



ASX Announcement

4 October 2017

ASX: UPD

APPENDIX 3B

Following approval of the Board of Directors, and following the Company's completion of the acquisition of IGC Software and Asset Controls Inc. (collectively, the "Target Companies"), the Company has issued 168,732 new shares of common stock (equivalent to 4,218,300 CDIs) to the key employees of the Target Companies as part of the consideration payable by the Company for the acquisition of the Target Companies pursuant to the terms of the Stock Purchase Agreement between the Company and the Target Companies (the "Consideration Shares"). The Consideration Shares represent an aggregate value of US\$4,200,000, with an issue price for the Consideration Shares calculated as the 10 trading day VWAP of the Company's CDIs on the trading day before the closing date of the acquisition (i.e., A\$1.2711 per CDI, which equates to US\$24.8913 per share of common stock based on an exchange rate of AUD/USD 0.7833). The Consideration Shares vest under the Company's standard 4-year vesting schedule and, as a result, all such shares are subject to restrictions on trading for a period of 12 months from closing of the acquisition.

The Company has also issued 20,084 options over shares of common stock in the Company to the key employees of the Target Companies in connection with their new employment at MoveHQ Inc., a wholly-owned subsidiary of the Company. These options have been issued out of the Company's existing incentive stock option pool, with an exercise price of US\$24.8913 per share, and vest under the Company's standard 4-year vesting schedule.

The table below sets forth the securities of the Company on issue as at 4 October 2017.

Category	Common Stock	CDIs*
Shares	21,558,573	538,964,325
Options (not listed on ASX)	4,600,771	115,019,275
Warrants (not listed on ASX)	234,750	5,868,750

25 CDIs is equivalent to 1 share of common stock.

**Assumes all securities are held in the form of CDIs.*

The Company's CDIs bear a "FOR US" designation to prevent CDIs from being traded to US Persons on the ASX. The new shares of common stock issued to the key employees of the Target Companies pursuant to the acquisition, once converted to CDIs, will also bear the "FOR US" restriction. As a result, the "FOR US" restriction will remain in place for all CDIs for a period of 12 months from the date of allotment and issue of the new shares of common stock to the key employees of the Target Companies pursuant to the acquisition.

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Rule 2.7, 3.10.3, 3.10.4, 3.10.5

Appendix 3B

New issue announcement, application for quotation of additional securities and agreement

Information or documents not available now must be given to ASX as soon as available. Information and documents given to ASX become ASX's property and may be made public.

Introduced 01/07/96 Origin: Appendix 5 Amended 01/07/98, 01/09/99, 01/07/00, 30/09/01, 11/03/02, 01/01/03, 24/10/05, 01/08/12, 04/03/13

Name of entity

Updater Inc. (the "Company")

ARBN

609 188 329

We (the entity) give ASX the following information.

Part 1 - All issues

You must complete the relevant sections (attach sheets if there is not enough space).

- | | | |
|---|---|--|
| 1 | +Class of +securities issued or to be issued | (a) Shares of common stock
(b) Options over shares of common stock |
| 2 | Number of +securities issued or to be issued (if known) or maximum number which may be issued | (a) 168,732 shares of common stock (equivalent to 4,218,300 CHES Depository Interests (CDIs))
(b) 20,084 options over shares of common stock (equivalent to 502,100 CDIs) |

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- 3 Principal terms of the +securities (e.g. if options, exercise price and expiry date; if partly paid +securities, the amount outstanding and due dates for payment; if +convertible securities, the conversion price and dates for conversion)

(a) 1 share of common stock equals 25 CDIs
(b) Options over shares of common stock with an exercise price equivalent to US\$24.8913 per share of common stock. All such options are subject to the Company's standard 4 year vesting schedule and have an expiry date of 10 years after the grant date unless earlier expired in accordance with their terms (such as for lack of continuous relationship with the Company)

- 4 Do the +securities rank equally in all respects from the +issue date with an existing +class of quoted +securities?

If the additional +securities do not rank equally, please state:

- the date from which they do
- the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment

the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment

(a) Yes, on conversion of the shares of common stock to CDIs, the shares of common stock rank equally with the existing class of quoted securities (ie. CDIs).

(b) No. Options over shares of common stock will rank equally with the Company's CDIs (quoted securities) if and when the options vest and are thereafter exercised (prior to the applicable expiration date) and converted to CDIs.

