



ASX Announcement
20 March 2018
(ASX: UPD)

**UPDATER TO EXPAND INDUSTRY LEADERSHIP
WITH KEY STRATEGIC INITIATIVES**

Highlights:

- Following a successful six-month Pilot Program proving **126% lift** in the highly concentrated do-it-yourself (DIY) Moving vertical, Updater has determined that DIY Moving will be its fourth vertical for developing and selling Business Products, providing a highly complementary offering alongside its full-service moving features.
- Updater is developing proprietary features for the 12+ million annual U.S. household moves that utilise DIY services via partnerships with one of the nation's largest truck rental companies along with one of the nation's largest packaging companies.
- With multiple proprietary information assets growing at an unprecedented rate, Updater has established a new Innovation Team that is exploring artificial intelligence applications for improving core products across multiple Divisions and driving next-generation efficiencies across the broader relocation industry.

Updater Inc. (ASX: UPD) (the "Company"), the US leader in relocation technology ("ReloTech") improving the moving process for millions of US households each year, is pleased to announce that do-it-yourself (DIY) moving will be its fourth vertical for selling Business Products. The decision follows the delivery of outstanding DIY Pilot results which also positively impacted User engagement and satisfaction.

The Company has also created a new Innovation Team to explore applications of artificial intelligence for creating new features that will be exclusively available via Updater. Collectively, Management believes that the DIY Moving and Innovation Team initiatives will consolidate the Company's long-term leadership in ReloTech.

The DIY Moving Vertical

Updater consistently receives feedback from its Users that scheduling and organising the transportation of their household goods is the most important initial moving task, and a majority of Users seek to engage one or more DIY providers to help with their move. Therefore, developing an amazing experience for Users to (a) analyse all options for transporting household goods, and (b) seamlessly secure their ideal package at an optimal price, is critical to building a platform that drives maximum engagement across the platform.

DIY Pilot Program

As announced in October 2017, the Company engaged multiple leading DIY Moving providers (the “Pilot DIY Companies”) for Pilot Program testing. The testing helped Updater gain a deeper understanding of the content and functionality that Users seek for a next-generation experience for scheduling a truck, ordering boxes, purchasing packing supplies, etc.

During Pilot testing, Updater featured a trusted Pilot DIY Company in the rental truck industry for certain Users seeking assistance transporting their own items. Users who were exposed to such communications (the “Treated Group”) booked a truck from the applicable Pilot DIY Company at a **126% higher rate** compared to Users who were not exposed to such communications (the “Control Group”). With **over 99% statistical confidence**, it can be stated that Updater technology had a positive impact on User decisions. The results of the Pilot are further validation of the power of Updater’s platform, with over 1,000 Updater Users in the Treated Group renting their truck from the applicable Pilot DIY Company via Updater technology within a few months.

Updater defines the DIY Moving vertical to include moving supplies and transportation solutions that enable consumers to relocate their household goods without the services of a full-service moving company. DIY Moving is a key driver of revenue for many business categories, including:

- Truck rental companies which offer Movers the option of transporting their belongings on their own
- Portable storage companies which offer Movers the option to pack their household goods into containers, which are then transported and delivered to their new homes
- Local labour companies which offer Movers help with packing, organising and cleaning
- Retailers and manufacturers which sell moving equipment, boxes, and packing supplies.

Based on available American Moving & Storage Association (AMSA) data as well as proprietary company research, Updater estimates that 12+ million US household moves per year are conducted using one or more DIY solutions. Demand for DIY moving solutions has increased in recent years, particularly among Movers from smaller households and those moving locally within 100 miles. The Company estimates that American consumers spend more than US\$ 8 billion on DIY related moving services each year, and the Company has identified the DIY Moving vertical as another key revenue opportunity.

Partnerships to Facilitate Feature Development

Updater plans to develop a proprietary experience for Users who do not seek to work with a full-service moving company. The goal is to create an exclusive feature for Users to seamlessly (a) catalogue items in their home, (b) identify the exact amount of boxes and packing supplies required to pack the items in their home, (c) purchase such supplies at the lowest possible pricing, (d) secure delivery of the supplies to their current home in advance of packing or arrange for pickup at a retail partner location, and (e) arrange transportation for the packed items via rented truck or container.

