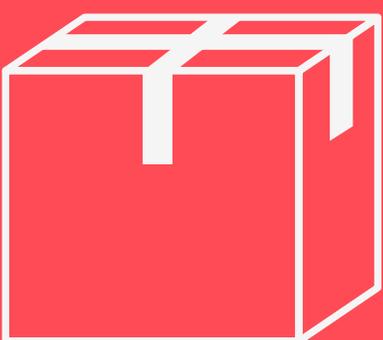


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ANNUAL REPORT 2016

updater.

WE'RE ON THE MOVE



Corporate Information

UPDATER INC.

ARBN 609 188 329

19 Union Square West
New York, NY 10003
Email info@updater.com
Website updater.com

REGISTERED OFFICE

Level 12
680 George Street
Sydney NSW 2000

ASX Representative:
Nathan Bartrop
bartrop@company matters.com.au
Phone +61 2 8280 7355

AUDITORS

WithumSmith+Brown PC
1411 Broadway
9th Floor
New York, NY 10018

STOCK EXCHANGE LISTING

CHESS Depository Interests (CDIs over shares of common stock in Updater Inc. (the 'Company' or 'Updater') are listed on the Australian Securities Exchange (ASX) under the code UPD. 25 CDIs are transferable for 1 share of common stock.

DIRECTORS

David Greenberg
Founder, CEO and Chairman

Ryan Hubbard
CTO and Executive Director

Grant Schaffer
Non-Executive Director

Antony Catalano
Non-Executive Director

LEGAL ADVISORS

DLA Piper Australia
Level 22, 1 Martin Place
Sydney NSW 2000

SHARE REGISTRY

Computershare Investor Services
Pty Ltd
Level 2, 45 St. George's Terrace
Perth WA 6000
Phone 1300 557 010 (AUS)
+61 8 9323 2000 (Int'l)
Fax +61 8 9323 2033
Website computershare.com

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Updater Inc. (ASX: UPD) is a New York City based technology company making the moving process easier for the 17 million US households moving each year. Updater has spent 6 years building a defensible technology infrastructure and now processes a significant percentage of all household moves in the US. Management believes that Updater's growing market penetration will enable Updater to unlock a substantial revenue opportunity and dramatically improve the consumer relocation experience in the US.

This 2016 Annual Report dated 14 March 2017 (this 'Annual Report') includes results from financial year 2016. Unless

stated otherwise, all information contained in this Annual Report is accurate as at 14 March 2017. All capitalised terms used in this Annual Report and not otherwise defined shall have the meaning ascribed in the 2015 Annual Report dated 31 March 2016 (the '2015 Annual Report'), or the Company's Prospectus dated 17 November 2015 (the 'Prospectus'). All terms that are defined in both (a) this Annual Report and (b) the 2015 Annual Report and/or the Prospectus, shall have the meaning set forth in this Annual Report. The contents of this Annual Report shall supersede in the case of any inconsistency between this Annual Report and the Prospectus or any other ASX filings.



Letter from CEO

To our Shareholders:

As the pioneering 'relo-tech' company, Updater is at the forefront of reimagining and improving the relocation experience for the 17 million households that move in the United States every year. With our Mover Product, we turn a previously painful process into an enjoyable, efficient experience.

For the Real Estate Companies that regularly interact with Movers, we deliver technology that enables them to add unprecedented value and improve their bottom line. For the Businesses that currently spend billions of dollars each year inefficiently targeting Movers, we deliver technology that facilitates helpful and relevant communication with Movers. We believe that enabling such contextual communication between Businesses and Movers will dramatically improve the Mover Product experience.

In 2017, we will build the country's next generation relocation platform by focusing on the following core principles:

GENERATE VALUE FOR OUR PARTNERS

- We build innovative technology that enables Real Estate Companies and Businesses to programmatically customise and brand the moving experience for all of their relocating Clients and customers. Our platform delivers a strong return on investment (ROI) for their purchase of our products.

