-	-	-	-	-
Total Current Liabilities	-	(65.6)	0.2	-	-	(1.5)	(66.9)
Non-Current Liabilities							
Lease Liabilities	-	-	-	-	-	-	-
Convertible note payable	-	-	-	-	-	-	-
Employee benefits	-	-	0.0	-	-	-	0.0
Provisions	-	-	-	-	-	-	-
Total Current Liabilities	-	-	0.0	-	-	-	0.0
Total Liabilities	-	(65.6)	0.2	-	-	(1.5)	(66.9)
Equity							
Shareholders capital	45.0	40.6	2.0	43.1	(5.7)	-	125.0
Shareholders capital adjustment	-	-	-	(31.2)	-	-	(31.2)
Retained earnings/(loss)	-	-	(2.0)	6.3	(3.1)	-	1.2
Reserves	-	-	-	-	-	-	-
Total Equity	45.0	40.6	(0.0)	18.2	(8.7)	-	95.0

Notes:

1. Represents the impact of the Offer of approximately \$45 million.
2. A portion of the proceeds from the Offer pursuant to the Acquisition will be used to redeem certain Convertible Notes previously issued by Ansarada. The remainder of the Convertible Notes will be converted into ordinary shares of the Company.
3. The Lockbox acquisition represents an adjustment to reflect the acquired balance sheet of Lockbox which was acquired by the Company in July 2020, as if the acquisition of Lockbox had occurred on 30 June 2020.
4. Represents the in-substance acquisition of the Company, by Ansarada, based on the indicative fair value of the Company pursuant to the sale and purchase agreement signed between the Company and Ansarada.

5. Represents the estimated costs of the Offer and Acquisition. Costs specifically relating to the Offer have been adjusted in Shareholder's capital, whereas Acquisition related costs have been reflected in Retained earnings.
6. Represents Ansarada's deferred tax liability which is expected to be repaid prior to Completion of the Offer.

2.6 Cash and cash equivalents

Table 14 sets out the combined net cash/(debt) position of the Company and Ansarada at 30 June 2020 on a statutory basis (before Completion) and on a pro forma basis adjusted for receipt of the net proceeds of the Offer and repayment of the Convertible Notes as if these actions took place as at 30 June 2020.

Table 14: Cash and Cash Equivalents

\$ millions	Historical Indebtedness (pre-completion of the offer)	Pro Forma adjustment (for Completion of the Offer)	Pro Forma at 30 June 2020 (post Completion of the Offer)
Cash and Cash Equivalents	11.8	9.9	21.7
Short Term Debt			
Convertible Note	65.6	(65.6)	-
Long Term Debt			
Non-Current loans and borrowings	-	-	-
Lease liabilities	3.4	-	3.4
Net cash/(debt)	(57.2)	75.5	18.3

2.7 Liquidity and capital resources

Following Completion, the Group's principal sources of funds are expected to be cash on hand. A portion of the net proceeds raised from the Offer will be used to repay the Convertible Notes, which are expected to be repaid in conjunction with Completion.

The Group's main use of cash is to fund operations, including working capital, capital expenditure and support the Group's growth initiatives. Historical capital expenditure and working capital trends are described in Section 2.4. The Company and Ansarada expect that, following Completion, the Group will have sufficient working capital to carry out its stated business objectives.

The Group's ability to generate sufficient cash depends on its future economic performance which, to a certain extent, is subject to a number of factors beyond the Group's control including general economic, financial and competitive conditions. Over time, the Group may seek additional funding from a range of sources to diversify its funding base. Quantitative and qualitative disclosures about market risk sensitive instruments are addressed in Section 2.9.

2.8 Contractual obligations and commitments

Table 15 sets out the contractual obligations, commitment and contingent liabilities as at 30 June 2020.

Table 15: Contractual obligations, commitments and contingent liabilities

\$ millions	Note	< 1 year	1 - 5 years	> 5 years	Total
Land and buildings		1.1	2.4	-	3.5
Software licenses		0.4	-	-	0.4
Total		1.5	2.4	-	3.9

The Company and Ansarada have no material contingent liabilities or other off-balance sheet arrangements as at 30 June 2020 other than those described above.

2.9 Qualitative disclosures about market risk

(a) Interest rate risk

The Group will be exposed to interest rate risk arising from the possibility that changes in interest rates will affect future cash flows or the fair values of financial instruments. The primary financial instruments impacted by interest rate movements are cash balances. The Group will monitor and analyse its interest rate exposure. Within the analysis, consideration is given to uses of funds and potential financing options.

(b) Foreign exchange risk

The Group will transact in various currencies other than its functional currency, being the Australian dollar, including the US dollar, Euro, British pound and South African rand. The Company and Ansarada have not historically hedged its foreign currency exposure and as a result the Group's earnings will be exposed to the net impact of movements in foreign exchange rates on its sales, employee expenses and purchases in the foreign currencies in which the transactions occur.

The Company and Ansarada have foreign currency bank accounts, receivables and payables that are denominated in a currency other than its functional currency, being the Australian dollar, and the Ansarada holds investments in overseas subsidiaries which are not hedged. Any foreign exchange rate movements in respect to the transaction currency in which the net investment in foreign subsidiaries are held, are recognised in the foreign currency translation.

2.10 Overview of revenue categories

(a) Transition to subscription pricing model

As discussed in Section 1.9(b), Ansarada transitioned its pricing model during FY18 and FY19 from a transactional to subscription pricing model. This transition reflected a broader trend in the industry and capitalised on evolving customer preferences that each of Ansarada and the Company had observed.

As customers made the transition from upfront billing based on data usage to a subscription model paid either upfront on an annual basis or monthly, reported revenue lowered in the short term relative to the legacy billing model. As this change was made in Q2 FY19, the impact on revenue and the cost base have largely occurred in FY19 and FY20. While the transition of Ansarada's pricing model impacted the revenue profile of Ansarada over the short-term (as a result of the decline of large upfront usage fees), the Company and Ansarada believe subscription pricing will generate greater lifetime revenue per customer than an equivalent transactional or usage contract. The subscription model is expected to provide additional flexibility for customer upgrades and enable prolonged usage on the Group's core Platform solutions, allowing the Group to better service multiple customer requirements. The Company and Ansarada believe subscription pricing benefits customers through increased pricing transparency and certainty.

Following Completion, aside from the Group's Tenders solution the majority of the its Platform revenue is expected to be derived under its subscription-pricing model.

(b) The Group's revenue categories

Table 16: Summary of revenue recognition treatment of the Group's solutions

Solution	Pricing model	Description
Platform		

VDR, Workflow and Governance and Compliance Pathways	Subscription	<ul style="list-style-type: none"> Contracts are priced based on a subscription-basis for either month-to-month, annual or multi-year terms Revenue is recognised equally over the length of the contract
Athena Board	Subscription	
Tenders	Usage/data-based	<ul style="list-style-type: none"> Tenders contracts are priced on a transactional data usage basis (dollar per mega byte of data uploaded), typically on multi-year contracts (ranging from one to three years) Fees payable under the contract are typically paid upfront in a lump sum payment, with small ongoing fees during the life of the contract. A significant portion of this revenue is billed in the first month of the contract (based on when customers have typically uploaded the majority of their data) and is recognised over the contract period
Legacy		
VDR	Usage/data-based	<ul style="list-style-type: none"> Contracts are based on a transactional data usage basis (dollar per mega byte of data uploaded) Revenue is billable from the first upload of documents or data into the VDR A significant portion of revenue is typically billed and recognised during the first 3 months of the life of the data room (as this is when customers have typically uploaded the majority of their data) Historically, this has caused revenue to be relatively cyclical and concentrated in periods where the most number of data rooms are opened

2.11 Management discussion and analysis of the Financial Information and key operating metrics

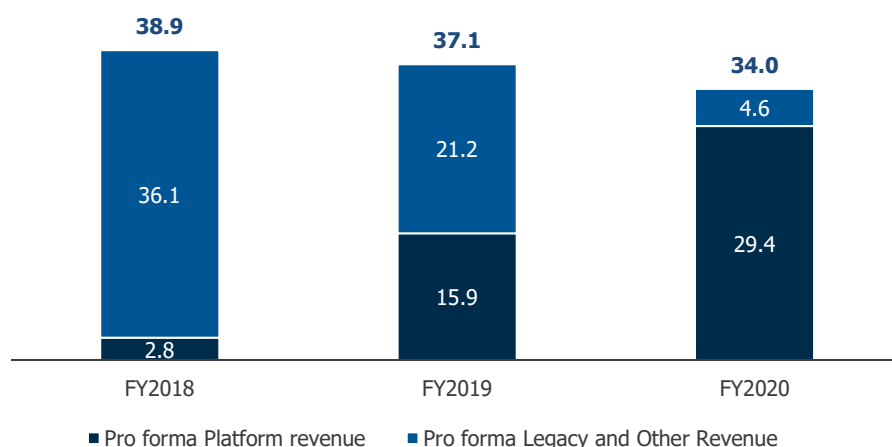
(a) Overview

This Section 2.11 is a discussion of key factors that affected the Company and Ansarada's operations and relative financial performance over FY18, FY19 and FY20. The discussion of these general factors is intended to provide a summary only, based on the combined pro forma financial performance and position, and does not detail all factors that affected the Company and Ansarada's historical operating and financial performance. The information in Section 2.11 should be read in conjunction with the basis of preparation in Section 2.2 and the risk factors set out in Section 3.

