



Updater Inc.

ARBN 609 188 329

## OFF-MARKET BUY-BACK BOOKLET

**THIS IS AN IMPORTANT DOCUMENT AND SHOULD BE READ IN ITS ENTIRETY**

If you are in any doubt as to the action you should take, you should consult your accountant, legal, financial or other professional adviser immediately.

This Buy-Back Booklet is dated 24 August 2018 and is current as at that date.

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## Proposed Buy-Back timetable

DATE	ACTION
15 August 2018	Announcement Date – date on which the Buy-Back and Delisting were announced to ASX
20 August 2018	Ex-date for Buy-Back
21 August 2018	Notice of Meeting (seeking approval for the Buy-Back and Delisting) despatched to Shareholders together with information pack for CDI holders
21 August 2018	Record date to identify Security holders 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 Security holders
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 Security holders 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
23 October 2018	CDN transfers title to the Shares underlying any remaining CDIs to the former CDI holder
23 October 2018	Payment date under Buy-Back and for acquisition of fractional entitlements

Note: All dates and times above are Sydney, Australia time. The Company reserves the right, subject to Delaware law and the Listing Rules, to amend this timetable without prior notice to Security holders. The Company will inform Security holders of any changes to the indicative timetable referred to above by market announcement made via the ASX company announcements platform.

## Key features of the Buy-Back

<b>Buy-Back offer</b>	Under the Buy-Back, the Company offers to buy-back 10,000 CDIs (or 400 Shares) from each Eligible Security holder on the Record Date, up to the Buy Back Cap, being an aggregate cap of A\$10,000,000 worth of Securities at the Buy-Back Price.
<b>Scale back</b>	The Company may, at its absolute discretion, scale back Acceptances under the Buy-Back to ensure that the Buy-Back Cap is not exceeded and will give priority to the holders of smaller parcels of Securities to enable them to fully exit their holdings. If this is the case, the Company may buy back a lesser amount of Securities than are specified in an Acceptance Form.
<b>Top Up Facility</b>	To the extent that Security holders do not elect to participate in the Buy-Back, the Company may at its absolute discretion, buy-back further Securities up to the Buy Back Cap, from Security holders who have indicated in their Acceptance Form that they wish to sell a number of Securities exceeding their allocation of 10,000 CDIs (or 400 Shares). This is referred to in this Buy-Back Booklet as the <b>Top Up Facility</b> . Under the Top Up Facility, priority will be given to Security holders of small parcels of Securities to allow them to sell their full holdings to the Company under the Buy Back.  Whether or not any Securities are acquired by the Company under the Top Up Facility is entirely at the discretion of the Company.
<b>Buy-Back is conditional on Shareholder approval</b>	The Buy-Back is conditional on the Company obtaining Shareholder approval for both the Buy-Back and the Delisting at the Special Meeting which will be held at 19 Union Square West, 12 <sup>th</sup> Floor, New York City, New York, United States of America on Thursday, 6 September 2018 at 8:00pm US Eastern Standard Time (Friday, 7 September 2018 at 10:00am Australia Eastern Standard Time). The Buy-Back and Delisting must be approved by a majority of Shareholders voting at the meeting. If Shareholder approval of either the Buy-Back or the Delisting are not obtained at the Special Meeting, the Buy-Back will not proceed.  The resolutions for approval of the Delisting and the Buy-Back are inter-conditional. This means that if either the resolution for approval of the Delisting or the Buy-Back are not approved by Shareholders, neither the Delisting or the Buy-Back will proceed and unless a subsequent proposed delisting is approved by Shareholders or ASX determines that the Company's securities should no longer be listed, the Company will continue to be listed on the ASX.
<b>Buy-Back Price</b>	Under the Buy-Back, Security holders will be offered the Buy-Back Price which will be the higher of (a) A\$1.25 per CDI (equivalent to approximately A\$31.25 per Share), equal to the highest price at which Updater has raised capital on the ASX 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 of 6% to the 20-day volume weighted average CDI price on ASX prior to the Announcement Date, being 15 August 2018.
<b>Eligible Security holders</b>	Security holders are eligible to participate in the Buy-Back if Securities were registered in their name on the Record Date (21 August 2018), they continue to hold those Securities and they are not an Excluded Security holder. Security holders can accept the Buy-Back offer in relation to 10,000 CDIs per holder (or 400 Shares per holder) or if a Security holder holds less than 10,000 CDIs (or 400 Shares), such lesser number of Securities held by the relevant Security holder. Security holders can also elect to participate in the Top Up Facility.
<b>Excluded Security holders</b>	Excluded Security holders are Security holders whom the Company is aware reside in the United States or in a foreign jurisdiction where it would be either illegal under the laws of that jurisdiction or in the Company's opinion excessively onerous, costly and/or time consuming, to permit Security holders residing in that jurisdiction to participate in the Buy-Back.
<b>Record Date</b>	21 August 2018
<b>Closing Date</b>	5:00 pm on Thursday, 27 September 2018

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### **INDEPENDENT ADVICE**

This Buy-Back Booklet does not constitute financial product advice and has been prepared without taking into account your particular investment objectives, financial situation or needs. You should consider obtaining independent advice before making any financial decisions. The Directors of the Company make no recommendation as to whether or not you should participate in the Buy-Back.

# 1. Details of the Buy-Back

This Buy-Back Booklet contains information on the Buy-Back to help you to make an informed decision on whether to participate in the Buy-Back.

Capitalised words and expressions used in this Buy-Back Booklet are defined in the Glossary to this Buy-Back Booklet.

Unless otherwise stated, all references to sums of money, \$ and dollars are to Australian dollars and all references to time are to Australian Eastern Standard Time.

Unless otherwise specifically stated, where amounts are shown as an equivalent in US\$ and A\$, an exchange rate of A\$1: US\$0.737 has been used throughout this Buy-Back Booklet.

## 1.1 Background to the Buy-Back

Updater's market position has resulted in significant interest from 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. Therefore, delisting is a logical next step towards achieving the Company's vision. It is the Board's view that it is in the best interests of all Updater Security holders that the Company delist from the ASX at this time and begin the path towards the US financial markets.

Accordingly, the Board has determined to request Shareholder approval at the Company's Special Meeting for an off-market buy-back of CDIs and Shares (the **Buy-Back**) and delisting of Updater from the Australian Securities Exchange (**ASX**) (the **Delisting**).

Further details of the Company's reasons for the Delisting and plans for the Company following a Delisting are set out in section 3 of this Buy-Back Booklet and in the Notice of Meeting and Proxy Statement which was lodged on the ASX announcement platform on 21 August 2018.

In proposing the Delisting, the Board recognises that it would be preferable to provide an opportunity for Security holders to sell some of their investment (or for Security holders holding smaller parcels, all of their investment) prior to the Delisting. Accordingly, the Buy-Back represents an opportunity for Security holders to dispose of some (or for Security holders holding smaller parcels, all) of their investment at a price that reflects a premium to the trading price for CDIs prior to the Announcement Date (should the Delisting and Buy-Back be approved by Shareholders at the Special Meeting).

## 1.2 Approval of the Buy-Back

For the Buy-Back to proceed, it must be approved by Shareholders as required by Delaware Law. In addition, the Buy-Back is conditional on the Delisting being approved by Shareholders at the Special Meeting. If the Delisting is not approved by Shareholders at the Special Meeting, the Buy-Back will not proceed.

The Buy-Back will be approved if more than 50% of votes cast at the Special Meeting are cast in favour of both the Buy-Back and the Delisting.

The resolutions for approval of the Delisting and the Buy-Back are inter-conditional. This means that if either the resolution for approval of the Delisting or the Buy-Back are not approved by Shareholders, neither the Delisting or the Buy-Back will proceed and unless a subsequent proposed delisting is approved by Shareholders or ASX determines that the Company's securities should no longer be listed, the Company will continue to be listed on the ASX.

After the Company is delisted (if approved by Shareholders at the Special Meeting), the Company's Securities will no longer be able to be traded on the ASX and it will be more difficult for a Security holder to dispose of their Securities. The Buy-Back will give all Security holders the opportunity to realise some of their investment in the Company (or for Security holders holding smaller parcels, all of their investment in the Company) at a price that reflects a premium to the trading price of the Company's CDIs prior to the Announcement Date.

## 1.3 What is an off-market buy-back?

Under a buy-back, a company buys its own shares back from shareholders who elect to participate in the buy-back offer. Security holders may elect to participate in the buy-back at their discretion.

In an Australian company, the shares bought back are cancelled. In a US company, the shares bought back become "treasury stock", which reduces the total amount of shares which the company has on issue by the number of shares bought back but these shares are not cancelled and remain available for "reissue" to other parties.

In an off-market buy-back offer, a company offers to buy securities from eligible shareholders who agree to sell some or all of their securities in the company.

A buy-back is said to be 'off-market' when it is made to shareholders directly rather than through a share market.

