



21 August 2018

Dear CDI Holder

### **Buy-Back and Delisting of Updater Inc from ASX**

Updater Inc. (**Updater** or the **Company**) (ASX: UPD) has requested and received approval from ASX Limited (**ASX**) to remove its CHESS Depository Interests (**CDIs**) from the official list of ASX (the **Delisting**) subject to complying with certain conditions described in the enclosed Notice of Meeting. In conjunction with the Delisting, the Company is proposing an off market buy-back of its CDIs and shares of common stock (**Shares**) to allow holders to sell some (or in the case of holders with a small holding, all) of their holdings in Updater (the **Buy-Back**). This letter contains important information about your holding of Updater CDIs, the Buy-Back and the Delisting process.

In this letter: (a) holders of Shares are referred to as **Shareholders** (b) holders of either CDIs or Shares are collectively referred to as **Security holders**, and (c) CDIs and Shares are collectively referred to as **Securities**.

In addition to the information set out below, we enclose the Notice of Special Meeting and Proxy Statement for the general meeting of Shareholders to be held at 10:00am (AEST) on 7 September 2018 / 8:00pm (USEDT) on 6 September 2018.

A Buy-Back booklet setting out further details of the Buy-Back is expected to be dispatched to Security holders on 24 August 2018 together with a set of Frequently Asked Questions which is designed to assist you in understanding the process for the delisting of Updater from the official list of ASX and the impact on your holding of CDIs.

The information in this letter does not take into account your individual investment objectives, financial situation and needs. The information in this letter is of a general nature and is not financial product advice and should not be relied upon as the sole basis for any investment decision. As a CDI holder you should consult your financial, legal, tax or other professional adviser if you have any queries in relation to the information contained in this letter or how you should act with respect to your holding of CDIs.

### **Delisting of Updater from ASX**

On 15 August 2018 (AEST), Updater announced that it had received ASX approval for its removal from the official list of ASX subject to complying with certain conditions described in this letter including that Shareholder approval is obtained for both the Delisting and the Buy-Back.

Subject to Shareholder approval being obtained, trading in Updater's CDIs will be suspended with effect from close of trading on ASX on 8 October 2018 (the **Suspension Date**) (AEST). Removal of Updater from the official list of ASX is expected to occur on 10 October 2018 (the **Delisting Date**).

This letter seeks to provide CDI holders with information about the delisting process, the options available to CDI holders in connection with holdings of CDIs and certain implications which may arise for CDI holders as a result of the Delisting.

### **Delisting Process**

#### *Shareholder approval*

Updater's market position has resulted in significant interest from major international (non-Australian) financial investors and strategic parties. The Company has been approached by numerous such parties that have indicated an interest in funding an acceleration plan if and when the Company becomes a private company not listed on ASX, making delisting a logical next step towards achieving the Company's vision. It is the Board's view that it is in the best interests of all Updater Security



holders that the Company delist from the ASX at this time and begin the path towards the US financial markets.

While the Board of the Company recommends Delisting, it will request Shareholder approval for the Delisting at a special meeting of the Company to be held on 6 September 2018 (USEDT) / 7 September 2018 (AEST). Of course, if a majority of the Shareholders vote to remain listed on ASX, the Board will support the continued listing. Shareholders of record as of 21 August 2018 will be eligible to vote at the special meeting.

The resolutions for approval of the Delisting and the Buy-Back are inter-conditional. This means that if either the resolution for approval of the Delisting or the Buy-Back are not approved by Shareholders, neither the Delisting or the Buy-Back will proceed and unless a subsequent proposed delisting is approved by Shareholders or ASX determines that the Company's securities should no longer be listed, the Company will continue to be listed on the ASX.

Further details of the Delisting, including potential advantages and disadvantages for CDI holders and future plans and intentions for Updater are set out in the Notice of Meeting (and Proxy Statement) for the Special Meeting enclosed with this letter.

#### *Suspension of CDIs from ASX trading and delisting*

Updater CDIs will trade on ASX until the close of trading on 8 October 2018, when, assuming the Delisting has been approved by Shareholders, trading will be suspended. Following the suspension of trading in CDIs, CDI holders will no longer be able to trade their holdings of CDIs on ASX. Following the suspension of CDIs from quotation, Updater will be removed from the official list of ASX on 10 October 2018.

#### *Conversion*

Prior to Delisting, CDI holders will continue to have the right to convert their CDIs into Shares at the rate of 25 CDIs to one Share at any time. Further details of the conversion process are set out below.

