



ASX Announcement

3 May 2018

(ASX: UPD)

APPENDIX 3B

In connection with the Investment Transaction announced today, 83,766 options over common stock have been exercised by certain employees who have participated in the sale to the new investor. As such, 83,766 new shares of common stock have been issued for an aggregate exercise price of US\$323,138.

Following approval of the Board of Directors, Updater Inc. (the "Company") has granted an aggregate of 197,350 options over common stock to certain new employees of the Company at a strike price of US\$20. This amount includes stock options issued to Rachel Loeffler, the newly-appointed CEO of the Company's wholly-owned Insurance subsidiary.

55,000 options have failed to vest and/or were forfeited since the previously filed Appendix 3B, and have therefore lapsed.

The table below sets forth the securities of the Company on issue as at 3 May 2018.

| Category | Common Stock | CDIs* |
|---------------------------------|---------------------|--------------|
| Shares | 21,693,464 | 542,336,600 |
| Options (not listed on ASX) | 5,288,255 | 132,206,375 |
| Warrants (not listed on ASX) | 234,750 | 5,868,750 |

**Assumes all securities are held in as CDIs.*

25 CDIs are equivalent to 1 share of common stock.

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")

ABN

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) 83,766 shares of common stock (equivalent to 2,094,150 CHESSE Depository Interests (CDIs)) (b) 197,350 options over shares of common stock (equivalent to 4,933,750 CDIs) |

+ See chapter 19 for defined terms.

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|---|---|
| <p>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)</p> | <p>(a) Common Stock: 1 share of common stock equals 25 CDIs</p> <p>(b) Options over shares of common stock: 197,350 options over shares of common stock with an exercise price equivalent to US\$20.00 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).</p> |
| <p>4 Do the +securities rank equally in all respects from the +issue date with an existing +class of quoted +securities?</p> <p>If the additional +securities do not rank equally, please state:</p> <ul style="list-style-type: none">• 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 | <p>(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).</p> <p>(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.</p> |
| <p>5 Issue price or consideration</p> | <p>(a) \$323,138 (b) Nil consideration</p> |
| <p>6 Purpose of the issue (If issued as consideration for the acquisition of assets, clearly identify those assets)</p> | <p>(a) Exercise of vested stock options (b) 197,350 options granted in accordance with the terms and conditions of the Company's 2010 stock incentive plan to Updater employees.</p> |

| | | |
|----|--|-----|
| 6a | <p>Is the entity an +eligible entity that has obtained security holder approval under rule 7.1A?</p> <p>If Yes, complete sections 6b – 6h in relation to the +securities the subject of this Appendix 3B, and comply with section 6i</p> | No |
| 6b | The date the security holder resolution under rule 7.1A was passed | N/A |
| 6c | Number of +securities issued without security holder approval under rule 7.1 | Nil |
| 6d | Number of +securities issued with security holder approval under rule 7.1A | N/A |
| 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 | Nil |
| 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 | |

+ See chapter 19 for defined terms.

7 **+Issue dates**

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.

Cross reference: item 33 of Appendix 3B.

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|------------|
| 2 May 2018 |
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8 **Number and +class of all +securities quoted on ASX (including the +securities in section 2 if applicable)**

| Number | +Class |
|---|---|
| 542,336,600* (equivalent to 21,693,464 shares of common stock) | CDIs* *Assumes all shares of common stock are held in the form of CDIs |

| | Number | +Class |
|----|--|---------------------------------|
| 9 | 5,288,255 (equivalent to 132,206,375 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 | |

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 |
| 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 Note: Security holders must be told how their entitlements are to be dealt with. Cross reference: rule 7.7. | N/A |
| 19 | Closing date for receipt of acceptances or renunciations | N/A |

+ See chapter 19 for defined terms.

| | | |
|----|---|-----|
| 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 |
| 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 <i>in full</i> through a broker? | N/A |
| 31 | How do security holders sell <i>part</i> of their entitlements through a broker and accept for the balance? | N/A |

+ See chapter 19 for defined terms.

32 How do security holders dispose of their entitlements (except by sale through a broker)?

33 ⁺Issue date

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

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

⁺ See chapter 19 for defined terms.

Entities that have ticked box 34(b)

38 Number of +securities for which +quotation is sought N/A

39 +Class of +securities for which quotation is sought N/A

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

N/A

41 Reason for request for quotation now N/A

Example: In the case of restricted securities, end of restriction period

(if issued upon conversion of another +security, clearly identify that other +security)

| | Number | +Class |
|--|--------|--------|
| 42 Number and +class of all +securities quoted on ASX (including the +securities in clause 38) | | |

+ See chapter 19 for defined terms.

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.

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: 3 May 2018

Print name: David Greenberg

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+ See chapter 19 for defined terms.

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 | 489,308,525 CDIs (equivalent to 19,572,341 shares of common stock) |
| <p>Add the following:</p> <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 Number of fully paid +ordinary securities issued in that 12 month period with shareholder approval Number of partly paid +ordinary securities that became fully paid in that 12 month period <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>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>3,000 shares of common stock (equivalent to 75,000 CDIs) issued on 22 November 2017 pursuant to exception in rule 7.2</p> <p>48,125 shares of common stock (equivalent to 1,203,125 CDIs) issued on 23 February 2018 pursuant to exception in rule 7.2</p> <p>83,766 shares of common stock (equivalent to 2,094,150 CDIs) issued on 2 May 2018 pursuant to exception in rule 7.2</p> <p>Total: 3,809,775 CDIs (assuming all shares are held in the form of CDIs)</p> |
| Subtract the number of fully paid +ordinary securities cancelled during that 12 month period | Nil |
| “A” | 493,118,300 CDIs (equivalent to 19,724,732 shares of common stock) |

+ See chapter 19 for defined terms.

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|---|--|
| Step 2: Calculate 15% of “A” | |
| “B” | 0.15 [Note: this value cannot be changed] |
| Multiply “A” by 0.15 | 73,967,745 CDIs (equivalent to 2,958,709 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 | 73,967,745 CDIs (equivalent to 2,958,709 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” | 24,749,445 CDIs (equivalent to 989,977 shares of common stock) [Note: this is the remaining placement |

+ See chapter 19 for defined terms.

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| | capacity under rule 7.1] |
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Part 2

| Rule 7.1A – Additional placement capacity for eligible entities | |
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| 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 | Not applicable |
| Step 2: Calculate 10% of “A” | |
| “D” Note: this value cannot be changed | 0.10 Note: this value cannot be changed |
| Multiply “A” by 0.10 | |
| 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 | |
| “A” x 0.10 Note: number must be same as shown in Step 2 | 0 |

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|--|---|
| Subtract "E" | 0 |
| Note: number must be same as shown in Step 3 | |
| Total ["A" x 0.10] - "E" | 0 |

+ See chapter 19 for defined terms.