



**ASX Announcement  
(ASX:UPD)  
26 October 2016**

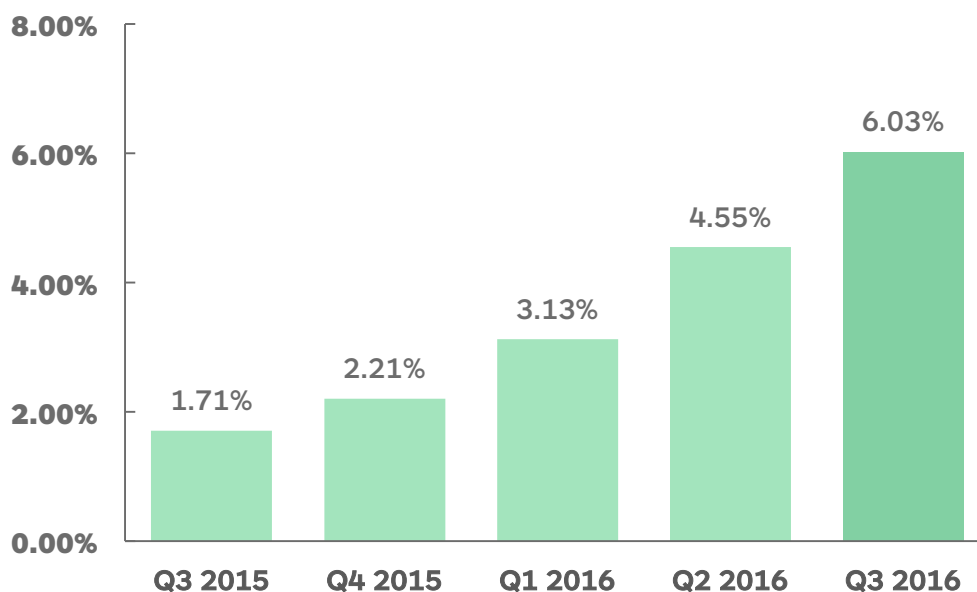
## **QUARTERLY ACTIVITIES REPORT PERIOD ENDING 30 SEPTEMBER 2016**

Updater Inc. (“Updater” or the “Company”) (ASX: UPD), the US technology company making the moving process easier for the 17 million US households moving each year, is pleased to report activity highlights for Q3 2016 along with Appendix 4C.

### **Activity Highlights**

- The Company’s key performance metric, Estimated Market Share of Quarterly Moves Processed, increased 33% in Q3 2016 over Q2 2016. Estimated Market Share for Q3 surpassed 6% of all household moves in the US, representing an annualised run rate of over 1 million Moves Processed per year.

Estimated Market Share (Q3 2015 – Q3 2016)



Quarter	Quarterly Moves Processed	Estimated Market Share (of all US household moves)
<b>Q3 2016</b>	<b>278,342</b>	<b>6.03%</b>
Q2 2016	208,742	4.55%

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Q1 2016	119,724	3.13%
Q4 2015	87,541	2.21%
Q3 2015	79,101	1.71%

- One of the Company's key goals is to achieve 15% Estimated Market Share of Monthly Moves Processed by Year-End 2017. The Company's SVP of Sales, Raj Doshi, has begun implementing new strategies to achieve this 2017 goal. The new strategies resulted in great progress during Q3:
  - 32 influential real estate companies went live on the Updater platform and dozens of existing clients expanded their relationship with the Company to additional properties, agents and locations.
  - The Company launched technology integrations and partnerships with multiple Transaction Management Systems, including Entrata, a property management software system, and SnapClose, a title insurance production software.
  - The Company also began work on multiple exciting initiatives that could spark significant growth, including sales into new real estate channels.
- The Company previously announced that it is bringing forward the development of Pilot Programs for Business Products, previously scheduled for initial development in 2017. This acceleration was due to rapid market share growth throughout 2016, resulting in the Company reaching "critical mass" sooner than anticipated. The Company has announced two Pilot Programs: one with Liberty Mutual Insurance and the other with Hilldrup and other Pilot Moving Companies. The Company plans to establish a sophisticated internal infrastructure to manage, optimise, measure and validate findings of the Pilot Programs. This new infrastructure will be developed during Q4.
- The Company announced an A\$30 million private placement (the "Placement") via the issue of 60,000,000 CDIs. The proceeds of the Placement will be used to accelerate growth of market share and increase personnel and resources dedicated to the development of Business Products. Fidelity International invested in the Placement along with existing Australian institutional shareholders including Thorney Investment Group.
- In October, the Company appointed Lindsey Dole as Vice President of People Operations. Lindsey will oversee the Company's initiatives for attracting, retaining and developing the Company's most important asset: its people. Lindsey will also be responsible for scaling the Company's internal operations. Previously, Lindsey led people operations at Tumblr, where she helped grow the company from 50 to over 300 employees, and helped lead the company through their US\$1.1 billion acquisition by Yahoo.

