

ASX Announcement

ASX: AND

29 January 2021

Quarterly Report Q2 FY21 & Appendix 4C

Highlights

- Successful merger with thedocyard to become Ansarada Group and a related \$45 million capital raise
- Group pro forma revenue^{1,2} up 17% Quarter on Quarter (QoQ) to \$8.5m (Q1 FY21: \$7.3m)
- Continued growth in pro forma customer numbers up 5% QoQ to 3,020
- Enterprise-wide contract signed with PwC UK for the delivery of an end-to-end deal management solution
- Well-funded to execute growth ambitions with cash of \$21.0m
- Webinar for investors to be held today at 11am AEDT as part of the Group's AGM (details below)

Ansarada Group Limited (ASX: AND), a global information governance software provider, provides an update on its quarterly activities and cash flows for the three-month period to 31 December 2020 as well as momentum in the new quarter.

The merger of thedocyard Ltd and Ansarada NewCo Limited took place part way through the quarter, on 4 December 2020. As the merger is regarded as a reverse acquisition, the financial results, unless otherwise indicated, reflects Ansarada NewCo Limited from October 1 through December 3, and combined Group from December 4 through December 31.

"We are very pleased with our growth in the quarter, which is usually a seasonally quieter period," said Ansarada Group CEO, Sam Riley

"While COVID affected activity from March 2020, the business is rapidly recovering, with Group revenue up 17% QoQ and pro forma customer numbers pushing past 3,000. Our portfolio of SaaS information governance solutions is resonating strongly with customers in a global environment of M&A, equity and debt capital markets recovery, which is also driving monthly customer wins.

¹ Unaudited financial information

² Pro forma comprises the historical combination of the merged companies

“Supported by a strong cash, Ansarada is focused on pursuing our growth ambitions and cementing our position as the information governance platform that company boards, management teams and advisors rely on for managing critical outcomes and confident decision-making.”

Operational Performance

During the quarter, Ansarada Group continued to see a strong QoQ improvement in its key operational metrics, Revenue and Total Active Customers.

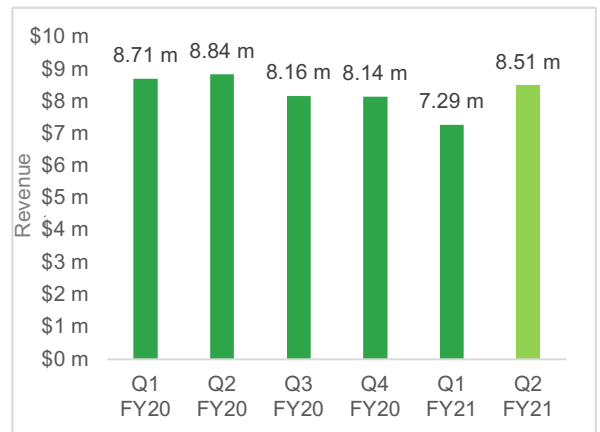
Total Pro forma Revenue grew 17% QoQ in Q2 FY21 to \$8.5 million, compared to \$7.3 million in Q1 FY21 (*Graph 1*). Revenue is rapidly approaching pre-COVID levels of \$8.8 million in Q2 FY20, as the Group’s portfolio of solutions resonates strongly with customers in a buoyant market.

New pro forma subscription/contract wins in Q2 were 732, compared to 682 in Q1 (up 7%), reflecting a strong recovery in the M&A market, despite the quarter typically being a seasonally quieter period. This includes a significant 3-year enterprise-wide contract with PwC UK for the delivery of its end-to-end deal management solution

Total Pro forma Active Customers grew 5% QoQ at 3,020 in Q2, up from 2,884 in Q1 (*Graph 2*) across a diverse range of industries and customer types including global corporates, public sector organisations and advisers.

Subscription customer numbers (including thedocyard and Ecommerce channel) reached 2,082 during the quarter, up from 1,972 at the end of Q1 (excluding thedocyard and ecommerce channel, subscription customers increased from 1,833 to 1,903) and reflecting the Group’s continued transition to subscription contracts and longer term contracts.

