



21 August 2018

Dear Shareholder

### **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 Shares, 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 (US EDT) on 6 September 2018.

A Buy-Back booklet setting out further details of the Buy-Back is expected to be dispatched by the Company 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 Shares.

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 Shareholder 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 Shares.

### **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 Shareholders with information about the delisting process, the options available to Shareholders in connection with holdings of Shares and certain implications which may arise for Shareholders 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 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 Shareholders 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, Shareholders will no longer be able to convert their Shares to CDIs and/or trade 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, Shareholders will continue to have the right to convert their Shares into CDIs at the rate of 25 CDIs to one Share at any time in order to sell CDIs on ASX prior to suspension. Further details of the conversion process are set out below.

#### **Buy-Back**

In proposing the Delisting, the Board recognises that it would be beneficial to provide a liquidity mechanism for certain Security holders, particularly 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 of Security holders to sell their CDIs (if any) on ASX up to the suspension date, the Company is offering the Buy-Back to provide Security holders with the opportunity to sell part of their Security holding (or their entire Security 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 400 Shares (equivalent to 10,000 CDIs) 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 (US EDT) / 7 September 2018 (AEST).

Further details of the Buy-Back, including how to sell your Shares into the Buy-Back 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 Security holders 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 Shareholders on delisting of Updater from ASX

Shareholders will have the options set out below with respect to their shareholdings 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	Convert your Shares to CDIs and sell on ASX before the Suspension Date (on or before 8 October 2018)
	You have an existing right to convert your Shares into CDIs at any time up to 8 October 2018. One Share will convert into 25 CDIs.

	<p>Shareholders can convert Shares into CDIs stock by completing and returning the “US to AU CDI Issuance Form”, a copy of which can be obtained by contacting Computershare’s Global Transaction Team at: 1 866 277 2086 or + 781 575 4086.</p> <p>If there is a change in registration request submitted with the “US to AU CDI Issuance Form”, Computershare requires the stock transfer form with the required signature Medallion Guarantee stamp in addition to the “US to AU CDI Issuance Form”.</p> <p>Questions on the above procedures can be directed to Computershare’s Global Transaction Team at: 1 866 277 2086 or + 781 575 4086.</p> <p>You can sell 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	Retain your holding in Updater
	If you wish to retain your holding in Updater as a private company following the Delisting (if approved by Shareholders), you do not need to do anything.
Option 3	Sell some or all of your shares into the Buy-Back
	<p>Provided you are not an Excluded Security holder (as defined below), you can elect to sell 400 Shares (equivalent to 10,000 CDIs) back to Updater under the Buy-Back at the Buy-Back Price (noted above) per Share.</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 despatched 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;</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 Shares will only be sold) if Shareholders approve the Buy-Back and Delisting at the Special Meeting.</p>

## 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 sets out some of the key advantages, disadvantages and risks of the Delisting and Buy-Back.

## Further information



If you have any questions about the information in this letter or the delisting process, please contact Computershare Investor Services (**Computershare**) in the United States on 1 800 962 4284 or outside the United States on 1 781 575 3120.

Updater Inc.  
ARBN 609 188 329