#### *Compulsory conversion*

Following Delisting, as there will be no liquid market for the CDIs or Shares, CHESS Depository Nominees Pty Limited will terminate the trust under which the Shares are currently held and transfer the legal title to the underlying Shares to CDI holders so that CDI holders will instead hold the full legal and beneficial title to 1 Share for every 25 CDIs held at the date of Delisting.

#### **Buy-Back**

In proposing the Delisting, the Board recognises that it would be beneficial to provide a liquidity mechanism for certain Security holders, particularly for those holding a smaller number of Securities, who do not wish to continue holding Updater Shares as an unlisted company. Accordingly, in addition to the ability to sell their CDIs on ASX up to the date of suspension prior to Delisting, the Company is offering the Buy-Back to provide Security holders with the opportunity to sell part of their Security holding (or their entire holding in the case of Security holders holding a smaller parcel of Securities) in conjunction with Delisting.

The Company is conducting an off-market buy-back of Securities. The Company will offer to buy-back 10,000 CDIs (equivalent to 400 Shares) from each Security holder on 21 August 2018, the record date for the Buy-Back, up to an aggregate cap of A\$10,000,000 worth of Securities. The Buy-Back price will be the higher of (a) A\$1.25 per CDI (A\$31.25 per Share), equal to the highest price at which Updater has raised capital on the ASX or (b) the 20-day volume weighted average price of the CDIs on ASX on the date of delisting (**Buy-Back Price**). A\$1.25 represents a premium of 6% to the 20-day volume weighted average CDI price on ASX prior to the date of announcement of the Delisting and Buy-Back on 15 August 2018 (AEST).



The Buy-Back offer will be subject to Shareholders approving both the Buy-Back and Delisting at the Special Meeting to be held on 6 September 2018 (USEDT) / 7 September 2018 (AEST).

Further details of the Buy-Back, including how to sell your CDIs into the Buy-Back are set out in the will be set out in the Buy-Back booklet that is expected to be dispatched to Security holders on 24 August 2018.

#### **Indicative dates for the Buy-Back and Delisting process**

The following table sets out the indicative timetable for the delisting of Updater from ASX and the Buy-Back. Unless otherwise indicated, all dates are Sydney, Australia dates.

DATE	ACTION
20 August 2018	Ex-date for Buy-Back
21 August 2018	Notice of Meeting (seeking approval for the Buy-Back and Delisting) dispatched to Shareholders together with an information pack for CDI holders
21 August 2018	Record date for voting at the Special Meeting
21 August 2018	Record date to identify Security holders entitled to participate in the Buy-Back (subject to Shareholder approval of the Delisting and Buy-Back)
24 August 2018	Buy-Back booklet and acceptance forms despatched to eligible Security holders
28 August 2018	Buy-back offer period opens
7 September 2018	Special Meeting to approve Buy-Back and Delisting of the Company from ASX
27 September 2018	Buy-Back offer period closes
8 October 2018	Suspension Date - suspension of CDIs from trading on ASX
10 October 2018	Removal of the Company from ASX
10 October 2018	CDN notifies Securityholders of the termination of the trust for the CDIs
10 October 2018	Buy-Back pricing determined
16 October 2018	Notification of volume of Securities to be bought back by the Company under the Buy-Back
23 October 2018	CDN transfers title to the Shares underlying any remaining CDIs to the former CDI holder
23 October 2018	Payment date under Buy-Back and for acquisition of fractional entitlements

Note: All dates and times above are Sydney, Australia time. The Company will also inform Security holders of any changes to the indicative timetable referred to above by market announcement made via the ASX company announcements platform.

#### **Options for CDI holders on delisting of Updater from ASX**

CDI holders will have the options set out below with respect to their CDI holdings in conjunction with the delisting of Updater from the official list of ASX.

**Note that the Buy-Back and Delisting are subject to Shareholder approval at the Special Meeting and therefore may not proceed.**