Graph 1 - Total Revenue (Pro forma)



Graph 2 - Total Active Customers (Pro forma)

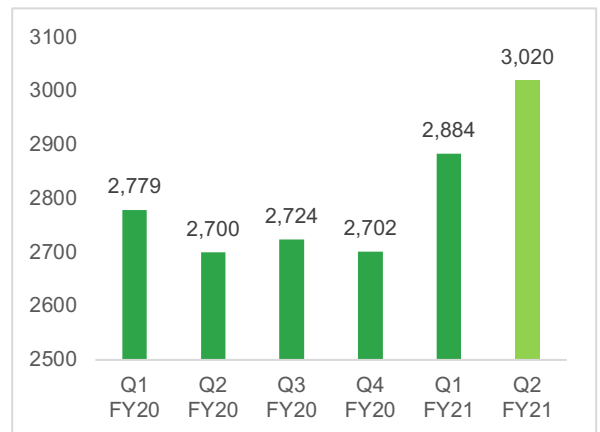


Table 1. Key Performance Metrics

Metric	Q2 FY21	Q1 FY21	Q2 FY20
Group Revenue (pro forma) ³	\$8,514,300	\$7,285,920	\$8,844,776
Active Customers ⁴	3,020	2,884	2,700

³ Pro forma comprises the historical combination of the merged companies

⁴ Active customers includes any subscription/contract with an active platform. Customers may have more than one deal platform, board portal or governance solution open at any given time.

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SaaS Solution Portfolio & Integration Progress

Following the merger, Ansarada Group offers a portfolio of four solutions that enable businesses and advisors to achieve critical outcomes with confidence through secure document management, workflow and collaboration tools. The rebranded portfolio consists of:

1. **Ansarada Deals** – an end-to-end deal transaction management solution (the combination of thedocyard workflow and Ansarada data room)
2. **Ansarada Governance** (including Pathways) – a governance and compliance platform that assists companies with compliance and audit processes on their applicable ISO and Internal standards and compliance with regulation such as GDPR and financial audits
3. **Ansarada Board** (previously called Athena Board) – a secure SaaS online board management solution which facilitates simple and secure board meeting preparation and execution; and
4. **Ansarada Tenders** – a purpose-built solution to securely run complex, high value tenders

During the quarter, the Group commenced the integration of the Athena Board Portal with the Ansarada platform, renaming the product Ansarada Board. It will be launched to customers in 2021, with advanced features across all aspects of the becoming available throughout 2021.

Integration of thedocyard's workflow has also commenced. Ansarada platform customers and advisors will have access the core workflow features of the solution, now called Ansarada Deals.

Corporate Update

The Group recommenced trading on the ASX following the successful merger of thedocyard Ltd with Ansarada Ltd on 9 December 2020. The Group changed its name to Ansarada Group Limited as part of the merger. The transaction also included a related \$45 million capital raise from institutional and high net wealth investors.

As part of the merger, Non-executive Directors Steven Coffey and Neale Java stepped down from their roles as Directors of thedocyard Ltd, and Peter James, Chairman, David Pullini, Non-executive Director and Sam Riley, Chief Executive joined the Board. Stuart Clout, Founder of thedocyard remains on the Board as Chief Revenue Officer.

Financial Summary

During the quarter, the Group recorded cash receipts from customers of \$9.4 million.

Cash payments during the quarter were primarily directed towards staff costs (\$7.4 million) which included \$1.6 million cash outflows for tax (PAYG) of which \$1.2 million was deferred during COVID affected quarters. Payments also included research & development (\$0.3 million), product & operating costs (\$1.3 million) advertising & marketing (\$0.6 million) along with administration & corporate costs (\$1.2 million) and one off business combination transaction costs (\$0.8 million¹). Net operating cash outflow for the quarter was \$2.3 million.

Proceeds from the issue of shares related to the merger totalled \$45.0 million. The Group recorded one-off cash payments relating to the repayment of the Convertible Notes of \$25.0 million and

transaction costs related to the issue of equity securities of \$6.8 million⁵. The Group's closing cash balance was \$21.0 million as at 31 December 2020.

Net funds received by Ansarada Group of approximately \$14.3 million after the repayment of Convertible Note holders and transaction related costs from the issue of shares. The Group funded operations through operating cash flows and cash reserves and will be strategically deploying the net funds from the capital raised in line with the Group's stated objectives in the prospectus relating to capital and growth. Additionally, Ansarada remains open to pursuing strategic, technologically aligned and culturally compatible acquisitions to accelerate growth.

Webinar Details

Ansarada CEO Sam Riley will provide a corporate overview and update for investors as part of the Group's Annual General Meeting at 11:00am AEDT today, Friday 29 January 2021.

Investors can join the live audio webcast at <https://web.lumiagm.com/>

Meeting ID: 383204008

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⁵ Business transaction costs and transaction costs relating to the issue of equity securities have been apportioned based on management's assessment between Operating and Financing activities.

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Annexure

In accordance with ASX Listing Rule 4.7C, Ansarada Group provides the following information:

Q4 is a period which is covered by the Use of Funds statement as outlined in the Prospectus dated 30 October 2020.

