



Unify and Daegis Merger Announcement FAQ

What is being announced?

Unify and Daegis announced they have merged to become the industry's most comprehensive eDiscovery company. The merger of Unify and Daegis brings together enterprise-class information management archiving from Unify, through its 2009 acquisition of AXS-One, and industry leading eDiscovery management technology, consulting expertise from Daegis, to address the market need for an integrated data management and eDiscovery system within the enterprise. Together, the companies will deliver industry-first solutions that integrate information archiving with electronic discovery management to bring organizations flexibility, scalability and predictability across the entire litigation lifecycle.

Why are the Companies merging?

By merging, Unify and Daegis will bring new solutions to market that uniquely address the convergence of archiving, information governance and eDiscovery. The combination of Unify's archive repository and Daegis' eDiscovery services and technology will facilitate a new level of data management and cost savings for corporate legal departments and law firms. Clients can strategically manage their data within the firewall and, by leveraging Daegis' eDiscovery Analytics Consulting (eDAC), benefit from intelligent selection of responsive data early in the process. The integration of technologies will enable the preservation and repurposing of valuable attorney work product across multiple matters. These solutions will reduce costs, increase defensibility and furnish a blueprint for repeatable success across the Electronic Discovery Reference Model (EDRM).

Who is Daegis?

Daegis is a privately held company based in San Francisco that provides leading eDiscovery and litigation support solutions and service offerings that span the litigation lifecycle. Daegis' philosophy is to present clients with a Matter Lifecycle Management solution (MLM) that provides for a sustainable and repeatable business process that will result in substantial cost savings and efficiencies at every point along the EDRM. The MLM model is designed to minimize client risk, provide for transparency and defensibility, and furnish a blueprint for a repeatable business process across subsequent matters. Daegis' DocHunter offers advanced functionality for data collection, assessment and culling, processing, review, and production. Daegis also has an expansive professional services offering that includes eDiscovery Analytics, meet-and-confer consulting, cost-burden analysis and litigation readiness.

How does this merger affect customers?

The merger will significantly benefit Unify and Daegis customers. Unify's archive customers will benefit from access to litigation support services, technology and expertise. Unify's application development, database and migration customers will benefit from Unify's increased size, strength and visibility in the market in addition to access to a greater breadth of products addressing key business challenges today. Additionally, tremendous synergy has been found among many of the larger Unify customers, who use its tools and migration products as well as the archive solution, and it is expected that this trend will continue as the Daegis solution is introduced. Today, customers will see virtually no change day to day and will continue to receive the outstanding customer care and support they always have.

How will the combined company be positioned for the future?

The merger addresses the future of the eDiscovery industry by integrating information archiving with electronic discovery management covering the entire spectrum of the EDRM. By combining the retention power of the Archive along with Daegis' eDiscovery services and technology, corporate legal departments and law firms will have a repeatable data management and discovery process that is predictable, defensible, and scalable within their firewall. Longer-term, the availability of integrated offerings will eliminate the resource intensive and costly steps of collection and processing, in addition to reducing costs for document review because searches can be performed and validated earlier in the eDiscovery process.

What are the immediate strategic opportunities for the combined company?

The combination of Unify and Daegis is expected to create immediate revenue synergies. Unify will have the opportunity to cross sell Daegis' matter driven solution to its archive customers and Daegis will be positioned to introduce the information management archive to its clients.

How many employees are in the combined company?

There are 230 employees in the combined company.

What is the management of the combined company?

Todd Wille, CEO of Unify, will serve as chief executive officer of the combined company. Kurt Jensen, CEO of Daegis, will serve as executive vice president and chief operating officer.

What were the terms of the deal?

Under the terms of the agreement, Unify will pay approximately \$38 million in a combination of cash, seller financing and stock. Unify has paid \$24 million in cash, delivered \$6.2 million in convertible promissory notes and issued approximately 2.1 million shares of its common stock to Daegis' shareholders. To finance the cash portion of the transaction, Unify has obtained acquisition debt financing from Hercules Technology Growth Capital. Unify expects Daegis to contribute approximately \$23 million in revenue for the remainder of fiscal 2011, which began on May 1, 2010, and generate approximately 25% EBIDTA margins. The transaction is expected to be immediately accretive to earnings per share.

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