



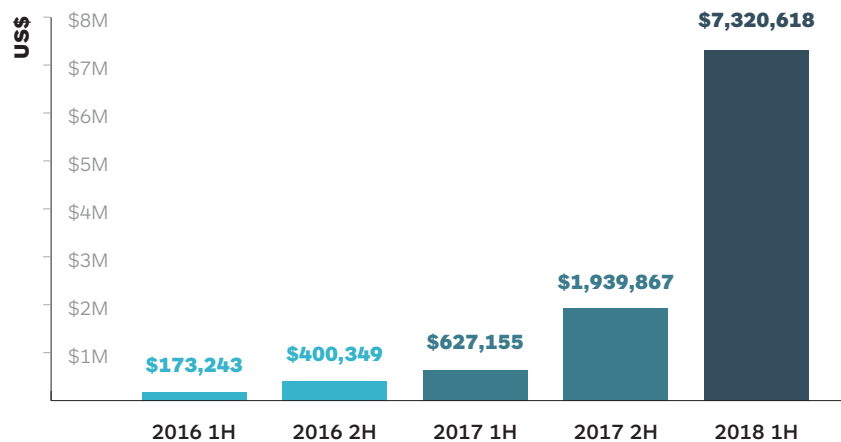
ASX Announcement
21 August 2018
ASX: UPD

HALF YEAR RESULTS ANNOUNCEMENT **PERIOD ENDING 30 JUNE 2018**

Updater Inc. (ASX: UPD) (“Updater” or the “Company”), the US leader in ReloTech™, improving the moving process for millions of US households each year, is pleased to report activity highlights for the half year ending 30 June 2018.

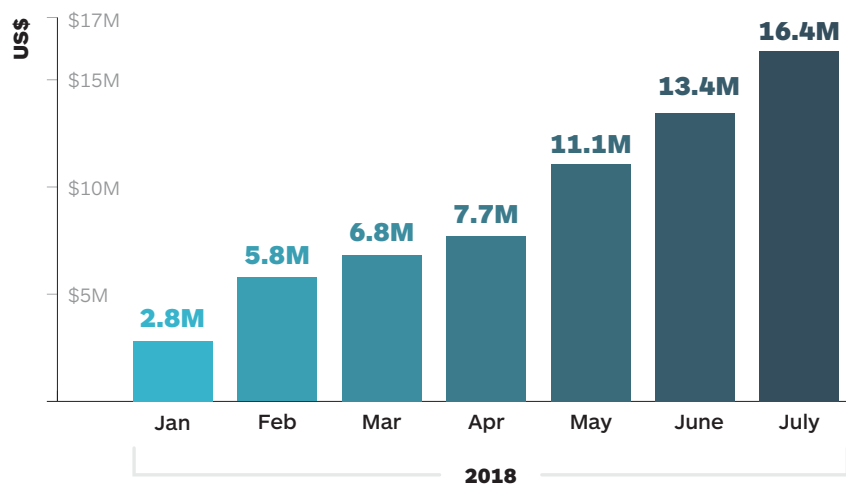
On track to achieve Year-End goal of US\$19m – US\$23m

Total Revenue



Paid Programs driving material increase in conversions on platform

2018 Total Transaction Value of US\$64M



Updater's CEO David Greenberg commented: "We're extremely pleased with our progress to date in 2018 in each Division. In particular, we're very happy with growth across all key operational metrics, which is a testament to our team's hard work and the value of our products. In the second half of 2018, we anticipate a significant increase in the number of Movers, Businesses, and Real Estate partners leveraging our platform, and we're excited to deliver even more value to all of our stakeholders."

Successful Deployment of Paid Programs in 1H 2018

Management is pleased to report that the Company made significant progress in 1H 2018 with regard to selling its Business Products, deploying Paid Programs and further developing the Updater platform. As a result, 1H 2018 total revenue surged to US\$7.3m, an increase of over 1,000% over 1H 2017 total revenue of US\$0.63m.

