



ASX Announcement
6 September 2017

UPDATER TO ACQUIRE LEADING MOVING SOFTWARE COMPANIES

ACQUISITIONS POSITION UPDATER AS THE NATIONAL LEADER
IN MOVING & STORAGE SOFTWARE

Highlights:

- Updater to acquire IGC Software ("IGC") and Asset Controls Inc. ("ACI"), enabling Updater to offer a suite of products and services that will transform the moving & storage industry
- The acquisition will expedite the deployment of Business Products, and will enable Updater to provide a superior user experience that is exclusively available on Updater's platform
- Together, IGC and ACI generated ~US\$7.2M in revenue during the 12 months to 31 December 2016; both companies are profitable and cash flow positive
- Updater today launched an institutional placement of approximately A\$50M to eligible investors in Australia and selected other jurisdictions outside the United States to finance the acquisitions, fund the rollout of its new insurance division, and increase working capital to accelerate the sale of Business Products into additional verticals
- Updater has appointed Goldman Sachs Australia Pty Ltd ("Goldman Sachs") as the Lead Manager of the Placement

Updater Inc. ("Updater" or the "Company"), the US technology company improving the moving process for the 17 million US households relocating each year, has entered into binding purchase agreements with certain majority stockholders in relation to the acquisition of IGC and ACI (together the "Acquisition"). Following the close of the Acquisition, IGC and ACI will operate as MoveHQ Inc. ("MoveHQ"), a wholly-owned subsidiary of Updater.

Transaction Summary

Under the terms of the agreement, Updater will pay an aggregate of US\$21.0M for both entities, comprising of up to US\$16.8M in cash and Updater common stock valued at US\$4.2M issued to certain key employees of the target companies, priced at the 10 trading day VWAP of Updater CDIS on the date prior to the closing

of the Acquisition, subject to customary holdbacks. In addition, the key employees of the entities will be eligible to earn, in aggregate, up to US\$5.5M in cash if they achieve certain future milestones and conditions, including achievement of revenue goals and maintaining employment at MoveHQ for over three years after closing. In connection with their new employment arrangements, the key employees will also be eligible to receive stock options in the Company, which will be issued out of the Company's existing stock incentive pool.

Completion of the Acquisition is subject to execution of definitive stock purchase agreements by the stockholders of IGC and ACI and customary completion conditions and deliverables, and is expected to occur in October 2017.

ASX has provided in-principle advice that it will not require shareholder approval of the Acquisition for the purposes of Chapter 11 of the ASX Listing Rules.

IGC and ACI Overview

IGC and ACI have developed the relocation industry's most widely-used software products. IGC and ACI customers include the majority of the largest van lines and hundreds of their local agents, as well as many of the premier independent moving companies. Collectively, their applications are used industry-wide by over 9,000 moving professionals. In the past five years, both companies have earned the industry's top honor: American Moving & Storage Association ("AMSA") Supplier of the Year.

Founded in 1999 by Brian Ferguson and headquartered in Columbus, Ohio, IGC is the leading supplier of surveying, estimating, and sales management software tools for moving & storage companies.

Founded in 1995 by Joe Bippen and headquartered in St. Louis, Missouri, ACI has built the moving & storage industry's most trusted and widely used inventory and warehouse management software applications.

IGC and ACI began co-developing software products in 2007. Their first project, MobileMover, became the most widely-used packer and driver mobile application on the market. Their next collaboration, the highly anticipated MoveHQ, has been in development for three years and is a new, paperless, full-lifecycle, 'lead to cash,' SaaS application scheduled for release in Q4 2017. The MoveHQ product will seamlessly integrate with all of IGC's and ACI's industry-leading, stand-alone products, including MoveCRM, SurveyHHG, MobileMover, and Windfall.

Based on unaudited internal accounts, together IGC and ACI generated approximately US\$7.2M in revenue in the 12 months to 31 December 2016 and are profitable companies with positive cashflow. The Company anticipates that

revenue and profit margin will increase after the release of the new MoveHQ platform.

Brian Ferguson and Joe Bippin will serve as Co-Presidents of MoveHQ and will continue all existing operations at their respective locations. IGC and ACI have approximately 75 employees across Ohio and Missouri.

