



17 March 2017
ASX Announcement

UPDATER PROVES MATERIAL POSITIVE RESULTS IN INSURANCE PILOT PROGRAM

- Pre-Movers exposed to Updater Communications purchased insurance products at a **93% higher rate** than Pre-Movers not exposed to Updater Communications
- It can be stated with **over 95% confidence** that Pre-Movers exposed to Updater Communications are more likely to purchase applicable insurance products
- The Pilot Program Cohort included 4,405 Pre-Movers over a 4-month period
- These results are powerful validation that Updater can provide tremendous value to the relocation ecosystem
- An investor conference call will be held today at 10:30am to discuss the results

Updater Inc. ("Updater" or the "Company"), the US technology company improving the moving process for the 17 million US households moving each year, is pleased to announce preliminary results for a Pilot Program conducted in the US property and casualty insurance vertical (home, renters, and auto insurance).

Updater announced in Q3 2016 that it would conduct a pilot program in the property and casualty insurance vertical (the "Pilot Program"), with the primary goals to prove the value of Updater's platform for Businesses in the industry and simultaneously improve the user experience for Movers.

Preliminary Results from the Pilot Program:

Pre-Movers who were exposed to Updater Communications ("Treated Group") purchased applicable insurance products at a 93% higher rate than Pre-Movers who were not exposed to Updater Communications ("Control Group").

Given the significance of the positive impact on the Treated Group when compared to the Control Group ("Lift") and the sample size of the Pilot Program Cohort, it can be stated with over 95% confidence that users in the Pilot Program Cohort exposed to Updater Communications are more likely to purchase applicable insurance products than those not exposed to Updater Communications.

Details of the Pilot Program results are attached to this announcement. Further, the Company requested that a leading financial consulting firm in New York

independently verify the Company's calculations. The third-party report is also attached to this announcement.

David Greenberg, CEO of Updater, commented: "The breakthrough success of this pilot is a very significant milestone for Updater. The exceptional preliminary results of 93% Lift for Pre-Movers far exceeded our expectations. As displayed in our investor presentations of May and August 2016, we were estimating an initial Lift of 10-20% across the various pilots."

"These results are powerful validation that Updater can provide tremendous value to the relocation ecosystem, helping both Businesses and Movers by surfacing relevant, helpful, and contextual content along with features to enable more seamless transactions."

Insurance Industry Dynamics

- According to data published by the US Treasury, the top ten property and casualty insurers collectively account for approximately 65% market share, while the top 100 account for approximately 95% market share.
- According to data published by McKinsey & Company, marketing spend for property and casualty insurers in the US has increased substantially over the past 15 years, growing from approximately US\$1.7 billion in 2002 to US\$6 billion in recent years. Further, the top ten insurance companies have accounted for approximately US\$5 billion of annual spend in recent years, which Management estimates is 80% of the total spend in the vertical.
- Ernst and Young's *2016 property-casualty insurance outlook* indicates that establishing new digital acquisition channels is a top priority for insurance providers.

Investor Conference Call:

The Company will host an investor conference call today to discuss the positive results of the Pilot Program. The call is scheduled for today, 17 March, at 10.30am AEST.

Dial in details:

Australia: +61 3 8488 8990

Attendee Access Code: 826-849-582

For more information, please contact:

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**PRELIMINARY RESULTS OF
PROPERTY AND CASUALTY INSURANCE PILOT PROGRAM**

Conducted
November 7, 2016
to
March 7, 2017

Pilot Program objectives:

The primary goals of the Pilot Program are to prove the value of the Updater platform for property and casualty insurance providers, and simultaneously improve the Updater experience for Movers.

Pilot Program Methods:

- Products: Casualty and property insurance products.
- Communications: Information about Products displayed, in a contextual and helpful manner, to users of the Mover Product.
- Pilot Program Cohort: The cohort group of users in the Pilot Program includes Movers, invited to the Updater platform by real estate brokerages and relocation companies, who created an Updater Mover Product account 7 days or more prior to their applicable move date (“Pre-Movers”). Movers who were already customers of an applicable property and casualty insurance company were excluded from the acquisition Pilot Program Cohort.