- 5 Issue price or consideration

(a) The issue price per share of common stock was determined using the 10 trading day VWAP of the Company's CDIs on the trading day before the closing date of the acquisition of IGC Software (IGC) and Asset Controls Inc. (ACI) (i.e. A\$1.2711 per CDI which equates to US\$24.8913 per share of common stock based on an exchange rate of AUD/USD 0.7833)

(b) Nil consideration

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6	Purpose of the issue (If issued as consideration for the acquisition of assets, clearly identify those assets)	(a) The issue was made to the key employees of IGC and AIC as part of the consideration payable by the Company for the acquisition of IGC and ACI, representing an aggregate amount of US\$4,200,000. (b) Options granted to the key employees of IGC and ACI (which will operate as "MoveHQ", a wholly owned subsidiary of the Company, moving forward) in connection with their new employment arrangements and in accordance with the terms and conditions of the Company's 2010 stock incentive plan.
6a	Is the entity an +eligible entity that has obtained security holder approval under rule 7.1A? If Yes, complete sections 6b – 6h in relation to the +securities the subject of this Appendix 3B, and comply with section 6i	Yes
6b	The date the security holder resolution under rule 7.1A was passed	27 March 2017
6c	Number of +securities issued without security holder approval under rule 7.1	168,732 shares of common stock (equivalent to 4,218,300 CDIs)
6d	Number of +securities issued with security holder approval under rule 7.1A	Nil

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6e	Number of +securities issued with security holder approval under rule 7.3, or another specific security holder approval (specify date of meeting)	Nil
6f	Number of +securities issued under an exception in rule 7.2	20,084 options over shares of common stock (equivalent to 502,100 CDIs)
6g	If +securities issued under rule 7.1A, was issue price at least 75% of 15 day VWAP as calculated under rule 7.1A.3? Include the +issue date and both values. Include the source of the VWAP calculation.	N/A
6h	If +securities were issued under rule 7.1A for non-cash consideration, state date on which valuation of consideration was released to ASX Market Announcements	N/A
6i	Calculate the entity's remaining issue capacity under rule 7.1 and rule 7.1A – complete Annexure 1 and release to ASX Market Announcements	<p>Under rule 7.1: 24,243,600 CDIs (equivalent to 969,744 shares of common stock)</p> <p>Under rule 7.1A: 42,862,780 CDIs (equivalent to 1,714,511 shares of common stock)</p>
7	<p>+Issue dates</p> <p>Note: The issue date may be prescribed by ASX (refer to the definition of issue date in rule 19.12). For example, the issue date for a pro rata entitlement issue must comply with the applicable timetable in Appendix 7A.</p> <p>Cross reference: item 33 of Appendix 3B.</p>	3 October 2017

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	Number	+Class
8	335,933,000* (equivalent to 13,437,320 shares of common stock)	CDIs* *Assumes all shares of common stock are held in the form of CDIs

	Number	+Class
9	8,121,253 (equivalent to 203,031,325 CDIs)	Shares of common stock
	4,600,771 (equivalent to 115,019,275 CDIs)	Options over common stock
	234,750 (equivalent to 5,868,750 CDIs)	Warrants to buy common stock

10	Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests)	N/A
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Part 2 - Pro rata issue

11	Is security holder approval required?	N/A
12	Is the issue renounceable or non-renounceable?	N/A
13	Ratio in which the +securities will be offered	N/A
14	+Class of +securities to which the offer relates	N/A
15	+Record date to determine entitlements	N/A

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16	Will holdings on different registers (or subregisters) be aggregated for calculating entitlements?	N/A
17	Policy for deciding entitlements in relation to fractions	N/A
18	Names of countries in which the entity has security holders who will not be sent new offer documents <small>Note: Security holders must be told how their entitlements are to be dealt with. Cross reference: rule 7.7.</small>	N/A
19	Closing date for receipt of acceptances or renunciations	N/A
20	Names of any underwriters	N/A
21	Amount of any underwriting fee or commission	N/A
22	Names of any brokers to the issue	N/A
23	Fee or commission payable to the broker to the issue	N/A
24	Amount of any handling fee payable to brokers who lodge acceptances or renunciations on behalf of security holders	N/A
25	If the issue is contingent on security holders' approval, the date of the meeting	N/A
26	Date entitlement and acceptance form and offer documents will be sent to persons entitled	N/A