Under the Buy-Back (which is subject to Shareholder approval of both the Buy-Back and Delisting), the Company offers to buy back 10,000 CDIs or 400 Shares per Eligible Security holder at the Buy-Back Price subject to the Buy-Back Cap. Security holders may accept the Buy-Back offer by using the applicable Acceptance Form.

Further details on how to submit an Acceptance Form are set out in Section 2 of this Buy-Back Booklet.

## 1.4 Purpose of Buy-Back

Updater's market position has resulted in significant interest from 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. Therefore, delisting is a logical next step towards achieving the Company's vision. It is the Board's view that it is in the best interests of all Updater Security holders that the Company delist from the ASX at this time and begin the path towards the US financial markets.

The Board has determined that in light of the proposed delisting of the Company from ASX (see Section 3 of this Buy-Back Booklet for further details), Security holders should be given an opportunity to sell some (or for Security holders holding smaller parcels, all) of their investment in the Company before the proposed Delisting occurs (if approved by Shareholders at the Special Meeting). The purpose of the Buy-Back is to permit Security holders to dispose of some (or for Security holders holding smaller parcels, all of their investment in the Company) in an off-market buy-back at a price that reflects a premium to the trading price of the Company's CDIs prior to the Announcement Date.

### **1.5 What are the advantages of the Buy-Back?**

The Board considers that the benefits and advantages of the Buy-Back are as follows:

- the Buy-Back Price will be the higher of (a) A\$1.25 per CDI (equivalent to approximately A\$31.25 per Share), equal to the highest price at which Updater has raised capital on the ASX or (b) the 20-day volume weighted average price of the CDIs on the date of Delisting. A\$1.25 represents a 6% premium to the 20-day volume weighted average CDI price on ASX prior to the Announcement Date. Participating Security holders will therefore be able to realise some (or for Security holders holding smaller parcels, all) of their investment in the Company at a value that reflects a premium to the trading price of CDIs prior to the Announcement Date;
- Eligible Security holders have the opportunity to sell part (or for Security holders holding smaller parcels, all) of their investment in the Company prior to the proposed Delisting, following which there will be no liquid market for the Company's Securities;
- all Eligible Security holders have an equal opportunity to participate in the Buy-Back (subject to the Buy-Back Cap and scale back if this is exceeded as described in section 1.16);
- participating Security holders will not have to pay brokerage or appoint a stockbroker to sell their Securities pursuant to the Buy-Back;
- Eligible Security holders will have the opportunity to sell some (or for Security holders holding smaller parcels, all) of their Securities at a price which, after the Announcement Date, may be above the market price of the Company's CDIs available on the ASX;
- as the Buy-Back provides a sale mechanism for Security holders independent of the ASX, the Buy-Back may have the effect of reducing selling pressure on the Company's CDI price. As a result, while liquidity may be reduced, the price at which CDIs trade on the ASX may be higher than it would be if the Buy-Back was not offered.

Further information about the effect of the Buy-Back on the Company is set out in Section 5 of this Buy-Back Booklet.

### **1.6 What are the disadvantages of the Buy-Back?**

The Board considers that the Buy-Back may have the following disadvantages to Security holders:

- if Security holders participate in the Buy-Back, there will be a reduction in the number of Securities trading on ASX which may decrease liquidity of the Company's CDIs traded on the ASX. However, while liquidity may be reduced, the price at which CDIs trade on the ASX may be higher than it would be if the Buy-Back was not offered. However, if the Delisting proceeds, the Company's Securities will no longer be available for trading on the ASX and will be illiquid; and
- the Company will be funding the proceeds of the Buy-Back from its available cash reserves. As a result, the cash reserves of the Company after the Buy-Back will be reduced by a maximum amount of A\$10 million (US\$7,374,958 based on an exchange rate of A\$1:US\$0.737), assuming the maximum number of Securities up to the Buy-Back Cap are bought back by the Company under the Buy Back.

### **1.7 Will the Buy-Back proceed if the Buy-Back is not approved by Shareholders?**

No. If Shareholders do not approve the Buy-Back, the Buy-Back will not proceed.

### **1.8 Will the Buy-Back proceed if the Delisting is not approved by Shareholders?**

No. The Buy-Back is conditional on the Delisting being approved by Shareholders at the Special Meeting. If the Delisting is not approved by Shareholders at the Special Meeting, the Buy-Back will not proceed.

### **1.9 Will the Delisting proceed if the Buy-Back is not approved by Shareholders but the Delisting is approved by Shareholders?**

No. The Delisting is conditional on the Buy-Back being approved by Shareholders at the Special Meeting.

That is, if the Delisting is approved by Shareholders at the Special Meeting but the Buy-Back is not, the Delisting will not proceed and unless a subsequent proposed delisting is approved by Shareholders or ASX determines that the Company's securities should no longer be listed, the Company will continue to be listed on the ASX.

It should be noted that the resolutions for approval of the Delisting and the Buy-Back are inter-conditional. This means that if either the resolution for approval of the Delisting or the Buy-Back are not approved by Shareholders, neither the Delisting or the Buy-Back will proceed.

### 1.10 How is the Company funding the Buy-Back?

The Company is funding the Buy-Back from existing cash resources.

As noted in Sections 1.1 and 1.4, the Board is seeking investment into Updater as a private company from a number of major international financial and other investors to potentially fund, amongst other things, a further buy-back of Shares following Delisting. Any future investments after Delisting may occur at a valuation that is not linked to the current ASX market price and the Board believes such investment will be less dilutionary to Securityholders than raising further growth capital on ASX. Whilst the Board is confident that it will be successful in securing private investment, there can be no guarantee at this time as to the timing and terms for any such investment and/or further buy-backs or that it will be able to secure investment on terms which are acceptable to the Company to fund any such future buy-back.

### 1.11 Do I have to sell any of my Securities?

No. If you do not want to sell any of your Securities, you do not need to take any action.

Participation in the Buy-Back is completely voluntary. You may elect to sell 10,000 CDIs (or 400 Shares), or if a Security holder holds less than 10,000 CDIs (or 400 Shares), such lesser number of Securities held by the relevant Security holder, subject to:

- the potential to sell additional Securities under the Top Up Facility (if any); and
- any scale back of your Securities to ensure the Buy Back does not exceed the Buy Back Cap.

If a CDI holder elects for its CDIs to be bought back, the Acceptance will operate as an instruction to CDN to transfer the Shares underlying their CDIs back to the Company and the CDIs will be cancelled.

All Shares bought back under the Buy-Back (or transferred back to the Company from CDN) will become treasury stock, which reduces the total amount of Shares which the Company has on issue by the number of Shares bought back but these Shares are not cancelled and remain available for "reissue" to other parties.

If you do not wish to participate in the Buy-Back you do not need to do anything. If you do not participate in the Buy-Back the number of Securities that you hold in the Company will remain the same but your percentage holding in the Company will increase if other Security holders elect to participate in the Buy-Back.

However, you should be aware that if you elect not to accept the Company's Buy-Back offer to acquire some or all of your Securities under the Buy-Back and the Delisting and Buy-Back are approved, unless you sell on market prior to the Suspension Date, you will hold Shares in an unlisted company (see Section 3 of this Buy-Back Booklet for further information).

### 1.12 How many Securities will the Company buy back?

Under the Buy-Back, the Company is offering to buy-back 10,000 CDIs (or 400 Shares) per Eligible Security holder on the Record Date up to an aggregate cap of A\$10,000,000 worth of Securities.

Based on a Buy-Back Price of A\$1.25 per CDI, the Company will Buy-Back up to a total of 320,000 Shares (equivalent to 8,000,000 CDIs), representing approximately 1.5% of the issued share capital of the Company (in aggregate) as at the date of this Buy-Back Booklet and based on the full amount of the Buy-Back (up to the Buy-Back Cap) being taken up. This is the maximum number of Securities which may be bought back, not the actual number that will be bought back. The actual number of Securities that will be bought back under the Buy-Back will depend on a range of factors including:

- the number of Security holders who accept the Company's offer to buy-back Securities under the Buy-Back; and
- the number of additional Securities that participating Security holders agree to sell under the Top Up Facility (if any).

### 1.13 Who may participate in the Buy-Back?

Eligible Security holders who held Securities at 5.00 pm on Tuesday, 21 August 2018 (and still hold Securities up to the Buy-Back Date) may participate in the Buy-Back.

Certain foreign Security holders including those Security holders whom the Company is aware reside in the United States (**Excluded Security holders**) are not entitled to participate in the Buy-Back. For details, see Section 5.1 of this Buy-Back Booklet.

### 1.14 Will all of my Securities be bought back?

The Company is offering to buy back 10,000 CDIs (or 400 Shares) per Security holder on the Record Date.

To the extent that Security holders do not elect to participate in the Buy-Back, the Company may at its absolute discretion, buy-back further Securities up to the Buy Back Cap under the Top-Up Facility (see Section 1.17 below).