(b) Revenue

Figure 17 illustrates historical pro forma revenue over FY18 to FY20 for Platform and Legacy and Other revenue.

Figure 17: Pro forma revenue – FY18 to FY20



Total pro forma revenue for the period FY18 to FY20 decreased by \$4.9 million, from \$38.9 million to \$34.0 million, a decline of 12.5%. This pro forma revenue movement is driven by:

- (i) Ansarada's transition from transactional pricing to a subscription-based pricing model, with the majority of new customer sales being under the new pricing model where the timing of revenue recognition has impacted reported revenue in the short-term;
- (ii) The impact of lower global mergers and acquisition deal volumes caused by COVID-19, which led to fewer new customer wins during FY20;
- (iii) Slightly lower average revenue per customer due to uncertainty and transaction delays caused by COVID-19.

During this period, and despite a combination of its pricing changes and the impacts of COVID-19, the Company and Ansarada were still able to grow their combined base of total active customers from 2,253 in FY18 to 2,449 in FY20, where total active subscription customers grew from 61 in FY18 to 1,747 in FY20 (see Figure 18 below).

Figure 18: Total Subscription Customers from FY18 to FY20

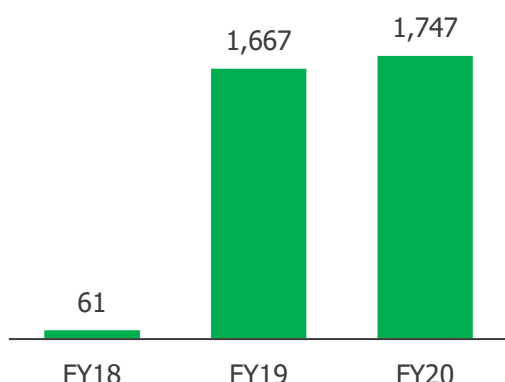
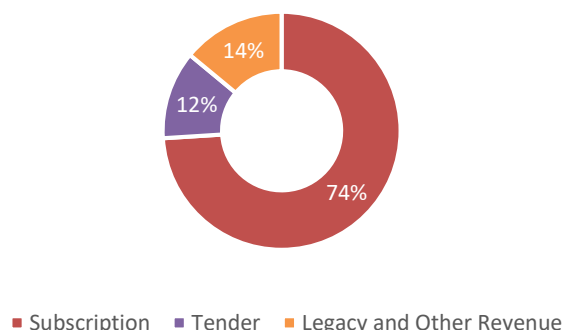


Figure 19: Pro forma revenue composition (as at 30 June 2020)



The average monthly pro forma ARPA per subscription customer has experienced a modest decline during FY20. This was impacted by small reductions in pro forma ARPA due to transactions being put on hold and a proportion of customers taking lower subscription packages given the level of uncertainty created by COVID-19. The Group believes that despite its modest decline in pro forma revenue during this COVID-19 period that it has

benefited from the more consistent revenue profile of its subscription revenue model. As transaction volumes and new customer wins have continued to increase to pre-COVID-19 levels (as at 30 September 2020, refer to Section 1.12), the Company and Ansarada believe the Group will be well placed to capitalise on its enlarged customer-base and portfolio of products.

Figure 20: Average monthly pro forma ARPA per subscription customer from FY19 to FY20



Note: Ansarada's subscription pricing model was only launched in FY19.

From FY18 to FY19, the Company and Ansarada reported a decline in pro forma revenue of \$1.8 million, from \$38.9 million to \$37.1 million, driven by:

- (i) an increase in pro forma Platform revenue of \$13.1 million, from \$2.8 million to \$15.9 million, driven by an increase in subscription customers from 61 in FY18 to 1,667 in FY19; and
- (ii) an offset by a decrease in pro forma Legacy and Other revenue of \$14.9m, from \$36.1 million to \$21.2 million, driven by a decrease in transactional billed Legacy customers from 2,192 in FY18 to 1,070 in FY19.

From FY19 to FY20, the Company and Ansarada reported a decline in pro forma revenue of \$3.1 million, from \$37.1 million to \$34.0 million, which was impacted by COVID-19 and resulted in:

- (iii) an increase in pro forma Platform revenue of \$13.5 million, from \$15.9 million to \$29.4 million, driven by an increase in subscription customers from 1,667 in FY19 to 1,747 in FY20; and
- (iv) an offset by a decrease in pro forma Legacy and Other revenue of \$16.6m, from \$21.2 million to \$4.6 million, driven by a decrease in transactional billed Legacy customers from 1,070 in FY19 to 702 in FY20.

Within the Group's pro forma historical revenue, the Company's revenue grew from \$0.2 million to \$0.7 million between FY18 and FY20, driven by strong growth in new customer wins with a focus on larger enterprise contracts. Incorporated during FY19, Lockbox grew its revenues from approximately \$16,000 in FY19 to \$0.2 million in FY20.

(c) Expenses

(i) Overview

The Group intends to present expense categories within the consolidated statement of profit or loss on a functional basis. The categories used are outlined in Table 17 below:

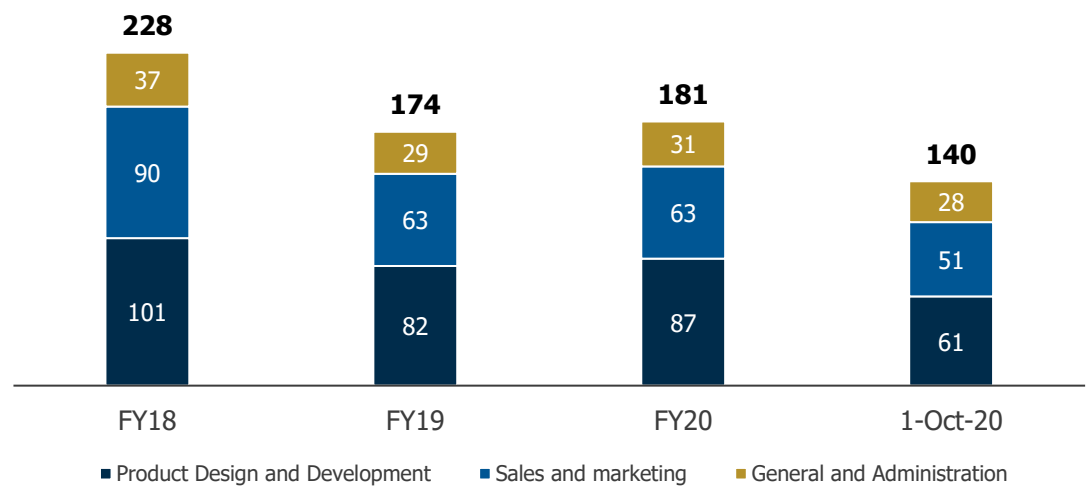
Table 17: The Group Cost of Sales and Operating Expense Categories

Cost of sales	Description
Cost of sales	Primarily relates to sales commissions for sales employees and third-party fees for software used to provide product features and VDR archive expenses. In addition, the Company's cost of sales includes personnel and related costs (including salaries, benefits, payroll tax) for business services employees and hosting costs.
Operating expenses	Description
Product design and development	Primarily relates to personnel and related costs (including salaries, benefits, payroll tax) and third-party costs associated with product design and development. Includes costs associated with Ansarada's Vietnam product design and development capabilities that currently operates under a Build Operate Transfer (BOT) model. Includes relevant software licenses, security testing and hosting costs.
Sales and marketing	Primarily relates to personnel and related costs (including salaries, benefits, bonuses, commissions and payroll tax) directly associated with sales, customer service and marketing team activities to acquire new customers and grow revenue from existing customers. Other costs included are external advertising costs, marketing costs and promotional event costs as well as allocated overheads.
General and administration	Includes personnel and related costs (including salaries, benefits, payroll tax) for the Company's and Ansarada's management team, finance, legal, human resources, operations and administration employees. These expenses also include professional fees for legal, accounting, tax and other services and occupancy, travel and entertainment, administration and board costs. General and administration expenses include transactional Foreign exchange gain/losses due to differences in exchange rate on date of invoice versus date of cash receipt
Total expenses	Sum of cost of sales and total operating expenses

When the activities of the Company's or Ansarada's staff are directly attributable to the platform development stage and can be reliably measured, and where future economic benefits from the development are probable, the costs related to that activity are capitalised (see Section 2.11(e)).

Set out in Figure 21 below is the historical headcount (comprising full-time employees only) measured at year-end by department from FY18 to FY20. As described further below, Ansarada and the Company undertook permanent cost reductions in September 2020, achieved primarily through a reduction in headcount. As a result, the combined total headcount of Ansarada and the Company at 1 October 2020 was 140.

