



**ASX Announcement**

**15 August 2018**

**ASX: UPD**

**UPDATER SEEKS ASX DELISTING TO PURSUE  
NEXT PHASE OF US GROWTH**

**Key points**

- Updater, the US leader in ReloTech™, seeks securityholder approval to delist from the ASX to continue its successful high growth strategy as a private US company
- Numerous financial investors and strategic parties have expressed significant interest in an investment in Updater as a private company; the Board believes that it is in the best interest of all securityholders for Updater to pursue such opportunities as a private company
- All securityholders are invited to maintain their equity in Updater through delisting and participate in the potential future upside and growth of the business
- Future investments into the private company will be used to accelerate growth and/or fund additional buy-backs of securities; management is confident that the Company can raise funds at a favourable valuation that will be less dilutionary to securityholders than raising further growth capital on ASX, although there can be no guarantee as to the amount, price or timing of any such future investments
- The Board will call a Special Meeting for securityholders to vote on the proposed delisting; all Updater Directors and their related parties will not vote their shares at the Special Meeting, and all Directors confirm that they plan to maintain all their equity in Updater for the foreseeable future
- Updater is also requesting that securityholders approve a voluntary off-market buy-back (of 10,000 CDIs from each eligible holder up to an aggregate cap of A\$10 million) at the higher of (a) A\$1.25 per CDI, equal to the highest price at which Updater has raised capital on the ASX or (b) the 20 day VWAP of the CDIs on ASX on the date of delisting; the proposed buy-back will be funded with existing cash reserves
- Updater CDIs will continue to trade on ASX through the date of the Special Meeting and, if the delisting is approved by securityholders, for one month after the Special Meeting

Updater Inc. (ASX: UPD) (“Updater” or the “Company”) the US leader in ReloTech™, improving the moving process for millions of US households each year, today announces that it will call a Special Meeting to seek securityholder approval to delist from the Australian Securities Exchange (ASX) in order to continue its successful high growth strategy as a private US company.

## **Compelling Opportunities in the US Market**

Updater has recently attracted significant interest from numerous major international (non-Australian) financial investors and strategic parties that have expressed strong interest in purchasing stock directly from Updater as a private company not listed on ASX. It is the Board's unanimous view that it is in the best interest of Updater securityholders that the Company delist from the ASX at this time, engage further with interested parties, and transition toward the US financial markets.

Updater Founder and CEO, David Greenberg said: "Updater's ASX listing has been an outstanding success, and we gratefully acknowledge the ASX's role in Updater's growth.

"Our market penetration in the US has resulted in Updater emerging as a market leader in the multi-billion dollar US relocation technology market. Accordingly, we have received significant interest from a number of enthusiastic potential investors. The opportunity presented by this considerable investment interest makes delisting from the ASX a logical next step towards achieving our long-term vision for the Company.

"Importantly, current shareholders who wish to remain an investor in the private entity will be able to participate in the potential future upside and growth of the business. Furthermore, Updater's Directors, including myself, are not selling any shares as part of the buy-back."

## **Special Meeting to Approve Delisting and Buy-Back**

It is the Board's unanimous view that a delisting is in the best interest of securityholders. As such, the Board will call a Special Meeting for securityholders to vote on the proposed delisting, and the Board will act at the direction of securityholders. The Updater Directors and their related parties will not vote their shares at the Special Meeting to ensure that other securityholders have the opportunity to express their view on the proposals by voting at the Special Meeting, and all Directors confirm that they plan to maintain all their equity in Updater post-delisting for the foreseeable future.

The ASX has provided in-principle advice that it will grant approval for the delisting subject to the conditions described below including securityholder approval. A formal application for removal from the official list of ASX has been submitted today.

At the Special Meeting, the Board will also ask securityholders to approve a voluntary off-market buy-back of 10,000 CDIs (or 400 shares of common stock) from each eligible holder on the record date up to an aggregate cap of A\$10 million. The proposed buy-back will occur at the higher of (a) A\$1.25 per CDI (equal to the highest price at which Updater has raised capital on the ASX) or (b) the 20-day volume weighted average price of CDIs on ASX on the date of delisting. A\$1.25 represents a premium of 6% over the 20-day volume weighted average CDI price on ASX prior to today's date. The proposed limited buy-back will be funded with existing cash reserves.

The proposed off-market buy-back will enable those securityholders that do not wish to remain as shareholders of a private company to sell part of their holdings, or their entire

holding in the case of securityholders with less than 10,000 CDIs (subject to scale back if acceptances are received for more than A\$10 million).

### **Next Evolution of Growth**

Management is currently evaluating potential plans to further accelerate growth of Updater's business, which would involve deploying Business Products in 10+ verticals within 2 years, scaling towards 35% market penetration of household moves at a faster rate, and expanding into additional move segments (such as student moves, military moves, certain international moves, etc.).

Such acceleration plan, which may require a material increase in operating capital, is aimed at rapidly solidifying Updater's long-term defensible position as the platform through which all key relocation transactions occur.

### **Potential Future Transaction and Liquidity After Delisting**

All securityholders will be invited to maintain their shareholding in Updater and participate in its future growth as part of the delisting proposal.