REMAIN 'ON THE SIDE' OF THE MOVER

- We prioritise the Mover's experience. We build transformative technology to help Movers organise and complete all moving-related tasks from within our Mover Product. Our technology delivers a curated moving experience, surfacing only the most relevant and helpful content, and enabling simplified transactions.
- Our Real Estate Company partners trust Updater to deliver a phenomenal experience for their Clients – a responsibility that we take very seriously.
- We seek to serve as the needed 'user experience layer' between Businesses and Movers. While all other technology businesses in the relocation industry are generally 'lead generation' platforms, Updater's strategy, in contrast, does not involve displaying ads within our platform or selling data.
- We safeguard Movers' personal information and honour our strict Privacy Pledge, which promises that we never rent, sell, or share information behind the backs of our partners and our Movers.

BUILD THE BEST TEAM

- We focus on attracting world-class talent – from senior management who drive strategy and inspire the team, to product and engineering professionals who consistently strive to optimise and innovate, to our sales, marketing and support professionals who keep us at the forefront of our industry and ensure that our partners and users are incredibly happy.

In 2016, we surpassed every one of our goals, and our entire team is thrilled and energized for 2017. Our strategy this year is to capitalise on our unique industry position to begin truly reinventing the relocation industry for all stakeholders.

We are very confident about the potential of our business and we look forward to updating our Shareholders on our progress throughout 2017.

Thank you for your continued support.

Warm regards,

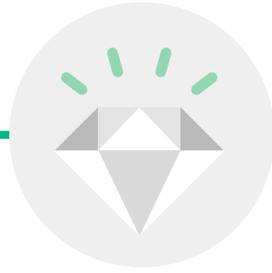
David Greenberg

Founder, CEO and Chairman



“ Our team is more energized than ever. ”

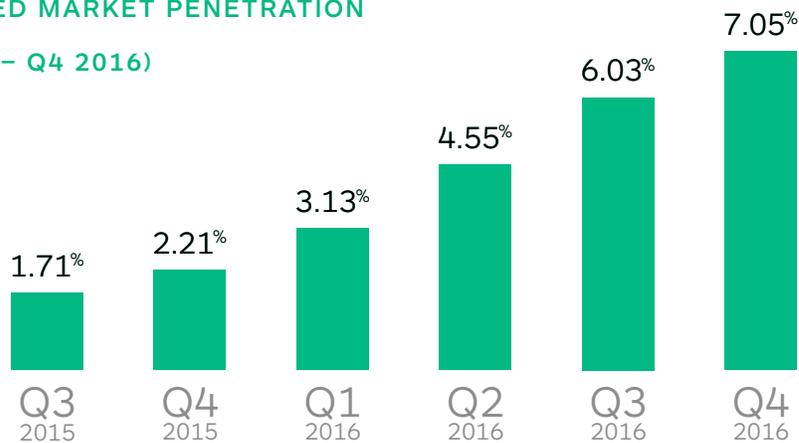
2016 Highlights



Performance

The Company's key performance metric, Estimated Market Penetration (explained in detail on [page 17](#)) hit all-time highs in each quarter of 2016.

ESTIMATED MARKET PENETRATION (Q3 2015 – Q4 2016)



The Company achieved its 2016 key performance goal of surpassing 5% Estimated Market Penetration of monthly Moves Processed. The goal was achieved well ahead of schedule, in July 2016.

With rapidly increasing national market penetration, the Company reached the 'tipping point' (when its platform became compelling for major national Businesses) sooner than anticipated. As such, the Company accelerated the initial development of Business Products and announced a new goal to sign three (3) Pilot Programs by year-end 2016. The Company also began establishing a sophisticated internal infrastructure to manage, optimise, measure, and validate findings of the Pilot Programs. The Company subsequently announced three (3) Pilot Programs, thereby achieving this new 2016 performance goal.

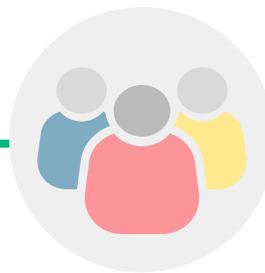
- The Company announced a Pilot Program with Liberty Mutual, a diversified global insurer and the second-largest property and casualty insurer in the United States. Liberty Mutual is a Fortune 100 company with over 50,000 employees and nearly US\$40 billion in annual revenue.
- The Company announced a Pilot Program with a select group of highly-respected professional moving companies. This pilot will enable advanced functionality for more transparent pricing and efficient booking of moving companies – one of the Company’s most requested features for the Mover Product.
- The Company announced a pilot program with Capital One Financial Corporation. Capital One is a top ten bank in the United States, with annual revenue of approximately US\$23.4 billion.