Core features in PayTV and Full-Service Moving went live across numerous key metros, and Q3 represents the peak of moving season in the US. The Company achieved its goal of 10+ Paid Programs with service providers and/or their affiliates in the PayTV/Internet vertical well ahead of schedule. MoveHQ secured 117 Paid Programs for the Full-Service Moving Vertical with many of the nation's most reputable moving companies. Management remains confident that MoveHQ will exceed its full-year goal of 150 Paid Programs.

Moreover, in 2H 2018 the Company anticipates launching numerous Paid Programs in the Insurance, DIY Moving and Local Services verticals. As such, Management remains confident in continued rapid growth in total revenue throughout 2018.

As announced within the Company's Annual Report, the CY2018 revenue forecast is derived from, among other things, internal models which assume that a certain number of Paid Programs will be operational in 5 verticals by year-end (i.e., the Company achieves its 2018 Paid Programs goals across 5 verticals). Management is pleased to reaffirm its CY2018 guidance of total revenue in the range of US\$19m to US\$23m.

Further, with the launch of Paid Programs, the Company now tracks the 'total transaction value' of products purchased via Updater. Management is pleased to report that tens of thousands of its Users completed transactions via the Updater experience in 1H 2018. 2018 total transaction value through July 2018 equals approximately US\$64m (i.e., products/services of Business partners worth approximately US\$64m have been sold via Updater in 2018). As such, Updater is delivering material value to its Business partners, while simultaneously delivering Users an extraordinary next-generation moving experience.

Additional Activity Highlights

- Updater announced that Jessica Nagle was appointed as an Independent Non-Executive Director of the Company. Ms. Nagle co-founded SNL Financial, the premier provider of industry-specific financial information to leading global banking, trading and investment firms. In 2015, after years of growth, SNL Financial was sold to McGraw Hill Financial for US\$2.3b, and is now known as S&P Global Market Intelligence.

- Updater's product and engineering teams developed new integrated experiences in the PayTV/Internet and Full-Service Moving verticals. In addition, Updater deployed key enhancements to the platform to drive increased engagement with the new integrated experiences and higher User conversion rates.
- Updater announced that DIY Moving will be its fourth vertical for developing and selling Business Products, enabling a highly complementary offering to its full-service moving functionality. Developing an amazing experience for Updater Users to (a) analyse all options for transporting household goods, and (b) seamlessly secure their ideal packing and transportation methods at an optimal price, is critical to building a platform that drives maximum engagement. The Company can enable such an experience for the majority of its Users with a partnership and integration across only a small number of key suppliers. As such, the Company's goal is to secure 5 Paid Programs in the DIY Moving Vertical by year-end 2018. To date, the Company has secured commitments for 2 such Paid Programs.
- Updater announced that the Local Services vertical will be its fifth vertical for developing and selling Business Products, and Updater has already begun developing a core API for Local communication. Updater anticipates securing 500+ Paid Programs by year-end 2018. With 500 Paid Programs, the Company will demonstrate the scalability of the Local communication platform.
- Updater appointed Jarrett Sidaway as the General Manager of the Real Estate Division. As General Manager, Jarrett will lead continued market penetration growth, client success initiatives, and product development for Real Estate partners. Jarrett was previously the GM of Coupons at Groupon. In 1H 2018, the Real Estate team signed approximately 50 new property management and real estate brokerage partners, on-boarded dozens more to the Updater platform, and maintained a 99% partner retention rate. In addition, the engineering team continued development on the Company's integrations platform, improving existing integrations and commencing work for new integrations with two of the largest transaction management software systems in the real estate brokerage channel.
- Updater appointed Todd Stephan as VP Engineering. Todd will oversee and grow Updater's Engineering team in New York City, which now totals 29 engineers. His expertise in scaling processes and structuring engineering organisations will be instrumental in evolving technology efforts to align with the Company's divisional structure and deliver on the myriad business opportunities requiring development work. Todd was previously the VP of Engineering at IAC Applications, where he led an engineering team that worked on approximately 125 different products generating revenue of US\$350m per year.
- MoveHQ appointed Jason Smith as its new Chief Operating Officer. Jason has extensive experience in operations and technology management. At MoveHQ, Jason will oversee operations for the teams in both Missouri and Ohio. He will drive the continued development of MoveHQ's new platform as well as key integrations with Updater to enable a next-generation User experience for reserving a full-service moving company.