The Board is confident that the Company will successfully secure future private investment(s) to fund an acceleration in growth and/or potential future buy-back(s). Any future investments after delisting may occur at a valuation that is not linked to the current ASX market price, and the Board believes that such future investments will be less dilutionary to securityholders than raising further growth capital on ASX. However, there can be no guarantee as to the amount, price or timing of any such future investment and/or future buy-back(s). As a private company, Updater will need to obtain shareholder approval for such an investment transaction and buy-back as required by Delaware law.

The US market for secondary transactions in private companies, particularly high-growth technology companies, has massively increased in recent years, with many billions (US\$) of stock in private companies changing hands each year.

Currently, American investors are blocked from buying Updater CDIs on ASX on account of the 'FORUS restriction' placed on the CDIs in order to enforce restrictions imposed by US securities laws.

The Board plans to consider listing on a US exchange in the future.

### **Recent Business Progress**

The Company recently reported that unaudited Bookings for Q2 2018 totaled US\$5.1 million, a 130% increase over Q1 2018 Bookings of US\$2.2 million. Management confirms that the Company remains on track to achieve all of its stated 2018 year-end goals, including total revenue in the range of US\$19 million to US\$23 million.

Further, management is very pleased to provide an update on progress in the PayTV/Internet vertical (the first vertical in which Updater launched Paid Programs). During the first 6 weeks of the current quarter, the Purchase Rate for the recently launched

PayTV/Internet booking feature has continued to increase due to optimisations. This past week the Purchase Rate jumped above 8%. This rate is materially higher than analyst consensus forecasts, which did not expect rates in this range until FY2020. Further, management is excited to see consistent weekly improvements, which it anticipates will continue in the weeks and months ahead.

### **Additional Information**

A summary of the proposed delisting process and buy-back is set forth in a presentation to be released separately today, and further information can be found in this announcement. Additional details will also be contained in the Notice of Meeting and Buy-Back booklet to be sent to securityholders in the coming days.

Updater CDIs will continue to trade on ASX through the date of the Special Meeting expected to be held on 7 September 2018 and, if the delisting is approved by securityholders, Updater CDIs will trade until 8 October 2018.

If the delisting is approved, each Director, including each of the Australian Directors, plans to remain on the Board for the foreseeable future.

### **Investor Webinar**

Investors are invited to join a webinar today 15 August 2018 at 2.00pm AEST hosted by Updater CEO David Greenberg. Investors are invited to submit questions prior to the webinar to [simon@updater.com](mailto:simon@updater.com)

Registration in advance of the webinar is required, and can be completed via the link below:

<https://register.gotowebinar.com/register/4660019842821904387>

Dial-In details are provided below:

Australia: +61 2 9091 7604  
US: +1 (951) 384-3421

Access Code: 828-379-572

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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, schedule TV/Internet, reserve a moving company, 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 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.

For more information, please visit [www.updater.com](http://www.updater.com)

## Forward looking statements

This announcement contains forward looking statements. All statements that address events or developments that we expect or anticipate will or may occur in the future are forward looking statements. These forward looking statements are based on the Board or management's beliefs and expectations based on information currently available to the Board and management. The Company believes that these forward looking statements are reasonable as and when made. However, you should not place undue reliance on any such forward looking statements which are inherently uncertain. We do not undertake any obligation to publicly update or revise any forward looking statements whether as a result of new information, future events or otherwise except as required by law or the ASX Listing Rules. Forward looking statements are subject to certain risks and uncertainties that could cause actual results, events and developments to differ materially from our historical experience, or our present expectations or projections.

## Defined Terms

*Business Products:* The Company's products that enable businesses (such as cable companies, moving companies, local businesses, etc.) to communicate with, retain and/or acquire customers.

*Paid Programs:* Communication programs run via the Updater Platform which allow Updater users to receive personalised and helpful content and/or access advanced functionality for initiating and completing transactions.

*Bookings:* An internal, non-GAAP financial term that reflects the adoption of the Company's platform and the contractual obligations of its customers to pay the Company.

*Purchase Rate:* The percentage of Users eligible to buy an applicable product that purchase the product within the Updater experience.

## Additional Information

### **Delisting process and ASX requirements**

Updater has sought approval from the ASX for its removal from the official list of the ASX (“Delisting”), and the ASX has provided in-principle advice that it will grant approval for the Delisting subject to the following:

1. Approval of the Delisting by securityholders by ordinary resolution;
2. The notice of meeting seeking securityholder approval for the Delisting including a statement, in form and substance satisfactory to ASX, setting out:
  - 2.1 that the removal will take place no earlier than one month after approval is granted;
  - 2.2 the consequences to securityholders of giving that approval;
  - 2.3 the time and date at which the entity will be removed from ASX if that approval is given;
  - 2.4 the steps holders must take to convert their CDIs to underlying securities, if that is what they wish to do; and the steps that will be taken by CHES Depositary Nominees if holders do not convert their CDIs to the underlying securities by a nominated date.
3. The Company releasing the full terms of its decision to the market upon making a formal application to ASX to remove the Company from the official list of ASX;
4. The Company complying with the relevant rules and procedures under Section 13.5A of the ASX Settlement Operating Rules (which relate to the termination of the CDI structure).