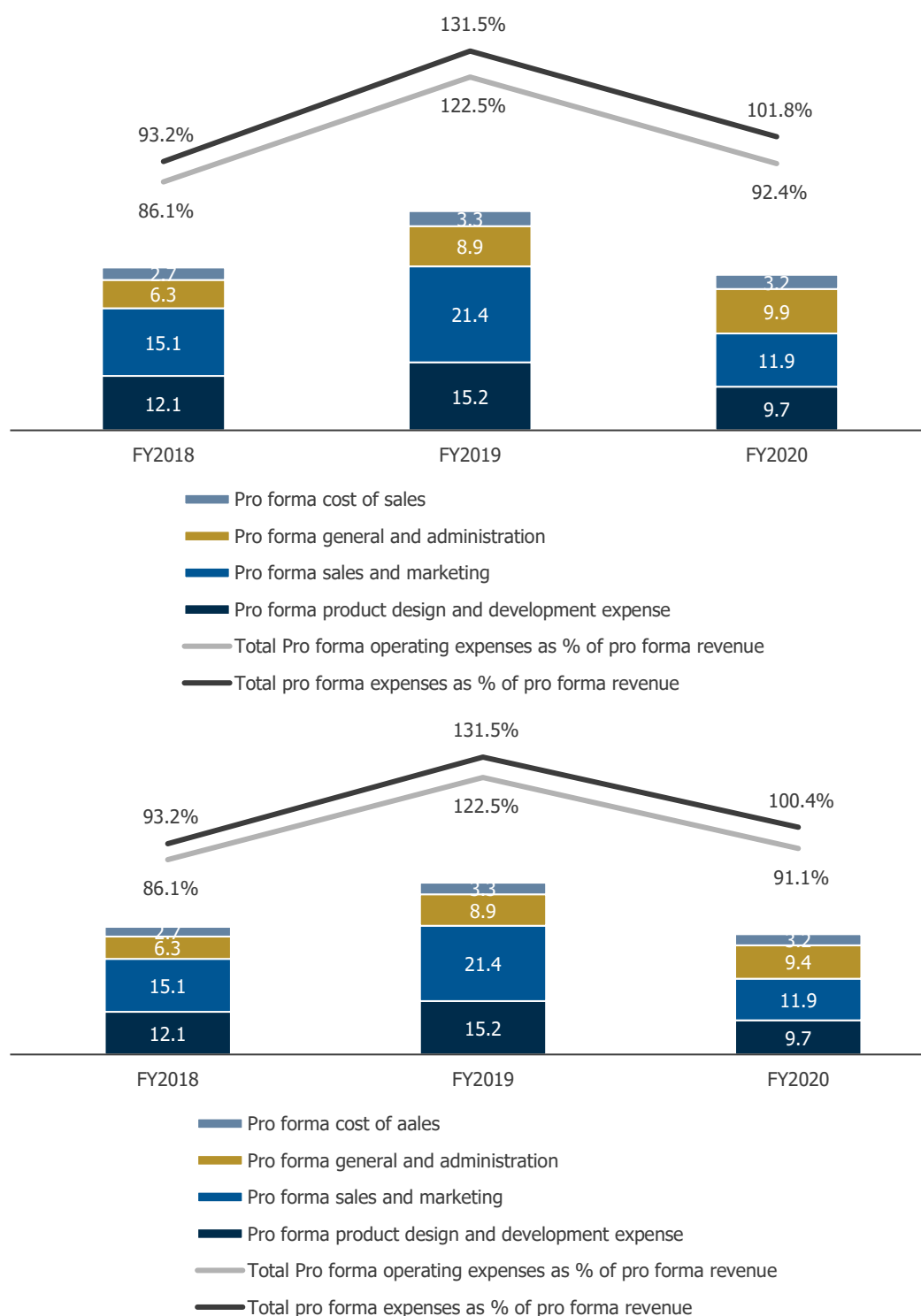
Figure 21: Annual headcount – FY18 to FY20 (period ending headcount)



During FY19 Ansarada underwent a shift in its go-to-market strategy which resulted in a restructure of its global sales and marketing teams. This included a shift in the focus of its execution strategy along with a rebalancing of the cost base to better position Ansarada for continued growth, resulting in a reduction in overall headcount by the end of FY19 and into FY20.

Figure 22 below illustrates total pro forma expenses, comprised of cost of sales and operating expenses, total pro forma expenses as a percentage of pro forma revenue and total pro forma operating expenses as a percentage of pro forma revenue from FY18 to FY20.

Figure 22: Pro forma total expenses (\$m) and pro forma total expenses as a percentage of revenue (%) of revenue by category – FY18 to FY20



During FY18 and FY19, Ansarada made significant investments to strategically transition its business model and technology platform, which included investments in product design and development as well as costs associated with the marketing and launch of the new subscription model. Ansarada has significantly reduced its cost base since FY19 and believes it is now positioned for sustainable future growth.

During the fourth quarter of FY20, Ansarada received \$0.8 million in funding from the government JobKeeper program resulting in a temporary reduction in operating

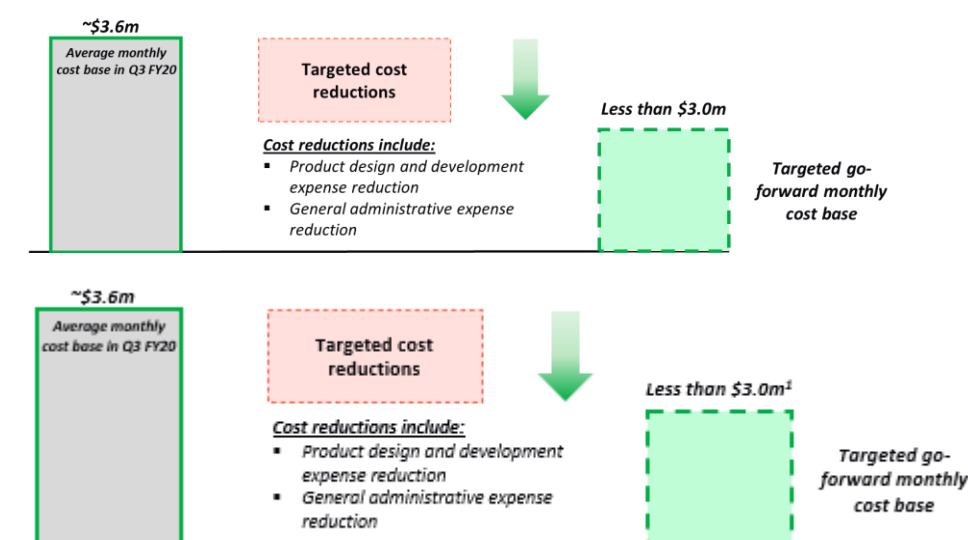
expenditure. Ansarada was enrolled in the JobKeeper program which ended in September 2020. The target cost base (referred to below) does not include any benefits from JobKeeper, with potential eligibility in the future being an additional benefit to the cost base below.

(ii) Operating expenditure and 'go forward' cost base

In September 2020, the Company and Ansarada undertook significant and permanent cost reductions to focus on achieving profitability in the short to medium term and in response to the impacts of COVID-19. As described in Section 3.6.2, Ansarada made significant strategic investments during FY19 to transition the business, which temporarily increased the cost base and impacted short term revenue generation and profitability. With the successful transition of the business and the launch of these capabilities, a number of one-off investments made by Ansarada are no longer required going forward and the Company and Ansarada have made adjustments to its cost base to align to business strategy going forward.

The Company and Ansarada aim to lower the break-even point of profitability, with the intention of lowering total monthly operating expenditure to less than A\$3.0 million as per Figure 23 below:

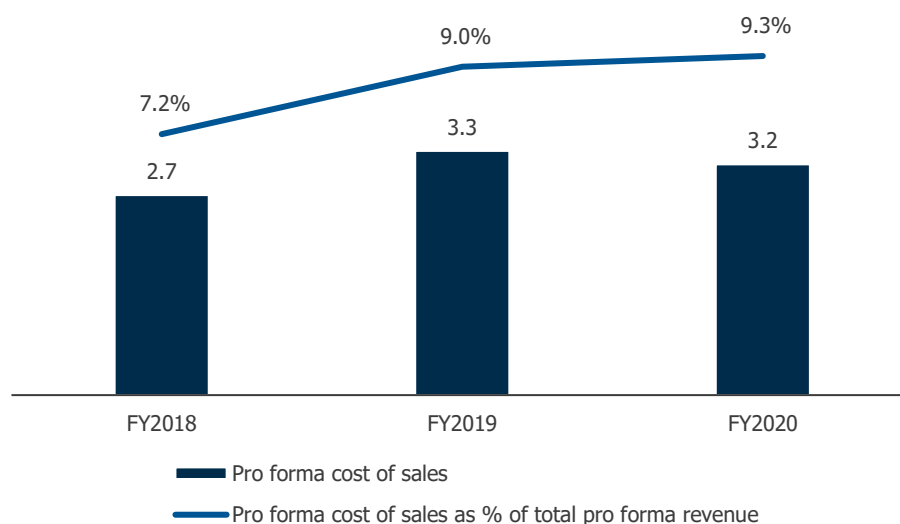
Figure 23: "Go-forward" cost base and operating expenditure reductions



(iii) Cost of Sales

Figure 24 illustrates the total pro forma cost of sales for FY18 to FY20.