Strategic Rationale

The Acquisition enables Updater to offer a suite of products and services that management believes can transform the moving & storage industry. Benefits include:

- Superior Mover Experience: MoveHQ technology will enable users of Updater's Mover Product to more seamlessly book premier moving companies and gain transparency throughout the entire moving process
- Enhanced Software Solutions for the Moving & Storage Industry: MoveHQ will offer moving companies a more compelling portfolio of products, such as the ability to communicate with prospective customers and improve engagement with booked customers
- Expedited Deployment of Business Products: Updater's Business Products in the moving and storage vertical will be built as a module within the MoveHQ platform, enabling faster and more effective go-to-market execution
- Material Synergies: Updater and MoveHQ will benefit from each other's customer relationships, industry experience, and centers of excellence
- Anticipated Success of MoveHQ: The MoveHQ platform is likely to revolutionise the industry, leading to material improvements in revenue and net margin

The initial product integration between the Updater and MoveHQ platforms is expected to be completed within 6 months of closing the Acquisition.

"We are thrilled to join forces with MoveHQ, as their team shares our vision and passion for developing innovative products that will transform the moving industry and positively affect the lives of millions of Americans every year," said David Greenberg, CEO and Founder of Updater. "This highly compelling transaction brings together the 'front-end' platform on which millions of consumers are organizing and completing moving tasks with the 'back-end' software applications that the premier moving companies leverage to run their businesses. On completion of the Acquisition, Updater will be positioned to offer millions of Movers each year access to a dramatically improved experience for transporting their household goods, while simultaneously offering the country's leading moving and storage companies an even greater portfolio of products."

“This is a unique opportunity to bring together three great companies, each with first-rate brands and products; and we can now collectively leverage our strengths and core competencies, and leverage Updater’s unique position in the industry, to build products that will deliver huge operational efficiencies for the nation’s leading moving companies,” said Brian Ferguson, Co-President of MoveHQ.

“The complementary product and market fit of these companies allows us to achieve success at a level that neither company could accomplish on a stand-alone basis. Joining forces with Updater is a one-of-a-kind opportunity for our company and our employees, and I am confident that this will enable us to provide even greater value to the moving and storage industry,” said Joe Bippen, Co-President of MoveHQ.

Equity Raising

Updater also announces that it is raising approximately A\$50M to finance the acquisition of MoveHQ, fund the rollout of its new insurance division, and increase working capital to accelerate the sale of Business Products into additional verticals via an institutional placement to eligible investors in Australia and selected other jurisdictions outside the US (the “Placement”).

The issue price for the Placement is A\$1.25 per CDI (equivalent to approximately US\$24.92 per share of common stock) which represents a 10.7% discount to the closing price on Monday 4 September 2017.

Updater has appointed Goldman Sachs as the Lead Manager to the Placement. Foster Stockbroking Pty Ltd has been appointed Co-Manager to the Placement.

Updater also may extend an offer of up to 200,000 shares of common stock (equivalent to 5,000,000 CDIs) on the same terms as the Placement to certain accredited investors in the United States (the “US Placement”) following completion of the Placement, to raise up to a further \$US5 million (equivalent to approximately A\$6.3 million). Christopher F. Burke, the recently announced EVP of Insurance, and certain other employees of the insurance division and associates of the Company may participate in the US Placement.

Assuming the full amount is raised under the Placement, management does not expect to need additional capital to reach cash flow breakeven based on its current business plan.

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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. With significant market penetration of all US household moves, Updater can 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.

Forward-Looking Statements

This announcement and the accompanying presentation contain forward-looking statements. All statements that address operating performance, events or developments that we expect or anticipate will occur in the future are forward-looking statements. These forward-looking statements are based on management's beliefs and assumptions and on information currently available to

our management. The Company's management believes that these forward-looking statements are reasonable as and when made. However, you should not place undue reliance on any such forward-looking statements because such statements speak only as of the date when made. We do not undertake any obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by law or the ASX Listing Rules. In addition, forward-looking statements are subject to certain risks and uncertainties that could cause actual results, events and developments to differ materially from our historical experience and our present expectations or projections