



ASX Announcement
25 July 2018

UPDATER ANNOUNCES FIFTH VERTICAL FOR BUSINESS PRODUCTS

Highlights:

- Updater announces the Local Services vertical as its fifth vertical for selling Business Products. The Local Services vertical relates to Business Products that match Updater Users with products and services provided by the thousands of local US Businesses targeting Movers each year.
- The Company plans to launch Paid Programs in the Local Services vertical during Q4 CY18, with a new 2018 goal for the Local Services vertical of 500+ Paid Programs for unique store locations, operational by Year-End 2018.
- The Company aims to develop a highly scalable platform, whereby the vast majority of Business partners, especially local service providers, do not need to interact with a human for sales and account management. As a result, the Company will continue to grow revenue by increasing the utility of its Business Products rather than expansion of its sales team. The Company is investing heavily upfront to build the Updater platform such that costs do not increase in line with revenue as it scales.
- Management believes that its new Local Services API will serve as a gateway for API integrations with Businesses across numerous other verticals.
- The Company will hold a webinar on Friday 27th July at 10.30am AEST with CEO David Greenberg. The webinar will address the Local Services vertical and discuss the Q2 Quarterly Activities Report due to be released on Friday pre-market.

Updater Inc. (ASX: UPD) (the “Company”), the US leader in ReloTech™, improving the moving process for millions of US households each year, is pleased to announce that programmatic communication from local Businesses to Updater Users will be the fifth vertical for Business Products (the “Local Services” vertical).

Updater estimates that local Businesses spend US\$30B-40B in marketing annually to engage US households (this figure excludes the marketing spend associated with national retailers, i.e., big box / pharmacy, etc.). Updater has identified that local Businesses generally view targeting Movers as a key strategic priority, but struggle to efficiently target new residents in a given neighborhood early in the

move lifecycle. As such, Management views the Local Services vertical as an enormous market opportunity.

Updater consistently receives feedback from its Users that various relocation expenses (which are often unexpected or underestimated) are among the most significant stresses of moving. Updater has identified that many Businesses (particularly local service providers) that seek to communicate with Movers are willing to offer special and unique discounts to Movers if brand loyalties have not yet been established with stores near the new home. As such, Updater has identified that Businesses will leverage Updater's platform to run particularly deep discounts and promotions because Updater can verify that its Users are new residents in a given neighborhood. In turn, Updater's platform will deliver increased value by introducing uniquely valuable promotions and deep discounts (which may even be 'loss-leaders' for local stores to enable long-term loyalty with new Movers).

Local Services API Development Underway

Due to overwhelming demand from Businesses, the large market opportunity, and the potential for increased and unique User value, Updater has begun development of a new Local Services API that will power Paid Programs in the Local Services vertical. "Local" communication involves the application of localised variables to control a Business' message; such variables may include the User's new home location and characteristics, nearby store location(s), local competition, etc.

The API is designed for Businesses that seek to run local Mover communication and agree to offer a unique promotion for Updater Users. The goal is to create an exclusive experience for Users to seamlessly discover new vendors near their new home, claim special new-mover promotions (exclusive to Updater), and redeem the promotions at store locations or online via bar codes or other special codes surfaced in the Updater Mover Product.

After completion of the Local Services API, Updater can then offer an expanded version of the same API to Businesses in other verticals, such as big box retail, pharmacy, hardware stores, etc. As such, the Local Services API may serve as a gateway to scalable integrations across numerous other verticals. Updater may also leverage such APIs to power a self-service dashboard for various local vendors to initiate programmatic communication via Updater.

Updater's CEO David Greenberg commented: "Our goal is to empower our Users to make the process of moving as cost-effective and enjoyable as possible. We're excited to build new technology that provides our Users with hugely valuable exclusive offers and provides scalable communication tools to thousands of local stores, brands and even national retailers."

Initial Partnership for Local Services

Updater Users, particularly homeowners, often refurnish or renovate their new home during the move lifecycle, and such renovation is a key cost associated with moving. Updater has signed a partnership with one of the world's leading member-owned cooperatives across industries including flooring, lighting, and kitchen cabinets. Thousands of local stores leverage this partner for various marketing solutions, including one of the largest local hardware brands in the US. As such, this partner can deliver Updater national scale across key verticals with a single API integration.

Paid Programs for Local Services

Updater plans to launch Paid Programs in the Local Services vertical during Q4. Management is pleased to set the following 2018 goal for the Local Services vertical:

500+ Paid Programs for unique local store locations, operational by Year-End 2018.

If this goal is achieved, Updater will have demonstrated initial scalability of its Local Services platform. The Company seeks to build its next-generation platform to ensure minimal transaction costs associated with implementing Business Products. A key goal, over the long term, is to ensure that the vast majority of Business partners, especially local Businesses, do not need to interact with an Updater representative for sales and account management.

In addition, the Company hopes to primarily grow revenue by increasing the utility of its Business Products rather than expansion of its sales team. The Company is investing heavily upfront to build the Updater platform such that costs do not increase in line with revenue as it scales.

The Company will report on progress toward its Paid Programs goals in each live vertical on a quarterly basis. The Company is actively selling Business Products in five (5) verticals, ahead of schedule. Management remains confident that if it achieves its stated vertical-specific goals for Paid Programs, then it will reach its stated goal of total revenue in the range of US\$19m to US\$23m in CY2018.

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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 update accounts and records, forward mail, reserve a moving company 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 to help their clients transition to their new home with a branded and personalised 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.