Statistical Methods:

- “Treated Group” and “Control Group”: The total Pilot Program Cohort group was split into a “Treated Group”, the subset of Pre-Movers who received the applicable Communications, and a “Control Group”, the subset of Pre-Movers who did not receive the applicable Communications. Pre-Movers were randomly designated as “Control” versus “Treated”.
- Statistical Significance: The method of “statistical hypothesis testing” was applied in this Pilot Program in order to validate that results did not occur randomly or by chance, but instead are attributable to a specific cause – in this case, the exposure or non-exposure to applicable Updater Communications – and therefore indicative of future results. As an applied example, to state with 95% confidence that a treated group will outperform a control group, “statistical hypothesis testing” determines a p-value based on population size, conversion rate and standard error for each sub-group.

The p-value ultimately validates or invalidates the hypothesis that 95% of the time, one group will outperform the other.

Results:

- Pilot Program Size: The Pilot Program Cohort group includes 4,405 Pre-Movers, all of whom created an account for the Updater Mover Product in the 4-month period between the full rollout launch date of 7 November 2016 and 7 March 2017.
- Conversions: Users in the Pilot Program Cohort group who purchased an applicable Product during the 4-month Pilot Program period.
- Lift: The rate at which the Treated Group completed a purchase for the Products (i.e., converted) was 93% greater than the rate at which the Control Group completed a purchase for the Products.
- Statistical Significance: Based on the Statistical Significance methodology described above, it can be stated with over 95% confidence that Pre-Movers exposed to Updater Communications are more likely to purchase applicable insurance products.

About Updater:

Updater makes moving easier for the 17 million households that relocate every year in the US. With Updater, users seamlessly transfer utilities, update accounts and records, forward mail, and much more. Hundreds of the most prominent real estate companies in the US (from real estate brokerages to property management companies) rely on Updater's real estate products to save clients hours with a branded and personalised Updater moving experience. Updater has established significant market penetration of all US household moves and can therefore enable contextual and personalised communication between relocating consumers and the US businesses spending billions of dollars trying to reach them.

Updater is headquartered in New York City, and prior to listing on the ASX, Updater received significant investments from leading US venture capital firms including SoftBank Capital, IA Ventures, and Second Century Ventures (the strategic investment division of the National Association of REALTORS®).

For more information, please visit www.updater.com.



Updater Inc.
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To: The Board of Directors

Nomad Financial, a full-service financial strategy and operations firm for high growth technology companies, conducted a statistical test on data sets provided by Updater and can confirm that the results of our analysis match those calculated separately by Updater.

Based on the observed data, the Treated group experienced a 92.97% lift in conversion rate vs. the Control group, and a statistical analysis showed that with 95% confidence, this result is statistically significant and not due to random chance.

Methodology

The data set used for the Updater analysis contained two independent groups of individuals:

Group 1 (Treated): individuals that had received the Updater messaging.

Group 2 (Control): individuals that did not receive the Updater messaging.

The implied improvement in conversion due to the treatment is 92.97%.

The success or conversion rate was calculated for each group, as was the standard error (an estimate of the population standard deviation, based on sample size), and test statistic. The resulting p-value is less than 5%, which satisfies the threshold for statistical significance at the 95% confidence level.

This is a one-tailed two-sample test of proportion since we are testing that Updater treatment has a positive effect on conversion. This is a common methodology for performing A/B tests.

Nomad Financial does not guarantee the accuracy of the underlying data utilized to conduct the statistical analysis. The results described herein are a reflection of the size of each sample, and conclusions on larger sample sizes may be made with even higher degrees of confidence.

Sincerely,

A handwritten signature in black ink, appearing to read "Michael Taormina".

Michael Taormina
Nomad Financial