The Company may, at its absolute discretion, scale back Acceptances under the Buy-Back to ensure the Buy-Back Cap is not exceeded. If this is the case, the Company may buy back a lesser amount of Securities than are specified in your Acceptance Form.

### 1.15 How will I know how many of my Securities will be bought back?

As the Buy-Back Price is the higher of (a) A\$1.25 per CDI (approximately A\$31.25 per Share) and (b) the 20-day volume weighted average price of the CDIs prior to the date of delisting, the final Buy-Back Price will be determined by the Company after Delisting on 10 October 2018.

On or around 16 October 2018, once the Buy-Back Price has been determined, the Company will notify Securityholders of the total number of Securities to be bought back by the Company under the Buy-Back by way of an announcement on the Company's ASX announcement platform and the Company's website.

From 16 October 2018, Security holders will be able to access information as to how many of their Securities will be bought back by calling the Buy-Back enquiry line on 1300 850 505 (within Australia) or +61 3 9415 4000 (outside Australia). If you are a CHESS Holder, you should contact your controlling participant. Security holders may also enquire through the Registry website [www.computershare.com.au](http://www.computershare.com.au) on or after 16 October 2018. To access your account you will need your Holder Identification Number (HIN) or Security holder Reference Number (SRN).

Once the Company has credited funds to Security holders (see Section 1.19 of this Buy-Back Booklet), the Company will send all Security holders who have accepted the Company's offer to buy-back Securities under the Buy-Back, a statement notifying them of the number of their Securities that have been bought back and the price paid. Security holders can also access this information after 23 October 2018 by calling the Buy-Back enquiry line on 1300 850 505 (within Australia) or +61 3 9415 4000 (outside Australia). If you are a CHESS Holder, you will receive written confirmation as to how many of your Securities will be bought back from your controlling participant.

Security holders may also enquire through the Registry website [www.computershare.com.au](http://www.computershare.com.au) on or after 23 October 2018. To access your account you will need your HIN or SRN.

#### **1.16 When may a scale back apply?**

A scale back may apply if Acceptances are received from Security holders for more than the Buy-Back Cap of A\$10,000,000 worth of Securities, which based on the full amount of the Buy Back being taken up and a Buy-Back Price of A\$1.25 would reflect a buy-back of a total of 8,000,000 CDIs (320,000 Shares). In such circumstances, the Company will scale back Acceptances to ensure that it does not buy-back more Securities than the Buy-Back Cap. In operating any such scale back, the Board intends to give priority to Security holders with a small number of Securities to allow them to sell their investments in full and seek to ensure that Security holders are not left with unmarketable parcels of Securities.

#### **1.17 Can I participate in the Top Up Facility?**

To the extent that Security holders do not elect to participate in the Buy-Back, the Company may at its absolute discretion, buy-back further Securities up to the Buy Back Cap at the Buy-Back Price under the Top-Up Facility.

Security holders should note that there is no guarantee that any additional Securities will be bought back under the Top-Up Facility and that the size of the facility (if any) will depend on the level of acceptances received from Eligible Security holders.

In order to participate in the Top-Up Facility, Security holders can indicate in their Acceptance Form that they wish to sell a number of Securities exceeding their allocation of 10,000 CDIs (or 400 Shares). Under the Top Up Facility, priority will be given to Security holders of small parcels of Securities to allow them to sell their full holdings to the Company under the Buy Back or to ensure that Security holders are not left with an unmarketable parcel of Securities.

#### **1.18 At what price will Securities be bought back?**

The Buy-Back Price is the higher of (a) A\$1.25 per CDI (approximately A\$31.25 per Share) and (b) the 20-day volume weighted average price of the CDIs prior to the date of Delisting.

A\$1.25 represents a premium of 6% to the 20-day volume weighted average CDI price on ASX prior to the Announcement Date.

For each Security purchased under the Buy-Back, Security holders will receive a cash amount which is equal to the Buy-Back Price.

#### **1.19 When and how will I receive payment for Securities bought back?**

The Company will send all Security holders who have accepted the Company's offer to buy-back Securities under the Buy-Back, a statement on or about 23 October 2018 notifying them of the number of Securities that have been bought back, which will be accompanied by a direct credit confirmation advice or a cheque for the proceeds in Australian currency.

If you have an existing direct credit authority recorded with the Registry by 5:00 pm on 10 October 2018, all proceeds due to you under the Buy-Back will be credited to your nominated bank account. Otherwise, the Company will send you a cheque for the proceeds due to you.

If you want to receive payment for Securities bought back in a different account from your current direct credit instructions or by cheque, you may change your current direct credit instructions by providing written instructions to the Registry before 5:00 pm on 10 October 2018. Please note that if you do alter your nominated bank account details, this will be taken to be your nominated bank account for future dividend payments or other purposes.

Unless written advice to the contrary is received by the Registry prior to 5:00 pm on 10 October 2018, cheques or direct credit confirmations will be sent to your address as recorded on the Company's Share or CDI Register on the Buy-Back Date or thereabouts. It is your responsibility to inform the Registry of any changes to your contact details.

#### **1.20 How long will the Buy-Back offer be open?**

The Buy-Back offer will be open from 28 August 2018 until 5:00pm on 27 September 2018. The Board may, at its discretion, extend the offer period for the Buy-Back. If the offer period for the Buy-Back is extended, the new Closing Date will be announced to the ASX.

To the extent permitted by law, an Acceptance under the Buy-Back is irrevocable.

### 1.21 How does the Buy-Back compare to selling the CDIs on ASX?

The closing price of the Company's CDIs on the ASX on 14 August 2018, being the trading day before the Announcement Date, was A\$1.19. The CDIs will be bought back under the Buy-Back for the higher of (a) A\$1.25 per CDI (equivalent to approximately A\$31.25 per Share), equal to the highest price at which Updater has raised capital on the ASX 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 of 6% to the 20-day volume weighted average trading price of CDIs on the ASX prior to the Announcement Date.

The table below shows the month end trading prices for the Company's CDIs for each of the preceding 12 months prior to the Announcement Date.

Date	Month end ASX trading price (A\$)
31 July 2018	1.245
29 June 2018	1.140
31 May 2018	1.140
30 April 2018	1.160
30 March 2018	1.230
28 February 2018	1.190
31 January 2018	1.240
29 December 2017	1.400
30 November 2017	1.100
31 October 2017	1.165
29 September 2017	1.290
31 August 2017	1.455

Security holders will not need to appoint a broker or pay brokerage to participate in the Buy-Back, but brokerage would usually be payable if selling CDIs on the ASX.

The market price of CDIs on the ASX may move higher or lower than the Buy-Back Price. It may also vary significantly in the future but, if the Company has been delisted from ASX, all remaining CDIs will be converted to Shares and the Shares will only be able to be sold/transferred off-market to a willing third party purchaser and such a third party market may not be liquid. By making the Buy-Back offer the Company is not making any recommendation or giving any advice as to whether (or how) Security holders should sell their Securities. Before Security holders decide what to do with their Securities, they should seek their own professional advice (including taxation advice).

The Australian tax consequences if the Company buys back Securities pursuant to the Buy-Back may be different to the consequences of selling CDIs on the ASX (see Section 4 of this Buy-Back Booklet).

### 1.22 How are my voting rights affected by the Buy-Back if I submit an Acceptance Form?

If you submit an Acceptance Form, you will no longer have any voting rights in relation to any Securities the subject of that Acceptance Form on and from the time the Company enters into a Buy-Back Contract in relation to those Securities, being 16 October 2018 (ie. the date the Company provides notice of the volume of Securities that will be bought back under the Buy-Back).

This means that Security holders who submit an Acceptance Form, will still be entitled to vote (in accordance with the voting rights attached to their Securities) at any general meeting or special meeting of the Company prior to 16 October 2018. As such, Security holders who submit an Acceptance Form, will still be able to exercise their voting rights in relation to their Securities the subject of the Acceptance Form, at the Special Meeting which is to be held on 7 September 2018 (AEST).

### 1.23 Can I trade my Securities after submitting an Acceptance Form?

Once you have submitted an Acceptance Form, you will not be able to sell, transfer or otherwise deal with the Securities which may be sold into the Buy-Back until after 16 October 2018.

Any Securities not sold into the Buy-Back may be sold or otherwise dealt with in the ordinary manner. However, if the Delisting and Buy-Back are approved by Shareholders at the Special Meeting, Security holders who have chosen not to sell their Securities into the Buy-Back or still hold Securities after selling some of their Securities into the Buy Back, will only be able to trade their CDIs on ASX up until the Suspension Date.

After the Removal Date, any remaining CDIs will be converted to Shares, and Shares will only be capable of sale by private off-market transaction with a willing third party purchaser in accordance with the Company's Bylaws and Certificate of Incorporation. Such a third party market may not be liquid and Security holders will be personally responsible for sourcing potential purchasers of their Securities. This may present difficulties to selling Security holders

After 16 October 2018, you may sell or otherwise deal with any of your Securities not bought back by the Company.

### 1.24 Can I transfer my rights to participate in the Buy-Back?

No. These rights are personal to you and are not transferable.