Growth

The Company announced an A\$30 million private placement (the ‘Placement’) to increase personnel and resources to further accelerate market penetration and begin development of Business Products. Fidelity International invested in the Placement along with existing Australian institutional shareholders, including Thorney Investment Group.

The Company signed partnership agreements with hundreds of large Real Estate Companies, including Greystar Real Estate Partners, the largest apartment management company in the United States with a portfolio of over 400,000 units across 1,800 properties. The Company also launched technology integrations and partnerships with numerous Transaction Management Systems, further increasing the number of Real Estate Companies with which the Company can partner.



Our Team

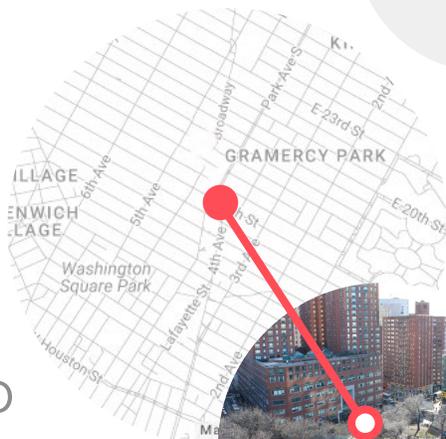
The Company nearly doubled the size of its team, adding over 20 new positions with almost no employee churn. Notable new roles include:

- Raj Doshi as Senior Vice President of Sales
- Lindsey Dole as Vice President of People Operations
- A Director of Platform Engineering to continue developing Updater's core API and technology platform
- A Director of Operations and Finance to drive operational efficiencies and prepare the team to scale
- A Product Manager to work exclusively on Pilot Programs
- A Senior Dev Ops Engineer to improve efficiency across the technology team
- Multiple Client Support team members to manage relationships with Real Estate Company partners and increase engagement
- Multiple Marketing team members to drive sales and retention initiatives, public relations, and employee recruitment





We moved to Union Square



As the size of the Company's office became inadequate with the addition of new personnel, the Company successfully secured a long-term lease for the entire top floor of 19 Union Square West, an iconic building overlooking Union Square in Manhattan. Union Square is the epicenter of the New York technology community. The team moved into the beautiful new space in Q1 2017.



The Company was ranked the #3 Best Place to Work in New York City by Crain's New York Business. Updater was the highest-ranked technology company, an exciting recognition that will prove helpful as the Company continues expanding its team with top-tier talent throughout 2017.

Looking Ahead

2017 is set to be a game-changing year for Updater. Management has established ambitious goals (outlined below), which, if achieved, will solidify the Company as a dominant player in the US relocation industry.

Below are the key performance metrics that the Company seeks to achieve over the course of 2017:

- Achieve 15% Estimated Market Penetration of Monthly Moves Processed in any month prior to year-end 2017.
- Sign two (2) new Pilot Programs during calendar year 2017; ensure all five (5) Pilot Programs are fully operational before year-end 2017.
- Announce Results relating to at least two (2) separate Pilot Programs (in separate verticals): at least one announcement by 30 June 2017, and at least one more before year-end 2017.
- Announce the initial vertical(s) for deployment and sales of Business Products, along with a comprehensive analysis and sales goals, by year-end 2017.



Strong Financial Position

The Company is pleased to report that at 31 December 2016, the Company held US\$32,251,581 in cash and cash equivalents (equivalent to approximately AU\$44,784,532 at 31 December 2016), well within the Company's planned budget. Please note that this amount, calculated in accordance with US GAAP accounting standards, does not include US\$716,000 held as security deposits in connection with the Company's lease agreements. The Company also continues to remain debt-free.

The Company held assets totaling US\$33,800,030 at 31 December 2016 (equivalent to approximately AU\$46,934,708 at 31 December 2016). The significant increase in total assets from 2015 year-end (US\$16,934,978) to 2016 year-end is primarily the result of the A\$30,000,000 Placement.