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27	If the entity has issued options, and the terms entitle option holders to participate on exercise, the date on which notices will be sent to option holders	N/A
28	Date rights trading will begin (if applicable)	N/A
29	Date rights trading will end (if applicable)	N/A
30	How do security holders sell their entitlements in full through a broker?	N/A
31	How do security holders sell part of their entitlements through a broker and accept for the balance?	N/A
32	How do security holders dispose of their entitlements (except by sale through a broker)?	N/A
33	+Issue date	N/A

Part 3 - Quotation of securities

You need only complete this section if you are applying for quotation of securities

34 Type of +securities (tick one)

(a) +Securities described in Part 1

(b) All other +securities

Example: restricted securities at the end of the escrowed period, partly paid securities that become fully paid, employee incentive share securities when restriction ends, securities issued on expiry or conversion of convertible securities

Entities that have ticked box 34(a)

Additional securities forming a new class of securities

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Tick to indicate you are providing the information or documents

- 35 If the +securities are +equity securities, the names of the 20 largest holders of the additional +securities, and the number and percentage of additional +securities held by those holders
- 36 If the +securities are +equity securities, a distribution schedule of the additional +securities setting out the number of holders in the categories
1 - 1,000
1,001 - 5,000
5,001 - 10,000
10,001 - 100,000
100,001 and over
- 37 A copy of any trust deed for the additional +securities

Entities that have ticked box 34(b)

- 38 Number of +securities for which +quotation is sought
- 39 +Class of +securities for which quotation is sought
- 40 Do the +securities rank equally in all respects from the +issue date with an existing +class of quoted +securities?

If the additional +securities do not rank equally, please state:
• the date from which they do
• the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment
• the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment
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<p>41 Reason for request for quotation now</p> <p>Example: In the case of restricted securities, end of restriction period</p> <p>(if issued upon conversion of another +security, clearly identify that other +security)</p>	<p>N/A</p>
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<p>42 Number and +class of all +securities quoted on ASX (including the +securities in clause 38)</p>	<p>Number</p>	<p>+Class</p>
	<p>N/A</p>	

Quotation agreement

- 1 +Quotation of our additional +securities is in ASX’s absolute discretion. ASX may quote the +securities on any conditions it decides.
- 2 We warrant the following to ASX.
 - The issue of the +securities to be quoted complies with the law and is not for an illegal purpose.
 - There is no reason why those +securities should not be granted +quotation.
 - An offer of the +securities for sale within 12 months after their issue will not require disclosure under section 707(3) or section 1012C(6) of the Corporations Act.

Note: An entity may need to obtain appropriate warranties from subscribers for the securities in order to be able to give this warranty
 - Section 724 or section 1016E of the Corporations Act does not apply to any applications received by us in relation to any +securities to be quoted and that no-one has any right to return any +securities to be quoted under sections 737, 738 or 1016F of the Corporations Act at the time that we request that the +securities be quoted.
 - If we are a trust, we warrant that no person has the right to return the +securities to be quoted under section 1019B of the Corporations Act at the time that we request that the +securities be quoted.

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3 We will indemnify ASX to the fullest extent permitted by law in respect of any claim, action or expense arising from or connected with any breach of the warranties in this agreement.

4 We give ASX the information and documents required by this form. If any information or document is not available now, we will give it to ASX before *quotation of the *securities begins. We acknowledge that ASX is relying on the information and documents. We warrant that they are (will be) true and complete.

Sign here:/s/ David Greenberg.....
 (Director)

Date 4 October 2017

Print name: David Greenberg

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Appendix 3B – Annexure 1

Calculation of placement capacity under rule 7.1 and rule 7.1A for eligible entities

Introduced 01/08/12 Amended 04/03/13

Part 1

Rule 7.1 – Issues exceeding 15% of capital	
Step 1: Calculate “A”, the base figure from which the placement capacity is calculated	
Insert number of fully paid *ordinary securities on issue 12 months before the *issue date or date of agreement to issue	428,627,800 CDIs (equivalent to 17,145,112 shares of common stock)
Add the following:	
<ul style="list-style-type: none"> Number of fully paid *ordinary securities issued in that 12 month period under an exception in rule 7.2 	60,000,000 CDIs (equivalent to 2,400,000 shares of common stock) - issued on 6 October 2016 and shareholder approval obtained 27 May 2016
<ul style="list-style-type: none"> Number of fully paid *ordinary securities issued in that 12 month period with shareholder approval 	11,666 shares of common stock (equivalent to 291,650 CDIs) issued on 17 October 2016 pursuant to exception in rule 7.2
<ul style="list-style-type: none"> Number of partly paid *ordinary securities that became fully paid in 	