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- The Company is pleased to report that it successfully recruited and onboarded 6 new members of the team during Q3, including two sales team members in new regions, a marketing content manager, a development operations engineer, and an operations manager to run billing and accounts receivable.
  - The Company is pleased to report that it was named one of the Best Places to Work in New York City by *Crain's New York Business*. The recognition program honors the best employers in New York City. This honor will further help the Company recruit new employees and accelerate growth.
  - The Company recently released a new logo (see above) to visually demonstrate the evolution of the Company's product.
  - The Updater team was thrilled to partner with Move for Hunger to raise a meaningful contribution at a 5km run in September. Move for Hunger is the official charity of the American Moving & Storage Association and benefits local food banks across North America.

#### **Cash Position (as at 30 September 2016)**

The attached Appendix 4C covers cash flow for Q3 2016. The Company is pleased to report that at 30 September 2016, the Company held approximately US\$12,901,147 in total cash (equivalent to approximately A\$16,847,316 at 30 September 2016), well within the Company's planned budget. The Company also continues to remain debt-free.

Following the completion of the Placement that raised A\$30,000,000 in October, the Company's cash position increased to approximately US\$34.5 million (equivalent to over A\$45 million).

Although Q3 2016 cash receipts of US\$135,817 increased significantly as compared to Q2 2016 cash receipts of US\$72,438, it is important to note that market share growth, not revenue, was the Company's primary business objective in Q3 2016. Further, growing market share and operating the Pilot Programs, not increasing revenue, will be the Company's primary objectives through the remainder of 2016. All of the Company's 2016 revenue to date relates to the sale of Real Estate Products, as the Company is not yet selling Business Products.

The statement of cash flows in the attached Appendix 4C for Q3 2016 includes multiple non-recurring expenses, including US\$106,000 for physical non-current assets related to the Company's new larger office. The Company's current landlord is holding a security deposit, and the Company's bank is holding a second security deposit in connection with a letter of credit that the bank issued to the landlord of the Company's new office, which collectively reduce the amount of cash on hand by US\$716,000.

During Q3, the Company continued to increase investment in its operations and personnel. This trend will continue into Q4 2016 and beyond, as the Company intends to use its significant available capital to expand its Sales, Client Support, Product and Engineering teams to substantially accelerate growth.

**For more information, please contact:**

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**About Updater:**

Updater makes moving easier for the 17 million households that relocate every year in the US. 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 (such as real estate brokerages and property management companies) rely on Updater's products to save clients hours with a branded and personalised moving experience. With significant market share of all US household moves, Updater can enable contextual and personalised communication between relocating consumers and the US businesses spending billions of dollars trying to reach them.

Updater is headquartered in New York City. Prior to listing on the ASX, Updater received significant investments from leading US venture capital firms including SoftBank Capital, IA Ventures, and Second Century Ventures (the strategic investment division of the National Association of REALTORS®).

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

All capitalised terms used in this announcement and not otherwise defined shall have the meaning ascribed in Updater's Annual Report, dated 31 March 2016.

## Appendix 4C

### Quarterly report for entities subject to Listing Rule 4.7B

Introduced 31/03/00 Amended 30/09/01, 24/10/05, 17/12/10, 01/09/16

**Name of entity**

Updater Inc.

**ABN**

609 188 329

**Quarter ended ("current quarter")**

30 September 2016

<b>Consolidated statement of cash flows</b>	<b>Current quarter \$USD'000</b>	<b>Year to date (9 months) \$USD'000</b>
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers	136	274
1.2 Payments for		
(a) research and development	(31)	(152)
(b) product manufacturing and operating costs	(9)	(29)
(c) advertising and marketing	(105)	(366)
(d) leased assets	-	-
(e) staff costs	(965)	(2,710)
(f) administration and corporate costs	(268)	(727)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	10	34
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	15
1.7 Government grants and tax incentives	-	-
1.8 Other (executive search fees)	(45)	(177)
<b>1.9 Net cash from / (used in) operating activities</b>	<b>(1,277)</b>	<b>(3,838)</b>