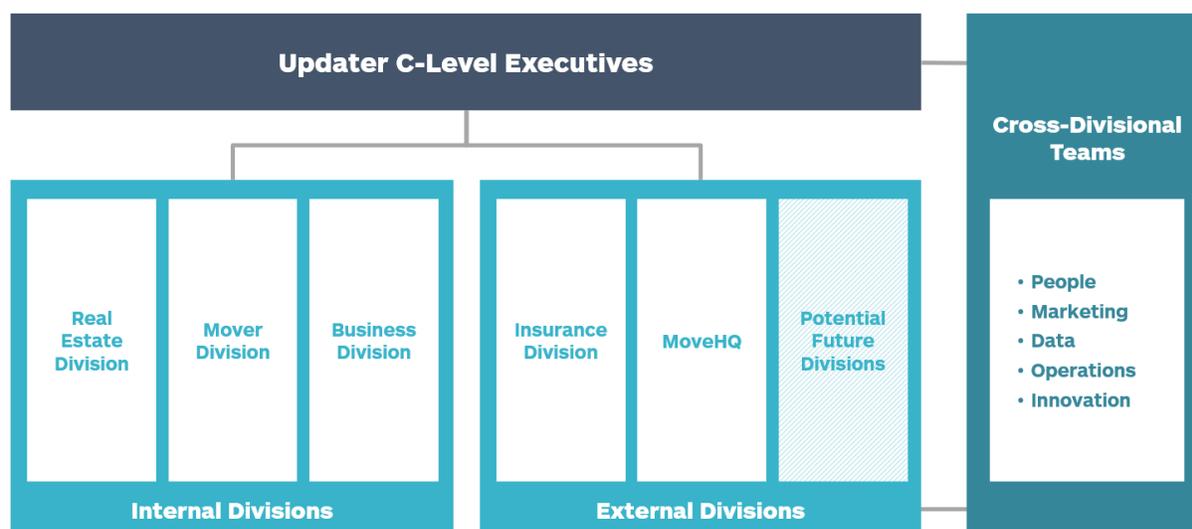
With its learnings from Pilot Program testing, Management is confident that a simple feature for accomplishing key DIY tasks on a mobile phone, in a matter of seconds, will delight Users and drive significant increases in User engagement.

In the second half of 2018, the Company will update shareholders with a comprehensive go-to-market strategy and Paid Programs goal in the DIY Moving vertical. The new DIY features for Users (and related Business Products) are in early planning stages and the Company is not yet selling Business Products in this vertical. As such, it is not expected that the DIY Moving vertical will have a revenue impact in CY2018 at this stage.

Updater's CEO David Greenberg commented: "Our goal is to empower our Users to make the process of moving as efficient and cost-effective as possible. We're excited to offer innovative products that connect our Users to the best DIY moving options, turning a formerly painful and confusing process into a simple and enjoyable experience."

Establishment of Updater's Innovation Team

As announced in the Q4 2017 Quarterly Report, the Company has begun organising its personnel into Divisions to optimise for the development of products for core stakeholders, such as Real Estate Partners, Business Partners and Movers. The new organisational structure enables the Company to more effectively service its diverse partners, operate lean and fast, and build products that exceed partner expectations. Certain cross-divisional Teams provide support for all Divisions.



The Updater platform was built for scale, demonstrated by the millions of household moves that were processed in 2017 and the millions more that will be processed in 2018, along with the tens of millions of unique User interactions each year. The scale of the Updater platform and the related information assets serve as proprietary building blocks for numerous applications of artificial intelligence (AI), which collectively may further the Company's competitive advantage and enable significant increases in User engagement and revenue.

As such, the Company has established a new Innovation Team dedicated to introduce, and drive adoption for, various new technologies that can improve core products across multiple Divisions and drive efficiencies across the broader relocation industry. Initially, the Innovation Team will be led by the Company's CEO David Greenberg and VP of Data Zack Shalvarjian.

The Innovation Team will analyse various applications of artificial intelligence (AI), including:

- **Feature Sequencing:** Leveraging the historical data of millions of User interactions and relocation dynamics, the Company will explore *User-level* optimisation of the sequence of features within the Mover Product to maximise User engagement.
- **Computer Vision:** With its extensive inventory of images of household goods, the Company possesses the building blocks for creating and training computer vision models for recognising items; potentially enabling a mobile application for programmatic cataloguing of household items for instant calculation of all packaging and transportation options (across full-service and DIY moving).

- **Behavioural Prediction:** With historical data of millions of household moves, the Company could combine anonymised location and relocation information to establish predictive inferences of new spending, travel and behavioural patterns due to the move-event, thereby unlocking unprecedented efficiencies for Businesses to communicate with the exact right Movers.

David Greenberg, CEO of Updater, continued, “Updater has established itself as the clear leader in US ReloTech, and in order to consolidate and seize our unique opportunity, we need to continue to innovate and create features that both have enormous value and that are *only* available via Updater. An Innovation Team enables our Company to think ahead - to leverage our scale to build next generation features and efficiencies. And, with such projects run within a dedicated team, the rest of our personnel can remain 100% focused on our near-term objectives.”

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About Updater:

Updater, the US leader in ReloTech, makes moving easier for the millions of American households that relocate every year. 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 enables 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.