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<p>that 12 month period</p> <p>Note:</p> <ul style="list-style-type: none"> • Include only ordinary securities here – other classes of equity securities cannot be added • Include here (if applicable) the securities the subject of the Appendix 3B to which this form is annexed • It may be useful to set out issues of securities on different dates as separate line items 	<p>15,563 shares of common stock (equivalent to 389,075 CDIs) issued on 4 March 2017 pursuant to exception in rule 7.2</p> <p>17,500 shares of common stock (equivalent to 437,500 CDIs) issued on 8 May 2017 pursuant to exception in rule 7.2</p> <p>Total: 61,118,225 CDIs (assuming all shares are held in the form of CDIs)</p>
<p>Subtract the number of fully paid +ordinary securities cancelled during that 12 month period</p>	<p>Nil</p>
<p>“A”</p>	<p>489,746,025 CDIs (equivalent to 19,589,841 shares of common stock)</p>

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Step 2: Calculate 15% of "A"	
"B"	0.15 [Note: this value cannot be changed]
Multiply "A" by 0.15	73,461,900 CDIs (equivalent to 2,938,476 shares of common stock)
Step 3: Calculate "C", the amount of placement capacity under rule 7.1 that has already been used	
Insert number of +equity securities issued or agreed to be issued in that 12 month period not counting those issued: <ul style="list-style-type: none"> • Under an exception in rule 7.2 • Under rule 7.1A • With security holder approval under rule 7.1 or rule 7.4 Note: <ul style="list-style-type: none"> • This applies to equity securities, unless specifically excluded – not just ordinary securities • Include here (if applicable) the securities the subject of the Appendix 3B to which this form is annexed • It may be useful to set out issues of securities on different dates as separate line items 	40,000,000 CDIs (equivalent to 1,600,000 shares of common stock) 5,000,000 CDIs (equivalent to 200,000 shares of common stock) 4,218,300 CDIs (equivalent to 168,732 shares of common stock)
"C"	49,218,300 CDIs (equivalent to 1,968,732 shares of common stock)
Step 4: Subtract "C" from ["A" x "B"] to calculate remaining placement capacity under rule 7.1	
"A" x 0.15 Note: number must be same as shown in Step 2	73,461,900 CDIs (equivalent to 2,938,476 shares of common stock)
Subtract "C" Note: number must be same as shown in Step 3	49,218,300 CDIs (equivalent to 1,968,732 shares of common stock)
Total ["A" x 0.15] – "C"	24,243,600 CDIs (equivalent to 969,744 shares of common stock)

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	[Note: this is the remaining placement capacity under rule 7.1]
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Part 2

Rule 7.1A – Additional placement capacity for eligible entities	
Step 1: Calculate “A”, the base figure from which the placement capacity is calculated	
“A” Note: number must be same as shown in Step 1 of Part 1	428,627,800 CDIs (equivalent to 17,145,112 shares of common stock)
Step 2: Calculate 10% of “A”	
“D”	0.10 Note: this value cannot be changed
Multiply “A” by 0.10	42,862,780 CDIs (equivalent to 1,714,511 shares of common stock)
Step 3: Calculate “E”, the amount of placement capacity under rule 7.1A that has already been used	
Insert number of +equity securities issued or agreed to be issued in that 12 month period under rule 7.1A Notes: <ul style="list-style-type: none"> • This applies to equity securities – not just ordinary securities • Include here – if applicable – the securities the subject of the Appendix 3B to which this form is annexed • Do not include equity securities issued under rule 7.1 (they must be dealt with in Part 1), or for which specific security holder approval has been obtained • It may be useful to set out issues of securities on different dates as separate line items 	0
“E”	0
Step 4: Subtract “E” from [“A” x “D”] to calculate remaining placement capacity under rule 7.1A	

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"A" x 0.10 Note: number must be same as shown in Step 2	42,862,780 CDIs (equivalent to 1,714,511 shares of common stock)
Subtract "E" Note: number must be same as shown in Step 3	0
Total ["A" x 0.10] - "E"	42,862,780 CDIs (equivalent to 1,714,511 shares of common stock) Note: this is the remaining placement capacity under rule 7.1A

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