Figure 24: Cost of sales (\$m) and gross profit as a percentage of revenue (%) – FY18 to FY20



Ansarada and the Company have historically maintained strong gross profit margins above 90%. A minor reduction in pro forma gross profit margin during FY19 and FY20 is associated with Ansarada's SaaS transition, driven by a change in incentive structures for its salespeople to drive higher uptake of the new subscription products.

From FY18 to FY19, pro forma cost of sales increased by \$0.6 million, from \$2.7 million to \$3.3 million, an increase of 21.9% driven primarily by:

- an increase in pro forma sales commissions by \$0.7 million, from \$1.5 million to \$2.3 million;
- an increase in pro forma employee expenses related to business services employees by \$0.2 million; and
- an increase in pro forma cloud hosting expenses by \$0.1 million.

From FY19 to FY20, pro forma cost of sales declined by \$0.2 million, from \$3.3 million to \$3.2 million, a decrease of 5.4% driven by:

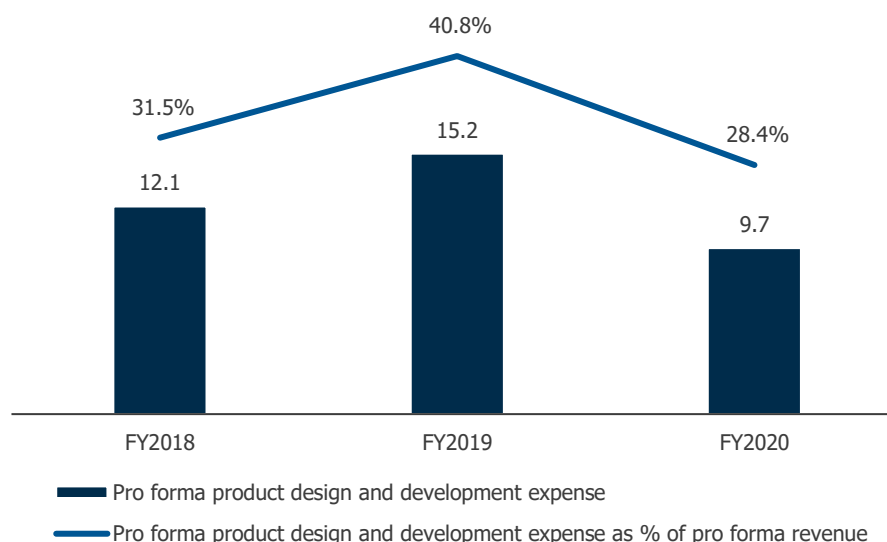
- an increase in pro forma employee expenses related to business services employees by \$0.1 million;
- offset by a decline in pro forma third-party software royalties by \$0.2 million; and
- a decline in pro forma sales commissions by \$0.1 million.

Included in the Group's pro forma cost of sales are the Company's cost of sale, which grew from \$0.1 million to \$0.2 million between FY18 and FY20.

(iv) **Product Design and Development Expense**

Figure 25 illustrates the total pro forma product design and development expense for FY18 to FY20.

Figure 25: Pro forma product design and development expense (\$m) and product design and development expense as a percentage of revenue (%) – FY18 to FY20



As described in Section 2.11(e) the Group has made significant investments in product design and development.

From FY18 to FY19, pro forma product design and development expense increased by \$3.1 million, from \$12.1 million to \$15.2 million, an increase of 25.4% driven primarily by an increase in product investment to transition the product to a SaaS-based platform model under subscription pricing. During this period, the Group significantly expanded its investment into both product and business model transformation, which included:

- **SaaS transition:** repositioning its business and technology capabilities to support the new subscription model (as described in Section 2.10(a);
- **Governance and Compliance Pathways:** development of the Governance and Compliance Pathways product to enable the Group to better service customers information governance needs with pre and post transaction use cases;
- **Technology improvement:** improving quality and efficiency of code to better service new and existing customers;
- **Machine learning and AI:** rollout of machine learning and additional AI features; and
- **Product updates:** enhancements to extend Platform capabilities to respond to customer feedback and remove sales blockers.

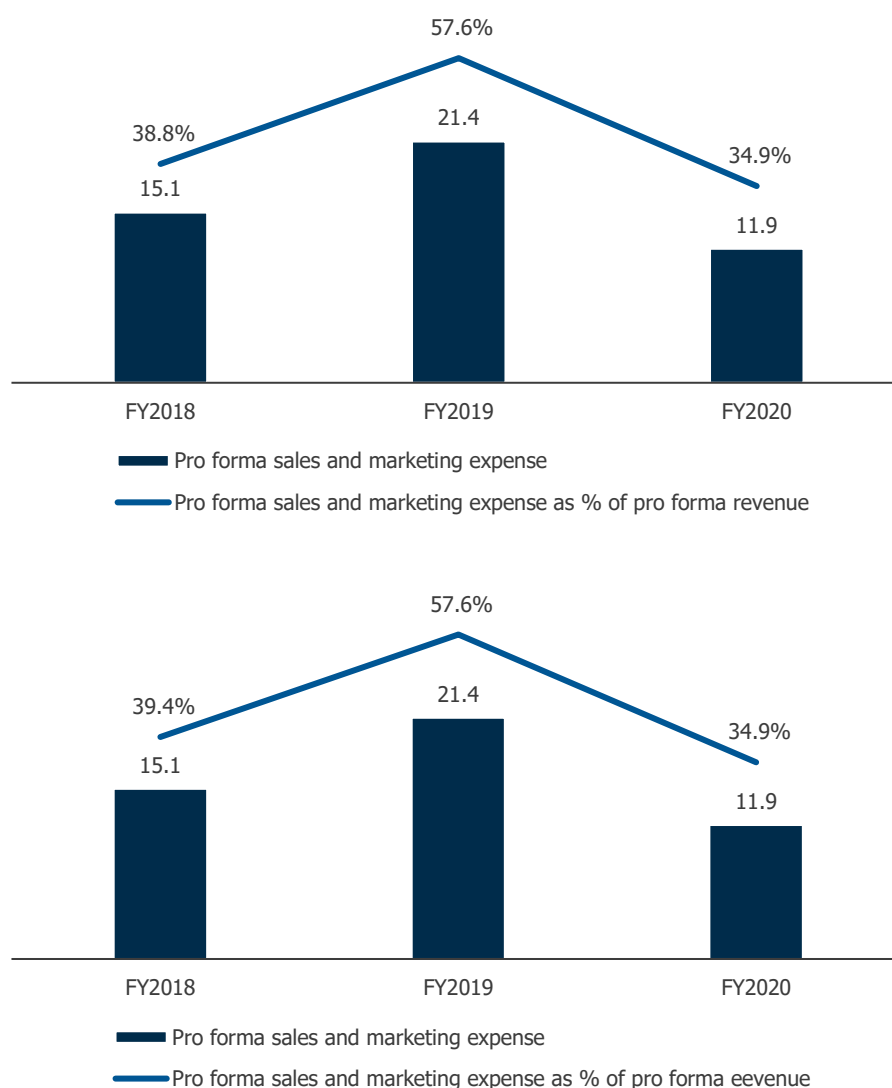
From FY19 to FY20, pro forma product design and development expense decreased by \$5.5 million, from \$15.2 million to \$9.7 million, a decrease of 36.1% driven by a reduction in employee headcount. During FY20, product design and development investment began to reduce back to historical levels as the initial development and launch of the Platform and features mentioned above were largely complete.

Within the Group's product design and development expense, the Company's investment in product grew from \$0.5 million in FY18 to \$1.3 million in FY20, with the increase reflecting a focus on enhancing user experience within its core workflow and collaboration software. Over this same period, Lockbox's product design and development expense grew from \$0.2 million in FY18 to \$0.6 million in FY20.

(v) **Sales and Marketing Expense**

Figure 26 illustrates the pro forma total sales and marketing expense for FY18 to FY20.

Figure 26: Sales and marketing expense (\$m) and sales and marketing expense as a percentage of revenue (%) – FY18 to FY20



From FY18 to FY19, pro forma sales and marketing expense increased by \$6.3 million, from \$15.1 million to \$21.4 million, an increase of 41.6% driven by an increase in headcount and average salaries. Total average Ansarada sales and marketing headcount for the period grew from 71 in FY18 to 89 in FY19. The increased investment in FY19 reflected the transition to the Platform offering. Ansarada invested in changes to its go to market ("GTM") model; specifically sales and marketing to service overseas markets and in line with changes to its Platform model from traditional VDR sales. This included one-off investments in sales methodology and training, brand and content and distribution channels. Following initial changes in the GTM model and strategy, Ansarada restructured its model and approach and as a result headcount and costs have decreased from initial investments in FY19.