**1.25 What happens if I do not accept the Company's offer to buy-back my Securities under the Buy-Back?**

If you do not accept the offer to sell some (or for Security holders holding smaller parcels, all) of your Securities into the Buy-Back, you will retain some or all of your Securities.

If Shareholders approve the Buy-Back and the Delisting at the Special Meeting, the Company will be removed from the Official List of ASX on 10 October 2018.

Following Delisting, as there will be no liquid market for the CDIs or Shares, CHESSE Depository Nominees Pty Limited (CDN) will terminate the trust under which the Shares are currently held and transfer the legal title to the underlying Shares to CDI holders so that CDI holders will instead hold the full legal and beneficial title to 1 Share for every 25 CDIs held at the date of Delisting.

Fractions of Shares cannot be transferred to Shareholders. As a result, to the extent that any fractions of Shares would arise following transfer of the Shares to the underlying CDI Holders due to such holders holding a number of CDIs which is not divisible by 25, all such remaining CDIs will be aggregated and will be bought back by the Company at the Buy-Back Price with the proceeds then paid to the relevant CDI holders at the same time as payments of the other Buy-Back proceeds.

See Section 3 of this Buy-Back Booklet for further information on the Delisting.

**1.26 Are the Directors participating in the Buy-Back?**

No, each of the Directors has confirmed that he/she will not participate in the Buy-Back and that they plan to continue to hold their Shares in Updater for the foreseeable future.

**1.27 What will the effect of the Buy-Back be on the Company?**

The Notice of Meeting explains the effect of the Buy-Back on the Company including the impact on:

- the Company's financial performance and position;
- the Company's share capital and reserves;
- solvency of the Company;
- control of the Company;
- liquidity and trading in Company Securities;
- carried forward tax losses; and
- options and warrants.

Security holders should read this information carefully.

**1.28 Will there be any further opportunities for me to liquidate my investment?**

The Company is currently in advanced discussions with a number of investors that have indicated a strong interest in subscribing for new stock in the Company and providing additional funding to the Company. Such investors have indicated interest in purchasing a new class of preferred stock (as is typical for venture capital style investors), which may carry special rights, including rights to one or more Board seats. The Company will run a comprehensive process with numerous potential investors and strategic parties, with multiple parties having entered a confidential due diligence process on the business. These parties have indicated an interest in funding a plan to accelerate growth of the business in addition to funding future buy-back(s) to enable those existing Security holders who do not wish to remain as shareholders in a private company and who hold more than 10,000 CDIs (or 400 Shares) to sell additional Securities. Any such third-party investment, and any future buy-backs, will be subject to Shareholder approval under Delaware law.

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 investment will be less dilutionary to Securityholders than raising further growth capital on ASX. However, 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 Shareholders, or the price for or occurrence of any 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.

## 2. How to submit your Acceptance Form

### 2.1. How do I participate in the Buy-Back?

This Section provides instructions on how to complete your Acceptance Form to participate in the Buy-Back.

If you require assistance to complete your Acceptance Forms, please contact the Company's Buy-Back enquiry line on 1300 850 505 (within Australia) or +61 3 9415 4000 (outside Australia).

#### **Step 1: Decide if you wish to sell Securities under the Buy-Back**

To participate in the Buy-Back, you first need to decide if you wish to sell Securities under the Buy-Back and if so, you will need to complete an Acceptance Form.

#### **CDI Holders' allocation**

Eligible CDI Holders may accept the Buy-Back Offer for their allocation of 10,000 CDIs.

If you elect to participate in the Buy-Back, you must accept the Buy-Back Offer of 10,000 CDIs or such lesser amount as comprises your entire holding of CDIs.

If you hold 10,000 CDIs or less and wish to participate in the Buy-Back, you must accept the Buy-Back Offer with respect to all your CDIs.

The number of CDIs that you elect to sell must be a multiple of 25 (representing one underlying Share). If you specify a number of CDIs which is not divisible by 25, the number in your Acceptance Form will be rounded down to the nearest multiple of 25.

The personalised Acceptance Form enclosed with this Buy-Back Booklet sets out the allocation you may sell under the Buy-Back at the Buy-Back Price (subject to scale back as described in Section 1.14).

#### **Shareholders' allocation**

Eligible Shareholders may accept the Buy-Back Offer for their allocation of 400 Shares.

If you elect to participate in the Buy-Back you must accept the Buy-Back Offer of 400 Shares or such lesser amount as comprises your entire holding of Shares.

If you hold 400 Shares or less and wish to participate in the Buy-Back, you must accept the Buy-Back Offer with respect to all your Shares.

The personalised Acceptance Form enclosed with this Buy-Back Booklet sets out the allocation you may sell under the Buy-Back at the Buy-Back Price (subject to scale back as described in Section 1.16).

#### **Top-Up Facility**

If you wish to sell more Securities than your allocation above, you can elect to participate in the Top-up Facility by ticking the applicable box on your personalised Acceptance Form and indicating the number of additional Securities that you would like to sell under the Buy-Back.

**Please note that there is no guarantee that any additional Securities will be bought back under the Top-Up Facility and that the size of the facility (if any) will depend on the level of acceptances received from Eligible Security holders.**

#### **Step 2: Submitting your Acceptance Form**

How you submit your Acceptance will depend on the type of holding you have. This will be specified on your personalised Acceptance Form which is enclosed with this Buy-Back Booklet.

#### **CDI Holders**

##### **(a) Issuer Sponsored Holders**

If you would like to participate in the Buy-Back, you need to complete and sign your personalised CDI Acceptance Form and return it to the Registry as set out below.

Acceptances must be received no later than 5:00pm on 27 September 2018 unless the Company announces a later Closing Date.

Sending by mail to:

Updater Inc. Buy-Back  
C/- Computershare Investor Services Pty Ltd  
GPO Box 52  
Melbourne VIC 3001

You can use the enclosed reply-paid envelope if you are posting your personalised Acceptance Form in Australia.

Once you have submitted an Acceptance Form, you should not, before the Buy-Back Date, sell or offer to sell to others the Securities you have nominated to sell into the Buy-Back.

The Company will not accept an Acceptance Form from you unless it is actually received at the address above by 5:00pm on 27 September 2018. You should allow sufficient time for sending your Acceptance Form by mail.

##### **(b) CHESS Holders**

If you would like to participate in the Buy-Back, you need to instruct your controlling participant (normally your broker) in sufficient time for them to process your Acceptance so that it is received by the Registry by 5:00pm on 27 September 2018.

You should **NOT** send an Acceptance Form to the Company or the Registry as it cannot process your Acceptance and therefore any such form will not be accepted by the Company.

If you are a CHESS Holder, you may receive written confirmation from CHESS of the Acceptance made on your holding or Acceptance withdrawn by your controlling participant. Irrespective of its wording, this confirmation is not a confirmation of the final amount to be bought back.

By submitting an Acceptance Form, CDI Holders are providing an instruction to CDN to transfer the Shares underlying their CDIs back to the Company upon which the CDIs will be cancelled and the Shares underlying those CDIs will become treasury stock, which reduces the total amount of Shares which the Company has on issue by the number of Shares bought back but these Shares are not cancelled and remain available for "reissue" to other parties.

For personal use only

## Shareholders

If you would like to participate in the Buy-Back, you need to complete and sign your personalised Share Acceptance Form and return it to the Registry as set out below.

Acceptances must be received no later than 5:00pm on 27 September 2018 unless the Company announces a later Closing Date.

Send by mail to:

Updater Inc. Buy-Back  
C/- Computershare Investor Services Pty Ltd  
GPO Box 52  
Melbourne VIC 3001

Once you have submitted an Acceptance Form, you should not, before the Buy-Back Date, sell or offer to sell to others the Shares you have nominated to sell into the Buy-Back.

The Company will not accept an Acceptance Form from you unless it is actually received at the address noted above by 5:00pm on 27 September 2018. You should allow sufficient time for sending your Acceptance Form by mail.

### **2.2. Can I withdraw or amend an Acceptance?**

No. To the extent permitted by law, an Acceptance or Acceptance Form under the Buy-Back is irrevocable.

### **2.3. How can I obtain additional Acceptance Forms?**

If you require a replacement Acceptance Form, please call the Company's Registry on 1300 850 505 (within Australia) or +61 3 9415 4000 (outside Australia).

### 3. Delisting of the Company from ASX

In deciding whether to accept the Buy-Back Offer for some or all of your Securities, Security holders should be aware that the Company is proposing to delist from ASX (subject to Shareholder approval of the Delisting and Buy-Back being obtained at the Special Meeting).

This Section sets out an overview of the proposed Delisting, the implications of the Delisting and the intentions for the Company should the Delisting and Buy-Back be approved by Shareholders. Further information about the Delisting process, reasons for the Delisting and plans for the Company as a privately held company are set out in the Notice of Meeting. Further information about the alternatives available to Security holders with respect to their holdings is set out in the letters accompanying the Notice of Meeting and the FAQ accompanying this Buy-Back Booklet.