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- Following a successful transition from set-up to execution phase, the Insurance Division has continued building an implementation-focused leadership team led by Rachel Loeffler. The Company anticipates deploying additional Paid Programs in the Insurance vertical in 2H 2018.
 - Updater made tremendous progress expanding its team with top talent. The Company has approximately 184 full time employees, including 87 team members in the Mover, Real Estate and Business divisions (primarily in NYC), and 97 within the Insurance and MoveHQ divisions.
 - Subsequent events: Updater announced on August 15 2018 that it plans to call a Special Meeting of Shareholders (currently scheduled for 7 September 2018) to approve a delisting of the Company from ASX. Please see applicable ASX announcements for additional information.

2018 Half Year Financial Performance

1H 2018 has been a very exciting period for the Company, and the first financial period during which the Company is reporting total revenue that includes material sales from its Business Products. As such, the Company is pleased to set forth a summary of its progress against key operational metrics. In addition, management is pleased to reaffirm its CY2018 total revenue guidance in the range of US\$19m – US\$23m.

Key Operational Metrics

While Updater is listed on ASX, the Company reports financial performance in accordance with United States Generally Accepted Accounting Principles (“US GAAP”). US GAAP applies very specific criteria that determines how the Company’s growing cash receipts and contractual obligations are reflected in the Company’s financial statements.

Recognized Revenue vs. Deferred Revenue

When Updater secures a contract for one or more Paid Programs and a customer pays Updater an access fee, US GAAP does not treat such revenue as ‘recognized’ revenue on the income statement even though Updater has completed the sale and received cash. Instead, the access fee is indicated as ‘deferred revenue’ on Updater’s balance sheet. In the future, Updater will ultimately recognize this access fee revenue through the income statement (for example, 1/12 may be recognized every month during the 12-month term).

New Contractual Revenue

When Updater secures a contract with a new partner for one or more Paid Programs, Updater might not invoice the customer for the Paid Programs until certain performance or sales completion milestones are achieved, or as otherwise set out in the contract. The new customer may have legally committed to paying Updater for use of the product for a 12-month term, but US GAAP does not reflect such future payments in the financial statements (either as ‘recognized’ revenue on the income statement or ‘deferred revenue’ on the balance sheet). Any such additional revenue anticipated during the initial 12-month

contract term is calculated as 'new contractual revenue', a key metric for analysing the adoption of the Company's platform by new partners.

Total Revenue

The Company reports operational metrics (i.e., its quarterly 'bookings', or half-year or annual 'total revenue'), which management believes most accurately reflects the progress and health of the business. The Company's 1H 2018 total revenue reflects the rapid adoption of Business Products and the successful deployment of Paid Programs, which management believes is not entirely captured via GAAP metrics alone, particularly during the Company's initial deployment period.

Updater's 1H 'total revenue' equaled US\$7.3m, which was comprised of:

- 1H 2018 US GAAP net 'recognized' revenue of US\$3.8m
- 1H 2018 US GAAP change in 'deferred revenue' of US\$1.5m
- 1H 2018 'new contractual revenue' of US\$2.0m

Net 'recognized' revenue and 'deferred revenue' are amounts that Updater has already invoiced customers; 'new contractual revenue' is an amount that Updater has not yet invoiced.

Non-GAAP Measures

Although management considers that 'total transaction value', 'bookings', 'total revenue', 'new contractual revenue', and other Non-GAAP measures provide useful information to shareholders, they should be considered as a supplement to and not replacement for the GAAP information contained in the Company's audited or reviewed financial statements. Because Non-GAAP measures do not have standard definitions, the way Updater calculates these measures may differ from similarly titled measures used by other companies.

Strong financial position

The Company held approximately US\$39.1m in total cash (equivalent to approximately A\$52.8m) as at 30 June 2018, well within the Company's budget. The Company also continues to remain debt-free.

Additional information on the financial results from the period can be found in the separate filing: "Appendix 4D and Half Year Financial Statements," filed on 21 August 2018.

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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.

For more information, please visit www.updater.com

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