During this period, pro forma sales and marketing expense decreased by \$9.5 million, from \$21.4 million to \$11.9 million, a decrease of 44.5% driven by a

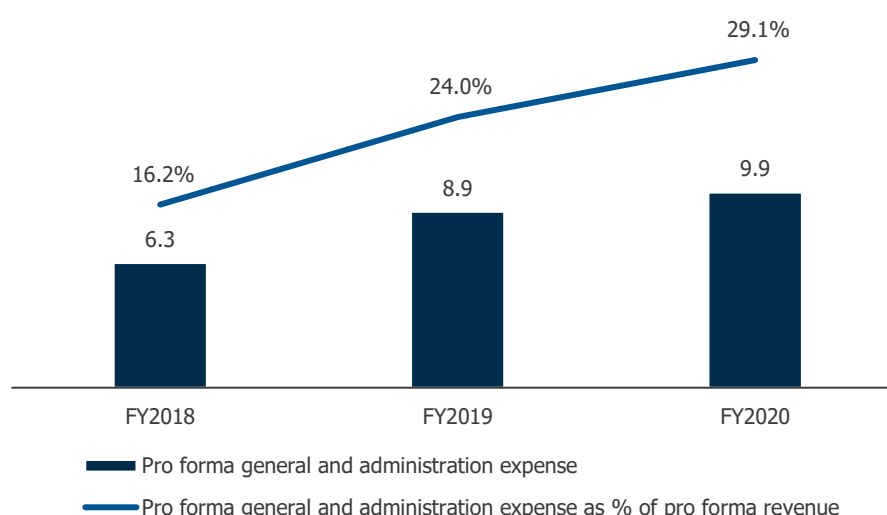
decrease in headcount, as well as a number of temporary reductions due to COVID-19 which include government-related subsidies and a reduction in all employee travel expenses. Average Ansarada sales and marketing headcount for the period declined in North America from 17 in FY19 to 10 in FY20, with a similar decline in EMEA from 21 in FY19 to 16 in FY20. The reduction in headcount reflects a rebalancing of the cost base, go to market strategy and investment in digital acquisition channels, including Ansarada's ecommerce channel, which is a large part of its combined strategy with the Company going forward. The decline in Ansarada's sales and marketing headcount was offset by an increase in the Company's sales and marketing headcount from 3 in FY19 to 12 in FY20.

In the period between FY18 and FY20, the Company's sales and marketing expense grew from \$0.3 million to \$0.4 million.

(vi) **General and Administration Expense**

Figure 27 illustrates the total pro forma general and administration expense for FY18 to FY20.

Figure 27: Pro forma general and administration expense (\$m) and pro forma general and administration expense as a percentage of pro forma revenue (%) – FY18 to FY20



From FY18 to FY19, pro forma general and administration expense increased by 2.6 million, from \$6.3 million to \$8.9 million, an increase of 41.34% driven by an increase in employee expenses from headcount increases. These increases were largely related to an investment in additional administrative capabilities required to support Ansarada's scale.

From FY19 to FY20, pro forma general and administration expense increased by \$1.0 million, from \$8.9 million to \$9.9 million, an increase of 10.9% driven by an increase in general overheads, but offset by a decline in employee expenses due to a reduction in headcount.

In the period between FY18 and FY20, the Company's general and administration expense grew from \$0.6 million to \$1.2 million. Over this same period, Lockbox's general and administration expense remained relatively constant at \$0.2 million. The Company's General and administration expense increased by \$0.3 million from FY19 to FY20 as a result of ongoing listed company costs associated with its initial public offering in February 2020.

(d) **Depreciation and Amortisation**

Depreciation is a non-cash expense that predominantly relates to the ongoing use of the Company's and Ansarada's fixed asset base, including items such as IT equipment, furniture and leasehold improvements that been capitalised. Depreciation expense is based on an existing useful life profile, with any new capital expenditure being depreciated over its useful life in accordance with the Company's accounting policies.

Amortisation is a non-cash expense that relates to internally generated intangible assets, which primarily relates to capitalised employee costs and capitalised third party expenses related to the development of Ansarada's platform solutions. Costs incurred in relation to the development of the Company's platform solutions have been expensed as incurred.

The Group's future amortisation is expected to principally relate to capitalised development costs, reflect the significant increase in total product design and development costs and capitalised development costs in recent years, as well as leased right of use software assets and right of use assets relating to property leases.

(e) **Capitalised product design and development costs**

The Company and Ansarada have historically invested significant resources into product design and development and has a detailed product roadmap it is executing against in order to continue developing products and processes that will help position the Group ahead of its competitors whilst expanding into adjacent markets with additional solutions across the information governance spectrum.

The Company and Ansarada's product design and development expenditure primarily relates to salary and on-costs of personnel. While the Company has historically not capitalised its product design and development expenditure, Ansarada has historically capitalised its product design and development expenditure. In this regard, Ansarada have capitalised 49.7%, 41.1% and 48.7% of total product design and development expenditure in FY18, FY19 and FY20, respectively. Post Completion, the Group intends to adopt a capitalisation policy similar to Ansarada's historical capitalisation policy as described below.

Ansarada capitalises development costs associated with commercialised products or where there is a reasonable chance of being completed and commercialised. Ansarada have assumed a useful life of one to five years for capitalised product design and development assets. Excluded from the capitalised portion of product design and development expenditure are activities such as product documentation processes, automation, market research and analysis, support maintenance and training services which are expensed through the profit and loss statement.

Table 18 below outlines the pro forma historical product design and development cash expenditure, the proportion of expenditure capitalised to the balance sheet and associated annual amortisation expense through the profit and loss statement from previously capitalised expenses, the proportion of expenditure expensed through the profit and loss statement and the overall net impact to net profit after tax (**NPAT**) on an annual basis for each of the years in the historical period.

Table 18: Historical research and development costs

\$ millions	Notes	Pro forma Historical		
		FY18	FY19	FY20
Product Design and Development cash outflow				
Expensed product design and development		(12.1)	(15.2)	(9.7)
Capitalised product design and development cost		(12.0)	(10.6)	(9.2)
Total product design and development cash outflow		(24.1)	(25.8)	(18.9)
Expensed product design and development		(12.1)	(15.2)	(9.7)
Product design and development amortisation		(5.4)	(7.1)	(8.1)
		108		

Impact on NPAT	(17.5)	(22.3)	(17.8)
KPIs			
Capitalised % of Total	49.7%	41.1%	48.7%

(f) **Net Finance Expense**

As the Convertible Notes are intended to be repaid in full with the proceeds of the Offer, pro forma net finance expense in FY18, FY19 and FY20 relates primarily to lease interest associated with leased property as per AASB16 and in addition to various bank related charges.

Statutory historical net finance expense includes interest expense and fair value adjustment on the Convertible Notes up until 30 June 2020.

(g) **Other Income /(Losses)**

Pro forma other income/(losses) predominantly relates to interest received by Ansarada and foreign exchange gains and/or losses incurred by the Company during the period.

(h) **Taxation**

Pro Forma income tax expense included in the Financial Information has been based on the actual tax rates applicable to the relevant countries in which the Company and Ansarada operate. As the Company and Ansarada have been loss making historically there has been limited tax expense.

2.12 Dividend policy

Given the strong growth opportunity that has been identified for the Platform, the Company does not have any present plan to pay dividends.

The payment of a dividend by the Company, if any, is at the discretion of the Directors and will be a function of a number of factors (many of which are outside the control of the Group and its directors and management, and are not reliably predictable), including the operating results, the general business environment, cash flows and the financial condition of the Group, future funding requirements, capital management initiatives, taxation considerations, any contractual, legal or regulatory restrictions on the payment of dividends by the Company, and any other factors the Directors may consider relevant.

Where an Australian resident company pays dividends to its Australian resident shareholders, franking credits may be available to the Australian resident shareholders to the extent that Australian income tax has already been paid in respect of those dividends.

3. Key Risks

This Section describes some of the potential risks associated with an investment in the Company.

Any, or a combination, of these risk factors may have a material adverse effect on the Company's business, financial condition, operating and financial performance, growth, and/or the value of its Shares. Many of the circumstances giving rise to these risks and the occurrence of consequences associated with each risk are partially or completely outside the control of the Company, its Directors and Management.

This Section does not purport to list every risk that may be associated with an investment in Shares now or in the future. Additional risks that the Company is unaware of, or that the Company currently considers to be immaterial, also have the potential to have a material

adverse effect on the Company's business, financial condition, operating and financial performance, growth, and/or the value of the Shares.