#### 3.1 Details of the Delisting

Updater's market position has resulted in significant interest from 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. Therefore, Delisting is a logical next step towards achieving the Company's vision. It is the Board's view that it is in the best interests of all Updater Security holders that the Company delist from the ASX at this time and begin the path towards the US financial markets.

#### 3.2 Reasons for Delisting

The Board actively seeks to optimize the Company's probabilities for success, increase Shareholder value, and to act in the best interests of the Company.

During the Company's early growth stages in 2015, listing the Company on ASX presented an appealing opportunity for (a) the Company to fuel growth on a public market, and (b) Australian investors to gain exposure to a high-growth US technology company. The Company's ASX listing has been a great success, fuelling growth and enabling the Company to emerge as an industry leader. However, as an American technology company operating exclusively in the US, the Company has always planned to transition focus, in terms of both fundraising and communications, to the US market at the appropriate time. And, as set forth in the Company's most recent Annual Report, a delisting from ASX has been a pathway contemplated for some time.

Updater's market position has resulted in significant interest from major international (non-Australian) financial investors and strategic parties. Numerous such parties have indicated interest in investing if and when the Company becomes a private company not listed on ASX, making Delisting a logical next step towards achieving the Company's vision. It is the Board's view that it is in the best interests of all Updater Security holders that the Company delist from the ASX at this time and begin the path towards the US financial markets.

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

#### 3.3 Intentions for the Company following the Delisting

Following the Delisting, if approved by Shareholders, the Company will continue to operate as a private, Delaware incorporated entity.

As a private company, Management plans to continue to pursue the Updater vision to build technology that is so powerful, Movers won't move without it. Management intends to achieve this vision by building deeply integrated experiences in the Mover Product for key moving-related tasks. As such, Management has no plans to change the Company's vision. Further, the Company's long-term business objective remains to become a leading technology company traded on a US exchange.

The Company has no current plans to make any material changes to Management or the Board. David Greenberg intends to remain as CEO after Delisting.

Refer to Section 1.3 of the Notice of Meeting for further details of the intentions for the Company post Delisting.

The Company is currently in advanced discussions with a number of investors that have indicated a strong interest in subscribing for new stock in the Company and providing additional funding to the Company. Such investors have indicated interest in purchasing a new class of preferred stock (as is typical for venture capital style investors), which may carry special rights, including rights to one or more Board seats. The Company will run a comprehensive process with numerous potential investors and strategic parties, with multiple parties having entered a confidential due diligence process on the business. These parties have indicated an interest in funding a plan to accelerate growth of the business in addition to funding future buy-back(s) to enable those existing Security holders who do not wish to remain as Shareholders in a private company and who hold more than 10,000 CDIs (or 400 Shares) to sell additional Securities. Any such third-party investment, and any future buy-backs, will be subject to Shareholder approval under Delaware law.

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 investment will be less dilutionary to Securityholders than raising further growth capital on ASX. However, 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 Shareholders, or the price for or occurrence of any 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.

### 3.4 Effect of Delisting on Security holdings

If the Company's Shareholders approve both the Delisting and the Buy-Back at the Special Meeting, the Company's CDIs will be suspended from trading on ASX on the Suspension Date and the Company will be removed from the Official List of ASX on the Removal Date. The Removal Date will be no earlier than one month after the date such Shareholder approval is obtained.

If Security holders have chosen not to sell all of their Securities into the Buy-Back or they continue to hold Securities following the Buy-Back, then such Security holders will continue to be able to trade their CDIs on ASX up to the Suspension Date.

Following Delisting, CDN will terminate the trust under which the Shares are currently held and transfer the legal title to the underlying Shares of common stock to CDI holders so that CDI holders will instead hold the full legal and beneficial title to 1 Share for every 25 CDIs held at the date of Delisting. After the Removal Date, Shares will only be capable of sale by private transaction.

Fractions of Shares cannot be transferred to shareholders. As a result, to the extent that any fractions of Shares would arise following transfer of the Shares to the underlying holders due to such holders holding a number of CDIs which is not divisible by 25, all such remaining CDIs will be aggregated and will be bought back by the Company at the Buy-Back Price with the proceeds then paid to the relevant CDI holders at the same time as payments of the other Buy-Back proceeds.

For example, if a holder hold 120 CDIs at the Delisting date, CDN will transfer 4 Shares to the CDI holder and the remaining 20 CDIs will be bought back by the Company for the Buy-Back Price per CDI.

### 3.5 How will Updater be regulated after Delisting?

After Delisting, the Company will be a Delaware Corporation which will be primarily governed by Delaware General Corporation Law.

In addition, pursuant to Section 12(g) of the United States Securities and Exchange Act of 1934 (the "Exchange Act") if, after the Buy-Back, Shares are "held of record" by more than either 2,000 applicable persons or 500 persons who are not accredited investors (ie, retail shareholders), the Company will be required to register its securities with the Securities and Exchange Commission and will be subject to the related US reporting obligations. In such a circumstance, the Company may consider several alternatives to reduce the number of applicable holders of record in compliance with applicable United States Securities Laws, including without limitation a tender offer, reverse stock split, or a short-form merger.

If applicable, the Company will comply with United States Securities Laws related to tender offers, including keeping the offer open for a minimum of 20 business days and disclosing to offerees certain information including, amongst other information, the material terms of the transaction and the parties involved, the relationships between the parties, risk

factors related to the transaction, the proposals concerning the Company's ongoing business including the composition of the board and management after the transaction, the source of the Company's funds for the tender offer, audited financial statements if such statements are material to the shareholders participating in the tender offer, and the board's position regarding the tender offer.

If the Company is delisted, it will no longer be subject to the ASX Listing Rules and, as a Delaware corporation, as is the case at present, many of the provisions of the Corporations Act will not apply to Updater. It will also no longer be a disclosing entity for the purposes of the Corporations Act so it will not be required to continuously disclose information, including financial information, to Shareholders following its Delisting.

### 3.6 Further information

The Notice of Meeting and the FAQ sets out some of the implications of Delisting for the Company and some potential advantages, disadvantages and risks for Security holders if the Delisting proceeds. You should read these carefully in deciding whether or not to participate in the Buy-Back.

If you have any queries regarding the Delisting or whether to participate in the Buy-Back, you should consult your professional adviser.

The Board recommends that Security holders seek legal, financial and tax advice about the potential impact the Delisting and whether to participate in the Buy-Back including the potential advantages and disadvantages of holding shares in an unlisted US company.

## 4. Tax implications for Security holders

### 4.1. Australian tax implications for Security holders

We have set out below a broad summary of the key Australian income tax implications for Security holders looking to sell their CDIs on the market, converting their CDIs to Shares (which will be in an unlisted Delaware corporation if the Delisting is approved) and/or participate in the Buy-Back of 10,000 CDIs (or 400 Shares) per Eligible Security holder.

This summary does not take into account the specific circumstances of any particular Security holder. As a Security holder you should obtain your own independent professional advice on the tax implications of the above events based on your own specific circumstances.

The comments are based on the tax laws as enacted and our interpretation of the positions adopted by the Australian Taxation Office ("ATO"). These laws and positions are subject to change from time to time.

This summary outlines the Australian income tax implications for Security holders in the Company who are Australian tax residents and are individuals, trusts, complying superannuation funds or companies that hold their Securities on capital account. The income tax treatment for Security holders of the Company who hold Securities on revenue account, such as trading entities has not been addressed.

Further, this summary does not take into account the circumstances of Security holders who acquired the Securities in respect of their, or an associate's, employment with the Company or an associated entity of the Company.

### 4.2. Disposal of CDIS

As the holders of CDIs are the beneficial owners for CGT purposes, any disposal of CDIs by you would result in the happening of capital gains tax (CGT) event A1 under section 104-10 of the Income Tax Assessment Act 1997.

A capital gain would arise if the capital proceeds exceeds the cost base. Conversely, a capital loss would arise if the capital proceeds is less than the reduced cost base.

If you are an Australian resident individual or a trust, you may be entitled to reduce any capital gain by 50% (general CGT discount) where the CGT asset has been held for more than 12 months. In the case of a complying superannuation fund, the general CGT discount is 33%. Companies are not entitled to the general 50% CGT discount.

Generally, foreign residents are not subject to Australian CGT, unless the relevant CGT asset is a direct or indirect interest in Australian real property. Further, foreign residents are not entitled to the general CGT discount.

### 4.3. Conversion of CDIs to Shares

The conversion of CDIs into Shares (which will be in an unlisted Delaware corporation if the Delisting is approved) would not result in any CGT on the basis that the conversion does not affect your beneficial ownership in the underlying Shares (ie no CGT event has occurred).

The conversion of CDI into Shares would not result in a disposal as the CDI holder had an absolute entitlement to the underlying Shares.