In proposing the Delisting, the Board recognises that it would be beneficial to provide a liquidity mechanism for certain securityholders, particularly those securityholders holding a smaller number of shares or CDIs (“Securities”), who do not wish to continue holding Updater shares as an unlisted company. Accordingly, in addition to the ability to sell their CDIs on ASX up to the date of suspension prior to Delisting, the Company will offer a buy-back to provide securityholders with the opportunity to sell part (or for securityholders holding smaller parcels, all) of their holdings in conjunction with the Delisting (the “Buy-Back”).

### **Options available to CDI holders**

Updater will shortly send each securityholder a letter which will provide an overview of the Delisting process as well as details of the following options which will be available to CDI holders:

- The continued right to sell CDIs on ASX until trading of CDIs is suspended from the official list of ASX (expected to occur 8 October 2018);
- The continued right to convert CDIs into shares of common stock until removal of Updater from the official list of ASX (expected on or around 10 October 2018);
- Participation in the Buy-Back; and
- The compulsory conversion of remaining CDIs into shares of common stock following the Delisting (expected to occur on or around 20 October 2018).

If the Delisting is approved, any securityholders who do not sell their Securities prior to Updater being removed from the Official List of ASX will continue to hold shares in Updater as a private, unlisted Delaware corporation.

As noted above, the Board believes that for the foreseeable future it is in the interest of securityholders to convert to a privately held company. 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 7 September 2018. Of course, if a majority of the securityholders vote to remain listed on ASX, the Board will support the continued listing. securityholders of record as of 21 August 2018 will be eligible to vote at the Special Meeting.

Further details of the Delisting, including potential advantages and disadvantages and consequences for securityholders will be set out in the Notice of Meeting (and proxy statement) for the Special Meeting which will be dispatched to securityholders on or around 20 August 2018.

### **Buy-Back**

In conjunction with the Delisting, the Company proposes to conduct an off-market buy-back of its Securities. The Company intends to offer to buy-back 10,000 CDIs (or 400 shares of common stock) from each eligible securityholder on the record date for the Buy-Back up to an aggregate cap of A\$10 million (Buy-Back Cap). If acceptances are received for an amount in excess of the Buy-Back Cap, the Board may, at its discretion, scale back the number of Securities to be bought back from securityholders and will give priority to the holders of smaller parcels of Securities to enable them to fully exit their holdings.

The Buy-Back price will be the higher of (a) A\$1.25 per CDI (equivalent to approximately A\$31.25 per share of Common Stock) or (b) the 20-day volume weighted average price of the CDIs on ASX on the date of delisting. A\$1.25 represents a premium to the 20-day volume weighted average CDI price on ASX prior to today's date and is equal to the highest price at which Updater has raised capital on the ASX.

The Company's founder and CEO, David Greenberg, and the other Directors of Updater have confirmed that they will not participate in the Buy-Back, and that they plan to hold all of their Securities in Updater for the foreseeable future as a private company (assuming the Delisting is approved by securityholders).

The Buy-Back will be conditional upon securityholder approval being obtained for both the Buy-Back and the Delisting.

If the Delisting is approved, securityholders who have not sold their Securities prior to the Delisting date (either on ASX or via the Buy-Back) will hold shares in an unlisted Delaware corporation.

Further details of the Buy-Back including how CDI holders and securityholders can participate will be included in the Buy-Back booklet which will be dispatched to holders on 20 August 2018.

## Potential Future Transaction/(s) After Delisting

As noted in the announcement above, numerous parties have indicated a strong interest in subscribing for new stock in the Company and providing additional funding to the Company. The funding would be used to accelerate growth of the business and/or finance further buy-back(s) of shares post-Delisting. While the Board is confident that the Company will successfully secure future private investment(s) to fund an acceleration in growth and/or potential future buy-back(s), there can be no guarantee as to the amount or timing for any such future investment, or that the Company will secure an investment on terms which are acceptable to the Board and securityholders, or the price for any future buy-back(s). The terms of any subsequent buy-back would be approved by securityholders after Delisting in compliance with Delaware Law.

### Indicative Timetable

Date	Action
15 August 2018	Announce proposed Delisting of the Company from ASX and Buy-Back (subject to receipt of shareholder approval). Submission of formal application to ASX for Delisting
20 August 2018	Ex-date for Buy-Back
21 August 2018	Notice of Meeting (seeking approval for the Buy-Back and Delisting) dispatched to securityholders together with information pack for CDI holders
21 August 2018	Record date for voting at the Special Meeting
21 August 2018	Record date to identify securityholders 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 dispatched to eligible securityholders
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 securityholders 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

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20 October 2018	CDN transfers title to the shares underlying any remaining CDIs to the former CDI holder
20 October 2018	Payment date under Buy-Back and for acquisition of fractional entitlements

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Note: All dates and times above are Sydney, Australia time. The Company will also inform securityholders of any changes to the indicative timetable referred to above by market announcement made via the ASX company announcements platform.