3.1 Specific Risks

(a) Failures or disruptions in the Groups technology or platform, including cyber-security breaches

The Company and Ansarada depend on the constant real-time performance, reliability and availability of its technology system and access to its partners networks. There is a risk that these systems may fail to perform as expected or be adversely impacted by a number of factors, some of which may be outside the control of the Group, including damaged or faulty equipment, misuse by employees or contractors, disruption, failure, service outages, data corruption or breaches which could occur as a result of computer viruses, malware, hacking or cyber-attacks, or other disruptions including natural disasters, power surges or outages, terrorist attacks or other similar events. This may result in the loss, theft, corruption or unauthorised disclosure of confidential customer information and data, reputational damage, damage to or loss of customer relationships, and substantial costs may be incurred in identifying, investigating, mitigating, and remediating such an event which may or may not be recoverable or addressed by insurance.

Through the ordinary course of business, the Company and Ansarada collect confidential information, including personal information, about customers. Cyber-attacks may compromise or breach the technology platform used by the Group to protect confidential information which may have an adverse effect on the Group's reputation and financial performance. While the Group will undertake measures to prevent and detect the occurrence of such disruptions and failures, there is a risk that such measures may not be adequate. Any data security breaches or the Group's failure to protect confidential customer information could result in a significant disruption to the Group's systems and operations, reputational damage, loss of system integrity, breaches of the Group's obligations under applicable laws, breach of an obligation under privacy laws to notify individuals and the Australian Information Commission (or other regulatory authority) of the breach, and could reduce its ability to retain existing customers and generate new customers, any of which could have a materially adverse impact on the Company's revenue and financial performance.

(b) Supplier risks

The Company and Ansarada rely on the ongoing provision of services from third party software and infrastructure providers, including, for example, Azure and AWS to ensure continuity of service provision. The supply agreements are not based on long terms contracts and vary from case to case, with many terminable at will or on short notice. Some of these contracts also expire within the next 12 months. There is a risk that the Group's relationships with its suppliers deteriorate or these suppliers are unwilling or unable to renew contractual agreements, or that they are unwilling to continue dealing with the Group on the same terms.

A number of the Group's contracts also require counterparty consent following a change of control. A failure by the Group to satisfy its obligations under change of control provisions may result in contract breaches, which may have unfavourable effects, for example, a contract may be terminated and the Group would need to enter into a new contract with an alternative counterparty.

Any change or interruption to the Group's key third party software and infrastructure provider relationships may disrupt the Group's business operations. While outside of the Group's influence or control, such disruption could result in operational or business delays, damage to reputation and loss of customers for the Group.

The Group's operations would be materially impacted if existing third-party suppliers no longer made their software and technologies available to the Group or materially increased the price of the use of their software or technologies. In such circumstances, the Group may be required to undertake additional development tasks internally or find new suppliers of such software and technologies who may offer less favourable terms, which would adversely impact its business, financial performance and operations.

Any financial distress or insolvency of a customer, in connection with COVID-19 or for any other reason, may result in a material reduction of revenue from that customer or difficulty in collecting outstanding fees from that customer.

(c) Competition and new technologies

The industry in which the Company and Ansarada are involved is subject to increasing global competition.

The Group will have no influence or control over the activities or actions of its competitors, whose activities or actions may positively or negatively affect the operating and financial performance of the Company. Existing competitors, as well as new competitors entering the industry, may engage in aggressive marketing campaigns, introduce price discounting, offer more cost effective products, develop and introduce superior technology offerings, adapt more quickly to technological developments, evolving industry trends or customer requirements or consolidate with other entities to deliver enhanced scale benefits. In doing so competitors may gain market acceptance, and/or place downward pressure on pricing in the industry, which may materially adversely affect the Company's revenue and its financial performance.

Additionally, technology systems in the industry in which the Group will operate are continuing to develop and change rapidly, while business practices continue to evolve. The development of new technologies could result in the Group not being differentiated to other similar offerings. To maintain and improve its market position, the Group will need to continue to develop new and improved products that efficiently leverage technology developments and continue to meet the requirements of its customers. A failure to do so may have an adverse the Group's competitive position, which in turn could affect the Company's revenue and its financial performance.

(d) Failure to execute growth strategies

The Group plans to achieve its strategic objectives by executing its strategies, including its expansion plans discussed in Section 1.13. There is no guarantee that all or any of the Group's growth strategies will be successfully implemented, deliver the expected returns or ultimately be profitable. There is also a risk that the growth strategies may be subjected to unexpected delays, additional implementation costs and may require more of management's time than expected.

For example, the Group's international growth plans may be inhibited by unforeseen issues particular to a territory and may be subject to various risks, including the need to invest significant resources and management attention to the international expansion.

The Group's strategy may evolve over time due to a review and assessment of, among other things, market trends, technological challenges, changes in regulations, the level of market acceptance in particular jurisdictions or markets and the emergence of new or improved technology. As a result, the current strategies, approaches, markets, products and plans of the Group may not reflect the strategies, approaches, markets, products and plans in this document and may be changed without notice.

(e) Compliance with laws, regulations and industry compliance standards

The Group must comply with a range of laws, regulations and industry standards in the jurisdictions in which it operates, including in relation to privacy, data protection, and unsolicited communications. Failure by the Group to comply with laws, regulations and industry compliance standards may result in litigation, regulatory enquiry or investigation, fines and penalties, or significant reputational damage, which could have an adverse effect on the Group's business.

The Group may also become subject to new laws, regulations or industry standards, or new or changed interpretations of existing laws, regulations or industry standards, or enhanced supervisory expectations regarding the management of legal and regulatory compliance risks associated with such laws, regulations and industry standards. Additionally, the Group may become subject to more proactive enforcement by relevant regulators of compliance with such laws, regulations and industry standards. New or amended laws, regulations or industry compliance standards, or new or changed interpretations of existing laws, regulations or industry standards, could restrict the Group's ability to provide its services, result in changes to the Group's business model, limit or restrict the amount of fees charged by the Group or make compliance more difficult or expensive, any of which may have an adverse impact on the Company's revenue and its financial performance.

(f) Regulatory risk

The Group may decide to provide additional products and services to its customers or expand into new markets in the future. If these products and services are regulated the Group may be subject to additional legal and industry compliance requirements which may be difficult or expensive to comply with and, if not complied with, may have an adverse impact on the Group's business or reputation, which could in turn adversely impact the Company's revenue or financial performance. Additional regulatory requirements relating to new products and services could also subject the Group to legal enforcement and heightened regulatory scrutiny. Furthermore, any expansion into new markets may see the Group having to comply with the laws of different jurisdictions and could see the Company's business adversely impacted by events and political issues in those jurisdictions.

(g) Regulation and customer experience

Building and maintaining the strength of the Company's and Ansarada's existing reputation is important to retaining and growing its customer base, maintaining its relationships with partners and other key service providers that assist in successfully implementing the Group's business strategy. There is a risk that the reputation of the Group could be affected by the actions of third parties, such as third-party service providers. There is also a risk that unforeseen issues or events may adversely impact the Group's reputation. For instance, any major cybersecurity breach, system failure associated with the Group's products, infringement of third-party intellectual property rights or reduction in the quality of the Group's products may adversely affect the Group's reputation. If the Group's reputation is diminished, this could result in customers or third-party service providers or partners ceasing to do business with the Group. It may also impede the Group's ability to compete successfully and may adversely affect the Company's revenue and financial performance.

(h) Intellectual property

The Group will depend on its ability to commercially exploit its technology and intellectual property. The Group will also rely on laws relating to trade secrets, copyright and trademarks to assist in protecting its proprietary rights. However, there is a risk that unauthorised use or copying of the Group's software, data, specialised technology or platforms may occur.

The Group may be required to incur significant expenses in monitoring and protecting its intellectual property rights. The Group may initiate or otherwise be involved in litigation against third parties for infringement, or to establish the validity of, its rights. Any litigation, whether or not it is successful, could result in significant expense to the Group and cause a

For personal use only

distraction to the Group's management. In addition, unauthorised use of the Group's brand, technology or intellectual property by third party products or services may not only result in potential revenue loss, but also have an adverse impact on the Group's reputation.

In addition, there is a risk that the validity, ownership or authorised use of intellectual property relevant to the Group's business may be successfully challenged by third parties. This could involve significant expense and potentially the inability to use the intellectual property in question, and if an alternative cost-effective solution were not available, it may adversely impact on the Company's revenue and financial performance.

There is also a risk that the Group will be unable to register or otherwise protect new intellectual property it develops in the future. Further, there is a risk that, if the Company does not register or otherwise protect its intellectual property and enforce its rights in respect of its intellectual property, competitors may duplicate the Company's technology or prevent the Company from trading under its name in certain jurisdictions. If any of these occur, it may have an adverse impact on the Company's revenue and financial performance.

Ansarada uses or incorporates open source software in its proprietary software. Open source software is typically freely available and use is generally subject to licence terms which may impose certain conditions on the user. Use of open source software may give rise to greater risk than commercially supplied software in that open source licences generally provide no contractual protection in relation to defects in the open source software or infringement of third party intellectual property rights arising from use of such open source software, and may require compliance with other terms in relation to redistribution of source code.