### 4.4. Subsequent disposal of Shares in the future

Any subsequent disposal of the ordinary shares in the future may give rise to a CGT event, potentially resulting in a capital gain or capital loss.

A capital gain would arise where the capital proceeds exceeds the cost base. Conversely, a capital loss would arise if the capital proceeds is less than the reduced cost base.

If you are an Australian resident individual or a trust, you may be entitled to reduce any capital gain by 50% (general CGT discount) where the CGT asset has been held for more than 12 months. In the case of a complying superannuation fund, the general CGT discount is 33%. Companies are not entitled to the general 50% CGT discount.

Generally, foreign residents are not subject to Australian CGT, unless the relevant CGT asset is a direct or indirect interest in Australian real property. Further, foreign residents are not entitled to the general CGT discount.

The net capital gain after offsetting any capital losses will need to be included in your Australian income tax return. The net capital gain will be taxed at the respective marginal tax rate. Any net capital losses can be carried forward for offset against any capital gain in future income years.

### 4.5. Buy-Back of Securities

The Buy-Back of Securities would constitute an off-market buy -back for the purposes of Division 16K of Part III of the Income Tax Assessment Act 1936. The income tax implications associated with an off market share Buy-Back for the Security holders would directly flow from the accounting treatment adopted by the Company.

As Updater has retained losses, the Buy-Back of Securities would be entirely funded out of its share capital account. Therefore, for tax purposes, the entire Buy-Back Price would represent a capital component.

The capital component of the Buy-Back Price will be the higher of (a) A\$1.25 per CDI (A\$31.25 per Share) or (b) the 20-day volume weighted average price of the CDIs prior to the date of delisting, which represents all of the Buy-Back Price. There would be no dividend component as the Company has retained losses.

#### 4.6. Capital Gains Tax – Disposal of Securities

Security holders participating in the Buy-Back will be deemed for CGT purposes to have disposed of each Security for the capital component being the higher of (a) A\$1.25 per CDI (A\$31.25 per Share) or (b) the 20-day volume weighted average price of the CDIs prior to the date of delisting, which represents all of the Buy-Back Price plus the amount (if any) by which the market value exceeds the Buy-Back price (the capital proceeds). The date of disposal will be taken, for CGT purposes, to be the date on which the Company accepts the Acceptance Form from the relevant Security holder in accordance with the Buy-Back Documentation. This is expected to be on or around 16 October 2018.

#### 4.7. Capital Gain or capital loss on sale of Securities into the Buy-Back

You will make a capital gain on a Security disposed of under the Buy-Back to the extent that the capital proceeds exceed the cost base of the Security.

Conversely, you will make a capital loss for a Security disposed of under the Buy-Back to the extent that capital proceeds are less than reduced cost base.

If you are an Australian resident individual or a trust, you may be entitled to reduce any capital gain by 50% (general CGT discount) where the CGT asset has been held for more than 12 months. In the case of a complying superannuation fund, the general CGT discount is 33%. Companies are not entitled to the general 50% CGT discount.

Generally, foreign residents are not subject to Australian CGT, unless the relevant CGT asset is a direct or indirect interest in Australian real property. Further, foreign residents are not entitled to the general CGT discount.

#### 4.8. US tax implications for Security holders

The following summary describes certain of the U.S. federal income tax consequences generally applicable to U.S. Holders and Non-U.S. Holders (as defined below) whose (i) CDIs are converted into Shares and/or (ii) whose Shares are sold into the Buy-Back. This summary is based on the Internal Revenue Code of 1986, as amended (the "Code"), Treasury Regulations promulgated under the Code, published rulings, administrative pronouncements, and judicial decisions, all as in effect on the date hereof and all of which are subject to change or differing interpretations, possibly with retroactive effect.

This summary addresses only Security holders who hold their CDIs and Shares as capital assets within the meaning of the Code and does not address all of the tax consequences that may be relevant to Security holders in light of their particular circumstances or to certain types of stockholders subject to special treatment under the Code, including pass-through entities (including partnerships and S corporations for U.S. federal income tax purposes) and investors in such entities, certain financial institutions, brokers, dealers or traders in securities, insurance companies,

expatriates, mutual funds, real estate investment trusts, cooperatives, tax-exempt organizations, persons who are subject to the alternative minimum tax, persons who hold their Securities as part of a straddle, hedge, conversion, constructive sale, synthetic security, integrated investment, or other risk-reduction transaction for U.S. federal income tax purposes, stockholders that have a functional currency other than the U.S. dollar, and persons who acquired their Shares upon the exercise of stock options or otherwise as compensation. This summary does not address any U.S. federal estate, gift, or other non-income tax consequences, the effects of the Medicare contribution tax on net investment income, or any state, local, or foreign tax consequences. Further, this summary does not address the application of U.S. federal, state or local tax law regarding the creditability or deductibility of non-U.S. taxes.

**Security holders are urged to consult their tax advisors to determine the particular tax consequences to them of converting their CDIs into Shares (or the automatic conversion of such CDIs into Shares) and/or participating in the Buy-Back in light of their particular circumstances.**

For purposes of this discussion, a "U.S. Holder" is a beneficial holder of Securities that, for U.S. federal income tax purposes, is (i) a citizen or individual resident of the United States, (ii) a corporation, or other entity treated as a corporation for U.S. federal income tax purposes, that is created or organized in or under the laws of the United States or any State or the District of Columbia, (iii) an estate, the income of which is subject to U.S. federal income taxation regardless of its source, or (iv) a trust if it (A) is subject to the primary supervision of a court within the United States and one or more U.S. persons have the authority to control all substantial decisions of the trust or (B) has a valid election in effect under applicable Treasury Regulations to be treated as a U.S. person. A "Non-U.S. Holder" is a beneficial holder of Securities that is neither a U.S. Holder nor a partnership, or other entity treated as a partnership, for U.S. federal income tax purposes.

If a partnership (including any entity treated as a partnership for U.S. federal income tax purposes) participates in the Buy-Back, the tax treatment of a partner in the partnership will generally depend upon the status of the partner and the activities of the partnership. A partner in a partnership holding Securities should consult its tax advisor regarding the tax consequences of participating in the Buy-Back.

#### *U.S. Holders; Conversion of CDIs*

In general, a conversion of CDIs into Shares should not result in taxable income to a US holder whether or not that holder elects to convert CDIs into Shares or that holder's CDIs are automatically converted into Shares because that holder did not elect to convert CDIs into Shares, except in each case with respect to cash received in lieu of fractional interests. The receipt of cash in lieu of fractional interests may be treated as a gain on the disposition of a fractional Share or as a dividend.

### *Non-U.S. Holders.*

The Company (or any financial intermediary required by law to withhold U.S. tax) will generally withhold an amount of U.S. federal income tax equal to 30% of the gross payments payable to a Non-U.S. Holder or its agent unless the Company (or such intermediary) determines that a reduced rate of withholding is available pursuant to a tax treaty or that an exemption from withholding is applicable because such gross proceeds are effectively connected with the conduct of a trade or business within the United States. In order to obtain a reduced rate of withholding pursuant to a tax treaty, a Non-U.S. Holder must deliver to the Company before the payment a properly completed and executed IRS Form W-8BEN (for individuals) or Form W-8BEN-E (for entities). In order to obtain an exemption from withholding on the grounds that the gross proceeds paid pursuant to the Buy-Back are effectively connected with the conduct of a trade or business within the United States, a Non-U.S. Holder must deliver to the Company a properly completed and executed IRS Form W-8ECI. A Non-U.S. Holder may be eligible to obtain a refund of all or a portion of any tax withheld if the Non-U.S. Holder meets one of the “complete redemption,” “substantially disproportionate,” or “not essentially equivalent to a dividend” tests described above or is otherwise able to establish that no tax or a reduced amount of tax is due. Non-U.S. Holders are urged to consult their tax advisors regarding the application of U.S. federal income tax withholding, including eligibility for a withholding tax reduction or exemption, and the refund procedure.

In addition, a Non-U.S. Holder (other than an individual) may be subject to a 30% withholding tax pursuant to the Foreign Account Tax Compliance Act (“FATCA”) on gross proceeds payable pursuant to the Buy-Back if the Non-U.S. Holder fails to properly establish an exemption from FATCA withholding on an IRS Form W-8BEN-E or other applicable form provided to the Depository or other withholding agent.

Security holders who sell Securities under the Buy-Back must provide the Company with a completed Form W-8 by completing the applicable Form W-8 enclosed with this Buy-Back Booklet and sending the completed form to Computershare at the details on the Acceptance Form or otherwise in section 2 of this Buy-Back Booklet.

If required by law, the Company may request those Security holders who receive cash proceeds from the Company attributable to any fractional entitlement to Shares as a result of the compulsory conversion on Delisting, to complete and return a Form W-8, if and when this is required.