<b>2. Cash flows from investing activities</b>		
2.1 Payments to acquire:		
(a) property, plant and equipment	(106)	(170)
(b) businesses (see item 10)	-	-
(c) investments	-	-

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Consolidated statement of cash flows	Current quarter \$USD'000	Year to date (9 months) \$USD'000
(d) intellectual property	-	-
(e) other non-current assets	-	-
<b>2.2</b> Proceeds from disposal of:		
(a) property, plant and equipment	-	-
(b) businesses (see item 10)	-	-
(c) investments	-	-
(d) intellectual property	-	-
(e) other non-current assets	-	-
<b>2.3</b> Cash flows from loans to other entities	-	-
<b>2.4</b> Dividends received (see note 3)	-	-
<b>2.5</b> Other (provide details if material)	-	-
<b>2.6</b> <b>Net cash from / (used in) investing activities</b>	<b>(106)</b>	<b>(170)</b>

<b>3.</b> <b>Cash flows from financing activities</b>		
3.1 Proceeds from issues of shares	-	-
3.2 Proceeds from issue of convertible notes	-	-
3.3 Proceeds from exercise of share options	192	204
3.4 Transaction costs related to issues of shares, convertible notes or options	-	-
3.5 Proceeds from borrowings	-	-
3.6 Repayment of borrowings	-	-
3.7 Transaction costs related to loans and borrowings	-	-
3.8 Dividends paid	-	-
3.9 Other (provide details if material)	-	-
<b>3.10</b> <b>Net cash from / (used in) financing activities</b>	<b>192</b>	<b>204</b>

<b>4.</b> <b>Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1 Cash and cash equivalents at beginning of quarter/year to date	14,092	16,706
4.2 Net cash from / (used in) operating activities (item 1.9 above)	(1,277)	(3,838)
4.3 Net cash from / (used in) investing activities (item 2.6 above)	(106)	(171)
4.4 Net cash from / (used in) financing activities (item 3.10 above)	192	204

<b>Consolidated statement of cash flows</b>		<b>Current quarter \$USD'000</b>	<b>Year to date (9 months) \$USD'000</b>
4.5	Effect of movement in exchange rates on cash held	-	-
<b>4.6</b>	<b>Cash and cash equivalents at end of quarter</b>	<b>12,901</b>	<b>12,901</b>

<b>5.</b>	<b>Reconciliation of cash and cash equivalents</b> at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	<b>Current quarter \$USD'000</b>	<b>Previous quarter \$USD'000</b>
5.1	Bank balances	12,185	13,376
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	716	716
<b>5.5</b>	<b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>12,901</b>	<b>14,092</b>

**6. Payments to directors of the entity and their associates**

- 6.1 Aggregate amount of payments to these parties included in item 1.2
- 6.2 Aggregate amount of cash flow from loans to these parties included in item 2.3
- 6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2

<b>Current quarter \$USD'000</b>
74
-

Payroll for Executive Directors David Greenberg and Ryan Hubbard for quarter ending 30 September 2016
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**7. Payments to related entities of the entity and their associates**

- 7.1 Aggregate amount of payments to these parties included in item 1.2
- 7.2 Aggregate amount of cash flow from loans to these parties included in item 2.3
- 7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2

<b>Current quarter \$USD'000</b>
-
-

-

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8. <b>Financing facilities available</b> <i>Add notes as necessary for an understanding of the position</i>	Total facility amount at quarter end \$USD'000	Amount drawn at quarter end \$USD'000
8.1 Loan facilities	-	-
8.2 Credit standby arrangements	-	-
8.3 Other (please specify)	-	-
8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.		

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9. <b>Estimated cash outflows for next quarter</b>	\$A'000
9.1 Research and development	(34)
9.2 Product manufacturing and operating costs	(10)
9.3 Advertising and marketing	(116)
9.4 Leased assets	-
9.5 Staff costs	(1,270)
9.6 Administration and corporate costs	(295)
9.7 Other (provide details if material)	(250)
<b>9.8 Total estimated cash outflows</b>	<b>(1,974)</b>

10. <b>Acquisitions and disposals of business entities (items 2.1(b) and 2.2(b) above)</b>	Acquisitions	Disposals
10.1 Name of entity	-	-
10.2 Place of incorporation or registration	-	-
10.3 Consideration for acquisition or disposal	-	-
10.4 Total net assets	-	-
10.5 Nature of business	-	-

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**Compliance statement**

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Sign here: /s/ Nathan Bartrop.....  
(ASX Representative)

Date: 26 October 2016.....

Print name: Nathan Bartrop

**Notes**

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standard applies to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.

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