(i) Customer service risk

The Company's and Ansarada's business model is based on recurring revenue arising from the provision of service. In the future, the Group may be unable to retain existing customers (including its key customers) or their current level of usage over the timeframes or with the pricing and revenues it currently expects. The Group may fail to retain existing customers for a number of reasons, such as the failure to meet customer expectations, poor customer service, technology disruptions, pricing or competition. The Group's ability to renew existing contracts and generate recurring revenue from existing customers may also be impacted by broader factors affecting the macro-economic conditions, levels of economic activity or changes in the regulation of the industries in which the Group and its customers operate more generally. If any of these occur, it may adversely impact the Company's revenue and financial performance.

(j) Future funding requirements

Although the Directors and the proposed Directors believe that, on Completion of the Offer, the Group will have sufficient working capital to carry out its business objectives, there can be no assurance that such objectives can be met without further financing or, if further financing is necessary, that financing can be obtained on favourable terms or at all. Further if additional funds are raised by issuing equity securities, this may result in dilution for some or all of the Shareholders.

The Group may seek debt funding in the future to finance a potential expansion of its business. There is no assurance such debt facilities will be obtained when required or obtained on acceptable terms, or at all.

If further funds are required but cannot be raised, this may force curtailment of product development initiatives, operations, or both, or require the Group to either dispose of operating assets or close down entirely. If any of these occur, this could adversely impact the Company's revenue and financial performance.

(k) **COVID-19 related risks**

The ongoing COVID-19 pandemic has had a significant impact on the global economy and the ability of individuals, businesses, and governments to operate. Across the globe, travel, trade, business, working arrangements and consumption have been materially impacted by the pandemic. There continues to be considerable uncertainty as to the duration of and further impact of COVID-19 including in relation to government, regulatory or health authority actions, work stoppages, lockdowns, quarantines and supply restrictions.

The impact of some or all of these factors could cause an adverse impact to the Company's financial performance. Furthermore, as an international business supplying services to various markets globally, the pandemic and associated impacts could necessitate further capital requirements / support (either on a standalone basis or concurrently), which creates additional challenges and risks for the financial position of the Company.

Furthermore, the Company's financial position may be adversely impacted if certain of its suppliers (including its counterparties, suppliers of IT services, and other suppliers of services) are unable to successfully implement business continuity plans in the current environment or if any such suppliers are unable to continue as going concerns as a result of the economic impact of COVID-19. While many of the Company's employees and contractors work, or have the ability to work, remotely, the pandemic may have adverse health impacts on this workforce and some jurisdictions may have constraints in the health services available to support affected employees or contractors.

The spread of COVID-19 has already resulted in governmental authorities in Australia, UK, US and other countries around the world imposing a variety of measures restricting day-to-day life, including quarantines and travel restrictions of varying scope. This has resulted in significant disruptions in the global economy and the economies of particular countries, including health systems and manufacturing supply chains, consumption and overall economic output, which in turn has caused lower interest rates and significant volatility in global financial markets.

However, the extent of the impact on the Company's business, results of operations, financial condition, liquidity and cash flows is largely dependent on future developments, which are highly uncertain and not predictable, including the scale of COVID-19 and actions taken to address its impact. Moreover, changes in interest rates, reduced liquidity or a continued slowdown in Australia, UK and the US or global economic conditions may also adversely affect the Company's business, financial condition, results of operations, liquidity or prospects. Further, extreme market volatility may leave the Company unable to react to market events in a prudent manner.

There is a risk that other pandemics could occur, which have effects on global economies and populations that are similar to or worse than COVID-19.

(l) **Risk of litigation, claims and disputes**

The Group may be involved from time to time in litigation and other claims and disputes in the course of its business, including contractual disputes, employment disputes, claims for indemnification, intellectual property infringement claims and regulatory enforcement actions.

Such litigation claims and disputes may adversely impact the Group's operations and reputation. The Group may also need to incur the cost of settling claims and paying any fines, which may adversely affect the Group's business, operations and financial performance. Further, if such disputes, claims or litigation were to result in damages being awarded against the Group, it could have an adverse impact on the Company's financial performance.

The Group will continue to maintain professional indemnity and public liability insurance in respect of a range of events within coverage ranges determined in accordance with the Board's review and decision. However, no assurance can be given that such insurance will be available in the future on commercially reasonable terms or that any cover will be adequate and available to cover any or all claims.

(m) Reliance on key and skilled personnel

The Company and Ansarada relies on their ability to retain senior management and experienced personnel. The loss of the services of senior management personnel without suitable replacements or the inability to attract and retain qualified personnel could adversely affect the Company's financial performance.

(n) Foreign exchange risks

Following Completion, the Group will operate in several jurisdictions and transactions will be denominated in local currencies. Currency fluctuations will affect the value of those transactions when converted to Australian dollars.

(o) Acquisitions and expansion may not be successful

Following Completion of the Offer, the Company will acquire 100% of Ansarada. As part of its growth strategy, the Group may also investigate and undertake further expansion, acquisition and other growth initiatives from time to time.

The risks the Group may face with its past and future expansion, acquisition and other growth initiatives include:

- (i) difficulty in integrating and migrating the operations, systems, technologies, employees and customers of the acquired business;
- (ii) disruption to the Group's existing business and diversion of financial and management resources on the transition and integration of the acquired business;
- (iii) difficulty in entering markets in which the Group has limited direct or prior experience where competitors have established market positions;
- (iv) potential loss of key employees, customers or suppliers of the acquired business;
- (v) assumption of liabilities and incurrence of debt to fund acquisitions;
- (vi) assumption of contractual obligations that contain terms that are not beneficial to the Group;
- (vii) failure to realise the anticipated synergies and increases in the revenue, margins and net profit from the acquired business;
- (viii) incomplete or inaccurate due diligence analysis of the acquired business; and
- (ix) failure to obtain customary warranties and indemnities from the vendors of the acquired business.

The occurrence of any of the above factors may adversely impact the Group's ability to realise the anticipated benefits, strategic and financial objectives and synergies of the

expansion, acquisition or other growth initiative, including any anticipated improvement in the Company's financial performance.

3.2 General risks to an investment in the Company

(a) Price of Shares

The price at which Shares are quoted on the ASX may increase or decrease due to a number of factors. These factors may cause the Shares to trade at prices below the price at which the Shares are being offered under the Offer. There is no assurance that the price of the Shares will increase following the quotation on the ASX, even if the Company's earnings increase. Some of the factors which may affect the price of the Shares include:

- (i) fluctuations in the domestic and international market for listed stocks;
- (ii) general economic conditions, including interest rates, inflation rates, exchange rates, commodity and oil prices, changes to government fiscal, monetary or regulatory policies, legislation or regulation;
- (iii) inclusion in or removal from market indices;
- (iv) the nature of the markets in which the Group operates; and
- (v) general operational and business risks.

(b) Re-quotation of Shares on ASX

The Acquisition constitutes a significant change in the scale of the Company's activities and the Company needs to re-comply with Chapters 1 and 2 of the ASX Listing Rules as if it were seeking admission to the official list of ASX. There is a risk that the Company may not be able to meet the requirements of the ASX for re-quotation of its Shares on the ASX. Should this occur, the Shares will not be able to be traded on the ASX until such time as those requirements can be met, if at all. Shareholders may be prevented from trading their Shares should the Company be suspended until such time as it does re-comply with the ASX Listing Rules. Refer further to Section 4 of the Explanatory Memorandum.

(c) Force majeure events

Events may occur within or outside Australia that could impact upon the global and Australian economies, the operations of the Group and the price of the Shares. These events include but are not limited to acts of terrorism, an outbreak of international hostilities, fires, floods, earthquakes, labour strikes, civil wars, natural disasters, outbreaks of disease or other man-made or natural events or occurrences that can have an adverse effect on the demand for the Group's products and its ability to conduct business. the Group has only a limited ability to insure against some of these risks.

(d) Trading in Shares may not be liquid

There is currently no public market through which the Shares may be sold. There can be no guarantee that an active market in the Shares will develop or that the price of the Shares will increase. There may be relatively few potential buyers or sellers of the Shares on the ASX at any time. This may increase the volatility of the market price of the Shares. It may also affect the prevailing market price at which Shareholders are able to sell their Shares. This may result in Shareholders receiving a market price for their Shares that is less or more than the price that Shareholders paid.

Following Completion, the Escrowed Shareholders will hold approximately 58% of the Shares, which may also impact on liquidity. The Escrowed Shareholders will enter into

For personal use only

voluntary escrow arrangements in relation to all of the Shares they hold immediately following Completion. Depending on the relevant holder, the Escrowed Shares will be released on various dates on or prior to the date that is 10 days after the date on which the Company lodges its audited accounts for the financial year ended 30 June 2022, subject to certain exceptions. The absence of any sale of Shares by the Escrowed Shareholders during this period may cause, or at least contribute to, limited liquidity in the market for the Shares. This could affect the prevailing market price at which Shareholders are able to sell their Shares.