### *U.S. Backup Withholding Tax.*

As provided above, U.S. backup withholding tax will apply to the Buy-Back unless selling Security holders provide timely certifications on IRS Forms W-9 and applicable IRS Forms W-8. Under the United States federal income tax backup withholding rules, unless an exemption applies under the applicable law and regulations, the applicable withholding rate of the gross proceeds payable to a holder or other payee pursuant to the Buy-Back must be withheld and remitted to the United States Treasury, unless the holder or other payee provides its taxpayer identification number (employer identification number or social security number) to the Company and certifies that such number is correct. Therefore, each selling Security holder must complete and sign a Form W-9 so as to provide the information and certification necessary to avoid backup withholding, unless such holder otherwise establishes to the satisfaction of the Company that it is not subject to backup withholding. Certain holders (including, among others, all corporations and certain foreign holders) are not subject to these backup withholding requirements. To prevent possible erroneous backup withholding, an exempt holder must enter its correct taxpayer identification number in Form W-9, certify that such Security holders is not subject to backup withholding on such form, and sign and date the form. In order for a foreign holder to qualify as an exempt recipient, a foreign holder must submit a statement, generally IRS Form W-8BEN, signed under penalties of perjury, attesting to that stockholder's exempt status. The Company may require that all withholding tax forms be delivered to CHES. Holders are urged to consult their own tax advisors regarding the application of United States federal income tax withholding.

**The preceding discussion is not tax advice. Holders are urged to consult their tax advisors to determine the particular tax consequences to them of participating in the Buy-Back in light of their particular circumstances, including the applicability and effect of federal, state, local, foreign, and other tax laws.**

## 5. Additional information on the Buy-Back

### 5.1. Excluded Security holders

Any person holding Securities:

- to whom the Company would be prohibited from paying money pursuant to:
  - the Banking (Foreign Exchange) Regulations 1959 (Cth);
  - Part 4 of the Charter of the United Nations Act 1945 (Cth), the Charter of the United Nations (Terrorism and Dealings with Assets) Regulations 2002 (Cth), the Charter of United Nations (Sanctions - Afghanistan) Regulations 2001 (Cth) and the Iraq (Reconstruction and Repeal of Sanctions) Regulations 2003 (Cth);
  - the Criminal Code Act 1995 (Cth); or
  - any other act, rule or regulation prohibiting the Company from making payments to Excluded Security holders,
- whose address on the Company's Share or CDI Register is outside Australia unless the Company is satisfied that it is lawful and practicable to extend the Buy-Back Invitation into such jurisdictions); or
- who the Company is aware resides in the United States of America or in a foreign jurisdiction where it would be either illegal under the laws of that jurisdiction or in the opinion of the Company, excessively onerous, costly and/or time consuming, to permit holders residing in that jurisdiction to participate in the Buy-Back,

is an **Excluded Security holder**.

The Buy-Back Invitation is not being made to Excluded Security holders. Without limiting the rights the Company otherwise has in relation to Acceptances, an Acceptance submitted by an Excluded Security holder will not be accepted by the Company.

The Company will also reserve the right to reject offers to the extent necessary, as determined by the Company, to ensure that it, or any other person, is not at risk of breaching, and does not actually breach, any Australian or foreign laws (such persons excluded being Excluded Security holders).

By submitting an Acceptance Form, you warrant that you are not an Excluded Security holder.

### 5.2. Securities held by trustees and nominees

Trustees and nominees who hold Securities should inform the beneficial owners of the Securities about the Buy-Back Invitation, subject to any legal restrictions in the countries where such beneficial owners are resident and provided that such persons are not Excluded Security holders, and then aggregate all Acceptance Forms received from beneficial owners. It is the responsibility of the trustee or nominee to complete Acceptance Forms on behalf of, and in accordance with instructions from, all beneficial owners.

For Issuer Sponsored Holdings, the trustee or nominee must ensure that aggregated Acceptance Forms are received by the Registry by 5:00pm on 27 September 2018. For CHESSE Holdings, the trustee or nominee will need to aggregate all Acceptance Forms received from beneficial owners and provide instructions to its controlling participant in time for the aggregated Acceptances to be processed by 5:00pm on 27 September 2018.

Trustees and nominees, and any other registered holders with Securities held on behalf of a beneficial owner, should be aware that any scale back that applies will generally be performed on a registered holder basis. If, however, the Company is satisfied (in its absolute discretion), that on the Record Date, you are registered as the holder of one or more parcels of Securities as trustee or nominee for, or otherwise on account of, another person, the Company may, but is not obliged to, calculate any scale back that applies as if the Securities were held in separate holdings. If you are seeking to have the Company exercise its discretion in this manner, you **must** advise the Registry of the details of the separate holdings by 27 September 2018. If you require an additional Acceptance Form or information regarding Underlying Beneficial Holders, refer to the Participant Bulletin released by the ASX prior to the Offer Open, and otherwise please contact the Company's Registry on 1300 850 505 (within Australia) or +61 3 9415 4000 (outside Australia).

### 5.3. Margin lending arrangement

If you hold Securities under margin lending arrangements or if they are held as security for a loan, you should ensure that your participation in the Buy-Back is permitted by those margin lending arrangements or that loan and security documentation.

### 5.4. Security holders with more than one holding of Securities

You will receive a personalised Acceptance Form for each separate holding of Securities (for example, if you hold some Securities in your name and some Securities jointly with your spouse, you will receive two Acceptance Forms). You may sell Securities into the Buy-Back from any or all of your separate registered holdings provided that you complete the Acceptance Forms and follow the instructions for each holding you wish to sell into the Buy-Back.

Any scale back that applies to Securities for which you have agreed to sell into the Buy-Back will be applied to each of those registered holdings as if they were held by different persons.

### 5.5. Joint Security holders

If you hold your Securities jointly with another person (for example, your spouse) and you have an Issuer Sponsored Holding, you must complete and return any Acceptance Forms in accordance with instructions for joint holdings on the Acceptance Forms.

## 5.6. Restrictions on payment of Buy-Back proceeds

The Company will pay Security holders the Buy-Back Price) for each of their Securities that are bought back, unless it is prohibited from doing so.

## 5.7. Effect of submitting an Acceptance

An Acceptance constitutes an acceptance of the Company's offer to buy from an Eligible Security holder, and an agreement by an Eligible Security holder to sell to the Company, the Buy-Back Securities on the terms and conditions set out in the Buy-Back Documents. An Acceptance constitutes a binding Buy-Back Contract which is formed between you and the Company, subject to the satisfaction of the Shareholder approval conditions, and you must sell to the Company the Securities that you have agreed to sell to the Company on the terms and conditions set out in the Buy-Back Documents, including the terms and conditions set out below.

By submitting an Acceptance Form (whether by returning an Acceptance Form to the Registry, or, if you have a CHES Holding, by instructing your controlling participant) you:

- agree to the terms and conditions set out in the Buy-Back Documents;
- agree that you will sell to the Company on 23 October 2018 the number of Securities nominated for sale on your Acceptance Form and otherwise as determined in accordance with this Buy-Back Booklet;
- warrant to the Company that at all times after you agree to sell your Securities pursuant to the Buy-Back, and on 23 October 2018, you are the registered holder of the Securities that you have agreed to sell pursuant to the Buy-Back and that they are free from any mortgage, charge, lien or other encumbrance (whether legal or equitable) and from any third party rights and are otherwise able to be sold by you;
- warrant to the Company on 23 October 2018, that you have not sold, dealt with, agreed to sell or otherwise deal in the Securities nominated for sale on your Acceptance Form;
- warrant that you are a person to whom the Buy-Back offer may lawfully be made and whose participation in the Buy-Back is permitted under the laws of the jurisdiction in which you are resident;
- warrant that you are not (nor are you acting on behalf of or for the account of) an Excluded Security holder;
- authorise the Company (and its officers, agents or contractors) to correct any error in, or omission from, your Acceptance Form(s), and to insert any missing details;

- undertake not to sell or offer to sell Securities to any other person if, as a result, you will at any time after you submit your Acceptance Form until 23 October 2018 hold fewer Securities than the number of Securities you have accepted the offer for on your Acceptance Form;
- acknowledge that if you are a CDI holder, your Acceptance will operate as an instruction to CDN to transfer the Shares underlying your CDIs back to the Company and the CDIs will be cancelled and the underlying Shares will become treasury stock;
- acknowledge that neither the Company nor any other party involved in the Buy-Back has provided you with financial product advice, or any securities recommendation, or has any obligation to provide this advice or recommendation, concerning your decision to participate in the Buy-Back;
- authorise the Company to make payment in Australian currency:
  - by direct credit to your nominated account if you have a direct credit authority recorded on the Company's CDI or Share Register at 7:00 pm on 23 October 2018; or
  - if you do not have a direct credit authority, by cheque mailed to your address shown on the Company's CDI or Share Register at 7:00 pm on 23 October 2018;
- acknowledge that despatch of payment above satisfies the Company's obligations to make payment to you for the Securities bought back;
- agree that damages are not an adequate remedy for breach of the undertakings, agreements and warranties in this Section 5.7 and the Acceptance Forms; and
- undertake that if you breach any of the covenants, undertakings, agreements or warranties in this Section 5.7 or the Acceptance Forms you will indemnify the Company for all its costs arising from the breach.