A summary of the expenditure to date is outlined below:

Use of Proceeds under Prospectus	Funds allocated under Prospectus	Funds expended between admission and 31 December 2020
Redemption of Ansarada Convertible Notes ¹	\$25 million	\$25 million
Product Design and Development ²	\$3.5 million	\$0
Sales and Marketing	\$4.0 million	\$0
Integration Costs	\$0.5 million	\$0
Transaction Costs ³	\$8.7 million	\$7.6 million
Additional working capital	\$10.3 million	\$0
Total	\$45 million	\$32.6 million

¹ Prospectus dated 30 October 2020 outlined \$21 million plus an additional \$4 million out 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 Prospectus dated 30 October 2020 outlined Transaction costs of 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 Group's existing cash balances.

Payments to related parties and their associates during Q4 was \$0.7 million. These payments were related to remuneration of Directors and includes gross salaries, superannuation, ex gratia and option cancellation payments to S. Riley, S. Clout, D. Pullini and P. James.

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This announcement was authorised for release by the Board of Ansarada Group Limited.

About Ansarada (ASX:AND)

Ansarada is a global provider of cloud-based AI-powered virtual data rooms and material information platforms for secure end-to-end document and process management, supporting material transaction and governance outcomes for businesses throughout their lifecycle.

Ansarada's innovative and purpose-driven virtual data rooms enable the hosting, exchange and management of confidential material information between parties during critical events such as M&A (mergers and acquisitions), fundraising, tenders and IPOs.

For more information please visit www.ansarada.com/blog

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Appendix 4C

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

Name of entity

Ansarada Group Limited

ABN

19 602 586 407

Quarter ended ("current quarter")

31 December 2020

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (6 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	\$9,352	\$17,244
1.2 Payments for		
(a) research and development	(\$285)	(\$534)
(b) product manufacturing and operating costs	(\$1,308)	(\$1,957)
(c) advertising and marketing	(\$643)	(\$1,242)
(d) leased assets	(\$54)	(\$78)
(e) staff costs	(\$7,368)	(\$12,063)
(f) administration and corporate costs	(\$1,161)	(\$1,675)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	-	-
1.5 Interest and other costs of finance paid	\$4	\$4
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	\$855
1.8 Other (provide details if material)	(\$815)	(\$815)
1.9 Net cash from / (used in) operating activities	(\$2,278)	(\$261)
2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) entities	-	-
(b) businesses	-	-
(c) property, plant and equipment	-	\$1
(d) investments	-	-
(e) intellectual property	(\$1,383)	(\$2,779)
(f) other non-current assets	-	-

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

2.2	Proceeds from disposal of:		
	(a) entities	-	-
	(b) businesses	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) intellectual property	-	-
	(f) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (cash acquired in acquisition net of transaction costs)	-	-
2.6	Net cash from / (used in) investing activities	(\$1,383)	(\$2,778)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	\$45,000	\$45,000
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	(\$6,784)	(\$6,784)
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	(\$25,000)	(\$25,000)
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material) – Cash received from business combination of \$1,988 & IFRS lease payments	1,973	1,907
3.10	Net cash from / (used in) financing activities	\$15,189	\$15,123

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	\$9,656	\$9,069
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(\$2,278)	(\$261)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(\$1,383)	(\$2,778)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	\$15,189	\$15,123

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

4.5	Effect of movement in exchange rates on cash held	(\$163)	(\$132)
4.6	Cash and cash equivalents at end of period	\$21,021	\$21,021

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	\$21,021	\$9,656
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (term deposits)		
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	\$21,021	\$9,656

6.	Payments to related parties of the entity and their associates	Current quarter \$A
6.1	Aggregate amount of payments to related parties and their associates included in item 1	\$729
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-

Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments

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

7.	Financing facilities <i>Note: the term "facility" includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.</i>	Total facility amount at quarter end \$A	Amount drawn at quarter end \$A
7.1	Loan facilities	-	-
7.2	Credit standby arrangements	-	-
7.3	Other (please specify)	-	-
7.4	Total financing facilities	-	-

7.5	Unused financing facilities available at quarter end	-
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7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.

8. Estimated cash available for future operating activities	\$A
8.1 Net cash from / (used in) operating activities (Item 1.9)	(\$2,278)
8.2 Cash and cash equivalents at quarter end (Item 4.6)	\$21,021
8.3 Unused finance facilities available at quarter end (Item 7.5)	-
8.4 Total available funding (Item 8.2 + Item 8.3)	\$21,021
8.5 Estimated quarters of funding available (Item 8.4 divided by Item 8.1)	9.2

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

1. Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?

Answer:

2. Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?

Answer:

3. Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Answer:

Compliance statement

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

Date: .29 January 2021

Authorised by: The Board of Ansarada Group Limited
(Name of body or officer authorising release – see note 4)

Notes

- This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
- If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standard applies to this report.
- Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
- If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the

[name of board committee – eg *Audit and Risk Committee*]. If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".

5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.