Following release from escrow, Shares held by the Escrowed Shareholders will be able to be freely traded on the ASX. A significant sale of Shares by an Escrowed Shareholder, or the perception that such sale has occurred or might occur, could adversely affect the price of Shares.

(e) Dilution risk

The Company currently has 152.4 million Shares, 1.2 million performance shares and 19.0 million options on issue (on a pre-Consolidation basis). Upon Completion, the Company proposes to issue 43.1 million Consideration Shares and 8.8 million LTI Options (on a post-Consolidation basis). On issue of the Consideration Shares, the New Shares and the LTI Options:

- (vi) the Company's existing shareholders will retain approximately 17.2% of the Company's issued share capital; and
- (vii) the Ansarada Vendors and successful Applicants under the Offer will hold approximately 48.6% of the Company's issued share capital.

Please see section 4.7 of the Explanatory Memorandum for further details of the dilutionary impact of the Offer and the Acquisition. There is also a risk that the interests of Shareholders will be further diluted as a result of future capital raisings.

(f) General economic and financial market conditions

The financial performance of the Company and the price at which the Shares trade may be influenced by various economic factors such as inflation, interest rates, domestic and international economic growth, taxation policies, legislative change, political stability, stock market conditions in Australia and elsewhere, changes in investor sentiment towards particular market sectors and exchange rate fluctuations.

(g) Changes in taxation and accounting rules and their interpretation

From time to time, relevant authorities in the jurisdictions in which the Group will operate may choose to change their taxation policies, which may impact the level of tax that the Company is required to pay. Changes to accounting standards and their interpretation may impact the Company's reported financial performance.

(h) No guarantee of future dividends

The Company currently has no plans to pay a dividend in the short to medium term. Beyond this, there is no guarantee that the Company will generate sufficient cash flow from its operations in the future to pay dividends. The Company's dividend policy is set out in Section 2.12.



All Correspondence to:

✉ **By Mail** Boardroom Pty Limited
GPO Box 3993
Sydney NSW 2001 Australia

📠 **By Fax:** +61 2 9290 9655

💻 **Online:** www.boardroomlimited.com.au

📞 **By Phone:** (within Australia) 1300 737 760
(outside Australia) +61 2 9290 9600

YOUR VOTE IS IMPORTANT

For your vote to be effective it must be recorded before 2:00 pm (AEDT) on Sunday 22 November 2020.

📱 TO VOTE ONLINE

STEP 1: VISIT <https://www.votingonline.com.au/tdygm2020>

STEP 2: Enter your Postcode OR Country of Residence (if outside Australia)

STEP 3: Enter your Voting Access Code (VAC):

📱 BY SMARTPHONE



Scan QR Code using smartphone
QR Reader App

TO VOTE BY COMPLETING THE PROXY FORM

STEP 1 APPOINTMENT OF PROXY

Indicate who you want to appoint as your Proxy.

If you wish to appoint the Chair of the Meeting as your proxy, mark the box. If you wish to appoint someone other than the Chair of the Meeting as your proxy please write the full name of that individual or body corporate. If you leave this section blank, or your named proxy does not attend the meeting, the Chair of the Meeting will be your proxy. A proxy need not be a securityholder of the company. Do not write the name of the issuer company or the registered securityholder in the space.

Appointment of a Second Proxy

You are entitled to appoint up to two proxies to attend the meeting and vote. If you wish to appoint a second proxy, an additional Proxy Form may be obtained by contacting the company's securities registry or you may copy this form.

To appoint a second proxy you must:

- (a) complete two Proxy Forms. On each Proxy Form state the percentage of your voting rights or the number of securities applicable to that form. If the appointments do not specify the percentage or number of votes that each proxy may exercise, each proxy may exercise half your votes. Fractions of votes will be disregarded.
- (b) return both forms together in the same envelope.

STEP 2 VOTING DIRECTIONS TO YOUR PROXY

To direct your proxy how to vote, mark one of the boxes opposite each item of business. All your securities will be voted in accordance with such a direction unless you indicate only a portion of securities are to be voted on any item by inserting the percentage or number that you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on a given item, your proxy may vote as he or she chooses. If you mark more than one box on an item for all your securities your vote on that item will be invalid.

Proxy which is a Body Corporate

Where a body corporate is appointed as your proxy, the representative of that body corporate attending the meeting must have provided an "Appointment of Corporate Representative" prior to admission. An Appointment of Corporate Representative form can be obtained from the company's securities registry.

STEP 3 SIGN THE FORM

The form **must** be signed as follows:

Individual: This form is to be signed by the securityholder.

Joint Holding: where the holding is in more than one name, all the securityholders should sign.

Power of Attorney: to sign under a Power of Attorney, you must have already lodged it with the registry. Alternatively, attach a certified photocopy of the Power of Attorney to this form when you return it.

Companies: this form must be signed by a Director jointly with either another Director or a Company Secretary. Where the company has a Sole Director who is also the Sole Company Secretary, this form should be signed by that person. **Please indicate the office held by signing in the appropriate place.**

STEP 4 LODGEMENT

Proxy forms (and any Power of Attorney under which it is signed) must be received no later than 48 hours before the commencement of the meeting, therefore by **2:00 pm on Sunday, 22 November 2020**. Any Proxy Form received after that time will not be valid for the scheduled meeting.

Proxy forms may be lodged using the enclosed Reply Paid Envelope or:

💻 **Online** <https://www.votingonline.com.au/tdygm2020>

📠 **By Fax** + 61 2 9290 9655

✉ **By Mail** Boardroom Pty Limited
GPO Box 3993,
Sydney NSW 2001 Australia

👤 **In Person** Boardroom Pty Limited
Level 12, 225 George Street,
Sydney NSW 2000 Australia

Attending the Meeting

Due to current social distancing regulations, attendance will not be permitted at the meeting. Please refer to the Notice of Meeting for information on participating in the virtual meeting.

☐

Your Address

This is your address as it appears on the company's share register. If this is incorrect, please mark the box with an "X" and make the correction in the space to the left. Securityholders sponsored by a broker should advise their broker of any changes.

Please note, you cannot change ownership of your securities using this form.

PROXY FORM

STEP 1 APPOINT A PROXY

I/We being a member/s of **thedocyard Limited** (Company) and entitled to attend and vote hereby appoint:

☐

the **Chair of the Meeting** (mark box)

OR if you are **NOT** appointing the Chair of the Meeting as your proxy, please write the name of the person or body corporate (excluding the registered securityholder) you are appointing as your proxy below

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chair of the Meeting as my/our proxy at the Extraordinary General Meeting of the Company to be held **virtually at <https://web.lumiagm.com/360772816> on Tuesday, 24 November, 2020 at 2:00 pm (AEDT)** and at any adjournment of that meeting, to act on my/our behalf and to vote in accordance with the following directions or if no directions have been given, as the proxy sees fit.

The Chair authorised to exercise undirected proxies on remuneration related matters: If I/we have appointed the Chair as my/our proxy or the Chair Holder of the Meeting becomes my/our proxy by default and I/we have not directed my/our proxy how to vote in respect of Resolutions 6, 7A, 7B, 7C, 7D and 10, I/we expressly authorise the Chair to exercise my/our proxy in respect of Resolutions 6, 7A, 7B, 7C, 7D and 10, even though each of these Resolutions are connected directly or indirectly with the remuneration of a member of the key management personnel for the Company.

The Chair of the Meeting intends to vote undirected proxies in favour of each of the items of business.

STEP 2 VOTING DIRECTIONS

* If you mark the Abstain box for a particular item, you are directing your proxy not to vote on your behalf on a show of hands or on a poll and your vote will not be counted in calculating the required majority if a poll is called.

		FOR	AGAINST	ABSTAIN*			FOR	AGAINST	ABSTAIN*
Res 1	Approval to change in nature and scale of activities	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Res 7(c)	Grant of LTI Options to Mr Stuart Clout	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Res 2	Approval of consolidation of Shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Res 7(d)	Grant of LTI Options to Mr David Pullini	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Res 3	Approval to issue Consideration Shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Res 8(a)	Participation in Share Offer by Mr David Pullini	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Res 4	Approval to issue New Shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Res 8(b)	Participation in Share Offer by Mr Peter James	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Res 5	Change of Company name	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Res 9(a)	Election of Mr Sam Riley as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Res 6	Approval of Issue of Securities under the Equity Incentive Plan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Res 9(b)	Election of Mr Peter James as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Res 7(a)	Grant of LTI Options to Mr Peter James	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Res 9(c)	Election of Mr David Pullini as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Res 7(b)	Grant of LTI Options to Mr Sam Riley	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Res 10	Directors Fees	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

STEP 3 SIGNATURE OF SECURITYHOLDERS

This form must be signed to enable your directions to be implemented.

Individual or Securityholder 1

Sole Director and Sole Company Secretary

Securityholder 2

Director

Securityholder 3

Director / Company Secretary

Contact Name.....

Contact Daytime Telephone.....

Date / / 2020