You will be taken to have submitted an Acceptance when the Registry receives a validly completed Acceptance Form from you or, if you have a CHES Holding, an Acceptance from your controlling participant through CHES.

## 5.8. Declining the Buy-Back

You may choose not to participate in the Buy-Back and continue to hold all of your Securities. In this case, no action is required by you.

See Section 3 of this Buy-Back Booklet and the Notice of Meeting for more information on the effects and implications of the Buy-Back and Delisting on the Company.

### 5.9. The Company's right to accept or reject Acceptance and Acceptance Forms

At any time, the Company may (at its sole discretion):

- accept or reject an Acceptance not made on the terms and conditions set out in the Buy-Back Documents, or an Acceptance Form not submitted in accordance with the procedures set out in the Buy-Back Documents;
- buy back a lesser amount of Securities than indicated in accordance with the scale back described in Section 1.16; or
- amend the Buy-Back at any time prior to the date on which the Company enters into Buy-Back Contracts with any such decision occurring by 16 October 2018.

### 5.10. The Company's right to waive requirements and correct errors

The Company may, in its absolute discretion and at any time, deem any Acceptance it receives to be a valid Acceptance, disregard any Acceptance it believes should be disregarded and waive any or all requirements for making, amending or withdrawing an Acceptance, it may do each of these things in relation to some, all or any number of Acceptances it receives.

### 5.11. The Company's right to adjust Acceptances

You are entitled to sell into the Buy-Back:

- 10,000 CDIs or 400 Shares registered in your name on the Record Date or such lesser amount that you hold on the Record Date (and which, in accordance with the applicable settlement rules, confer an entitlement to participate in the Buy-Back); and
- if you have noted in your Acceptance Form that you would like to participate in any Top Up Facility, the number of additional Securities that you are entitled to sell into the Top Up Facility as described in Section 1.17,

(your "Entitled Securities").

If you submit one Acceptance for more than your Entitled Securities and the Company accepts your Acceptance, the Company will buy back a maximum of the number of your Entitled Securities.

### 5.12. Directors' Interests

As at the date of this Buy-Back Booklet, the Directors held or had a relevant interest in the following Securities.

Director	Securities
<b>David Greenberg</b> Chief Executive Officer and Chairman	3,409,034 Shares (equivalent to 85,225,850 CDIs)

Director	Securities
<b>Ryan Hubbard</b> Executive Director	1,575,005 Shares (equivalent to 39,375,125 CDIs)
<b>Grant Shaffer</b> Non-Executive Director	28,227,736 CDIs
<b>Antony Catalano</b> Non-Executive Director	3,197,791 CDIs
<b>Jessica Nagle</b> Non-Executive Director	40,000 Shares (equivalent to 1,000,000 CDIs)

### 5.13. Continuous disclosure

The Company is currently a disclosing entity for the purposes of the Corporations Act, and as such is subject to regular reporting and disclosure obligations under the Corporations Act and the Listing Rules. These obligations require the Company to continuously notify the ASX of information about specific events and matters for the purposes of making that information available to the market. In particular, the Company is required by the Listing Rules (subject to certain limited exceptions) to notify the ASX immediately of any information concerning the Company which a reasonable person would expect to have a material effect on the price or value of Securities.

The Company may disclose information to the ASX after the date of this Buy-Back Booklet, but before it buys-back Securities which may be relevant to the Buy-Back or which qualifies statements made in the Buy-Back Documents. Where the Company discloses such information which affects the Buy-Back, it will do so by announcing it to the ASX, rather than sending it to Security holders, except where otherwise required by law. You can access the information that the Company discloses to the ASX on the ASX's website at [www.asx.com.au](http://www.asx.com.au).

### 5.14. Privacy

The Buy-Back requires the collection of personal information contained in the Acceptance Forms to enable the Company to process your Acceptance. If you do not provide this information, the Company may be hindered in, or prevented from, processing your Acceptance (s).

The personal information collected by the Company will only be disclosed to;

- Computershare Investor Services Pty Limited, in its capacity as the Company's share registrar;
- a print and mail service provider;
- the Company's advisers in relation to the Buy-Back;
- financial institutions in respect of payments to you in connection with the Buy-Back; and
- as required or authorised by law.

If you wish to access the information collected by the Company in relation to your Security holding, please write to the Company, C/- Computershare Investor Services Pty Limited, at the mailing address set out in this Buy-Back Booklet.

**5.15. Applicable law**

The Buy-Back Documents, your Acceptance(s) and any Buy-Back Contract(s) entered into in connection with the Buy-Back will be governed by the laws of New South Wales, Australia.

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## Glossary

In this Booklet, the following definitions apply:

Reference	Definition
A\$	Australian Dollars
Acceptance Form	A personalised acceptance form upon which a Security holder can accept the Buy-Back Offer
Announcement Date	the date the Company announced the Delisting and Buy-Back on the ASX, being 15 August 2018
ASIC	Australian Securities and Investments Commission
ASX	ASX Limited (ACN 008 624 691) or the market it operates as the context requires
Board	the board of Directors of the Company
Booklet or Buy-Back Booklet	this booklet sent to Security holders
Buy-Back	the proposed off-market buy-back to be undertaken by the Company, the details of which are set out in Section 1 of this Booklet
Buy-Back Cap	the total number of Securities to be bought back under the Buy-Back, which will be capped at A\$10,000,000 worth of Securities or such lesser amount of Shares that the Company determines to buy-back under the Buy-Back
Buy-Back Contract	the contract formed between you and the Company on the Buy-Back Date
Buy-Back Date	23 October 2018
Buy-Back Documents	this Buy-Back Booklet, the Notice of Meeting and Proxy Statement and the Acceptance Forms
Buy-Back Invitation	the invitation made by the Company to Security holders to buy-back certain Securities held by the Security holders, pursuant to the terms of the Buy-Back Documents
Buy-Back Offer	the offer by the Company to buy-back Securities on the terms and conditions set out in this Buy-Back Booklet
Buy-Back Price	The higher of (a) A\$1.25 per CDI (approximately A\$31.25 per Share) and (b) the 20-day volume weighted average price of the CDIs prior to the date of delisting.
CDI	a CHESSE Depository Interest over Shares in Updater, representing the beneficial interest in 1/25 of a Share
CDI holder	the registered holder of a CDI
CDN	CHESSE Depository Nominees Pty Limited
CHESSE Holding	a holding of Securities managed by a broker using CHESSE
Closing Date	27 September 2018
Company	Updater Inc (ARBN 609 188 329)
Corporations Act	Corporations Act 2001 (Cth)
Delisting	the removal of the Company from the Official List of ASX
Director	a director of the Company
Eligible Security holder	a Security holder who was the registered holder of Securities on the Record Date (and who continues to hold Securities at the Buy Back Date).
Excluded Security holder	any person excluded from the Buy-Back Invitation as determined in accordance with 5.1 of this Buy-Back Booklet
FAQ	Frequently Asked Questions enclosed with this Buy-Back Booklet
Issuer Sponsored Holder	a holder of Securities on the issuer sponsored sub-register of the Company
Listing Rules	the listing rules of ASX as amended or waived from time to time
Notice of Meeting	the notice of meeting and proxy statement for the Special Meeting which was notified to Securityholders on the Company's ASX announcement platform on 21 August 2018
Record Date	the date for determining which Shareholders are eligible to participate in the Buy-Back, being 5.00pm AEST on 21 August 2018

Reference	Definition
Registry	Computershare Investor Services Pty Limited
Securities	Shares and / or CDIs as the context requires, and in the context of the securities that Updater is offering to buy-back under the Buy-Back, Securities refers to both Shares and CDIs
Security holder	a Shareholder or CDI holder
Share	a fully paid share of common stock in the capital of the Company and Shares will be construed accordingly
Shareholders	the registered holder of a Share in the Company
Share Register	the share register of the Company maintained by the Registry
Special Meeting	the special meeting of the Shareholders of the Company to be held at 10:00am on Friday, 7 September 2018 (AEST) / 8:00pm on Thursday, 6 September 2018 (USEDT)
Suspension Date	the date on which the Company's Shares are suspended from trading on the ASX, which is expected to be 8 October 2018
Offer Period	the period between 28 August 2018 and 27 September 2018 when holders can submit acceptances under the Buy-Back
US\$	United States dollars

### INTERPRETATION

In the Buy-Back Documents, unless the context otherwise requires:

- the singular includes the plural and vice versa and words importing one gender include other genders;
- other parts of speech and grammatical forms of a word or phrase defined in this document have a corresponding meaning;
- terms used in the Buy-Back Documents and defined in the Corporations Act have the meanings ascribed to them in the Corporations Act;
- a reference to any currency is a reference to Australian dollars;
- a reference to a section, paragraph, or clause is a reference to a part of this document; and
- a reference to time is a reference to the time in Sydney.

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