Option 1	<p><b>Sell your CDIs on ASX before the Suspension Date (on or before 8 October 2018)</b></p> <p>You can sell your CDIs on ASX at any time prior to the Suspension Date (currently expected to be 8 October 2018 if Shareholder approval is obtained for the Delisting) by contacting your stockbroker or financial adviser who can arrange the sale.</p> <p>After the Suspension Date, you will <b>not</b> be able to sell your CDIs on ASX and there will be no liquid market for the stock.</p> <p>If you elect to sell your CDIs on the ASX prior to the Suspension Date, you will be responsible for any costs associated with the sale of your CDIs as is customary, including any broker commission.</p>
Option 2	<p><b>Retain your holding in Updater by either converting your CDIs into Shares (up to 10 October 2018) or allowing for the compulsory conversion of remaining CDIs on 23 October 2018</b></p> <p>You have an existing right to convert your CDIs into Shares. 25 CDIs are equivalent to, and will convert into, one Share.</p> <p>You can convert your CDIs into Shares at any time up until 10 October 2018 by:</p> <ul style="list-style-type: none"> <li>▪ completing and returning the Register Removal Request, a copy of which can be obtained by contacting Computershare on 1300 850 505 (within Australia) or +61 3 9415 4000 (outside Australia) between 8.30am and 5.00pm Monday to Friday (Sydney time) if your CDIs are held on the issuer sponsored sub-register; or</li> <li>▪ contacting your broker, if your CDIs are held on the CHESS sub-register.</li> </ul> <p>If you are unsure which sub-register your CDIs are held on, you can contact Computershare on 1300 850 505 (within Australia) or +61 3 9415 4000 (outside Australia).</p> <p>No fee is payable to Computershare for the conversion of your CDIs into Shares.</p> <p>Note that if Shareholders do not approve the Delisting, you will be able to convert your Shares back to CDIs at any time.</p>
Option 3	<p><b>Sell some or all of your CDIs into the Buy-Back</b></p> <p>Provided you are not an Excluded Security holder (as defined below), you can elect to sell 10,000 CDIs (equivalent to 400 Shares) back to Updater under the Buy-Back at the Buy-Back Price per CDI (noted above).</p> <p>Excluded Security holders are Security holders whom the Company is aware reside in the United States or in a foreign jurisdiction where it would be either illegal under the laws of that jurisdiction or in the Company's opinion excessively onerous, costly and/or time consuming, to permit Security holders residing in that jurisdiction to participate in the Buy-Back.</p> <p>If you wish to participate in the Buy-Back, please:</p> <ul style="list-style-type: none"> <li>• carefully read the Buy-Back Booklet once you receive this (noting that this booklet is expected to be dispatched to Security holders on 24 August 2018);</li> <li>• obtain independent advice if you have any questions about whether you should elect to participate in the Buy-Back; and</li> <li>• complete the acceptance form enclosed with the Buy-Back Booklet.</li> </ul> <p>Note that the Buy-Back will only proceed (and therefore your CDIs will only be sold) if Shareholders approve the Buy-Back and Delisting at the Special Meeting.</p>

Option 4	Do nothing - Compulsory conversion
	If you do not choose one of the options above by 10 October 2018, CHESS Depository Nominees Pty Limited (CDN) will terminate the trust under which the Shares are currently held and on 23 October 2018 CDN will transfer the legal title to the underlying Shares to CDI holders so that CDI holders will instead hold the full legal and beneficial title to 1 Share for every 25 CDIs held at the date of Delisting

## Fractional entitlements to Shares

Updater CDIs are currently listed on the basis that 25 CDIs represent one underlying Share. If your CDI holding is not a multiple of 25, you will have a fractional entitlement to a Share.

If after dividing your CDI holding by 25 and executing the applicable sale/buy-back etc process, or if there is a compulsory conversion of your CDIs to Shares following Delisting, a fraction remains, the following will apply to the remaining fraction irrespective of which of the options above you choose:

- Fractions of Shares cannot be transferred to Shareholders. As a result, all such remaining CDIs will be aggregated and will be bought back by the Company at the Buy-Back Price.
- For example, if a holder holds 120 CDIs at the Delisting date, CDN will transfer 4 Shares to the CDI holder and the remaining 20 CDIs will be bought back by the Company at the Buy-Back Price per CDI.
- The A\$ proceeds attributable to the sale of your fractional entitlement will be remitted to you as soon as practicable in the same manner as the payments made under the Buy-Back.
- Payment will be made by direct credit into your bank account. If Computershare does not have a record of your bank account details, payment will be made by cheque. You may update your bank account details by visiting [www.investorcentre.com](http://www.investorcentre.com) and following the prompts to the investor centre.

## Risks

The market price of Updater's CDIs will fluctuate over the course of the Delisting process based upon, among other factors, the volume of CDIs available for sale, general economic and market conditions, Updater's business and financial conditions and the results of Updater's operations. Accordingly, the price at which you may sell CDIs on-market may be higher or lower than the Buy-Back price, which is based on the market price of CDIs prior to announcement of the Delisting.

The Notice of Special Meeting enclosed with this letter set out some of the key advantages, disadvantages and risks of the Delisting and Buy-Back.

## Further information

If you have any questions about the delisting process, please contact Computershare Investor Services (**Computershare**) on 1300 850 505 (within Australia) or +61 3 9415 4000 (outside Australia) between 8.30am and 5.00pm (Sydney time).

Updater Inc.  
ARBN 609 188 329