The Company's 2016 operating loss totaled US\$8,860,152, the vast majority of which related to personnel expenses. Included in personnel expenses is a US\$3,546,723 stock-based compensation expense, which is a non-cash transaction. The company's 2016 net operating loss, excluding stock-based compensation, was US\$5,313,429. Over this period, the company's average monthly cash burn from normal operations (which excludes the cash influx resulting from the A\$30,000,000 Placement, as well as select non-recurring costs resulting from the Company's ASX listing) was approximately US\$454,291.

Although 2016 revenue of US\$578,258 increased significantly as compared to 2015 revenue of US\$183,492, it is important to note that increased Estimated Market Penetration, not revenue, was the Company's primary business objective in 2016. All of the Company's 2016 revenue related to the sale of Real Estate Products, as the Company is not yet selling Business Products.

The Company is fortunate to have a strong cash position that allows it to continue its planned strategy of focusing the majority of its resources on increasing Estimated Market Penetration and operating Pilot Programs.

“ The Company is fortunate to have a strong cash position. ”

The Updater Platform and Strategy



Updater's products are built and designed for the key participants operating within the US consumer relocation industry: Movers, Real Estate Companies, and Businesses.

The Mover Product

The moving process can be an inefficient and painful experience that often involves reaching out to many separate businesses to transfer, sign-up and/or disconnect services (such as electricity, gas, water, television and Internet providers), change address information (such as for mail forwarding, drivers license, insurance, online accounts, banking, and more), and coordinate the transportation of household goods (such as packing, storage and moving services).

The Mover Product is a free product that provides Movers in the US with a centralised online service to organise and complete all moving-related tasks and logistics. The Mover Product currently helps Movers forward mail with the USPS, update accounts and records with various businesses and organisations that accept Updater change-of-address notifications, discover home service providers and utilities that provide services at the new home, notify friends and family of the new address, unlock

**Approximately
17 million US
households will
move in 2017.**

special new-mover discounts, and more. Currently, Movers can only access the Mover Product via an invitation from a Real Estate Company. Since launching the Mover Product, approximately 1,000,000 individual Movers have created an end-user account for the Mover Product.

Real Estate Products

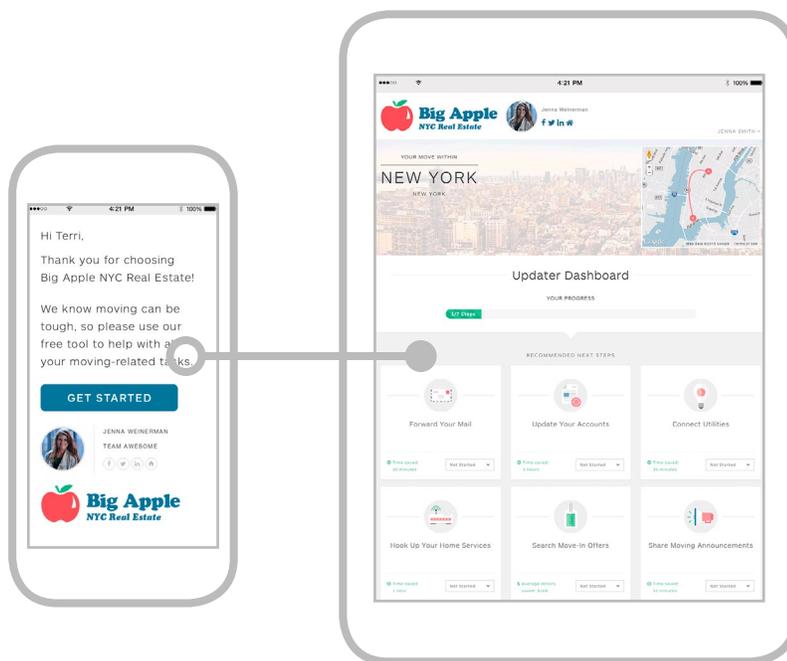
The Real Estate Products enable Real Estate Companies to provide their Clients with the 'invite only' Mover Product, and to brand, customise and personalise the Mover Product experience for their Clients. Updater has developed unique Real Estate Products to suit different types of Real Estate Companies. For example, the product for property management companies is different to the product for real estate brokerage firms. Updater has also developed unique interfaces and account types for various roles within Real Estate Companies, such as corporate managers and individual professionals.

Real Estate Companies pay Updater subscription fees to use the Real Estate Products. Pricing varies by the size and type of the Real Estate Company and the selected product tier. Numerous Real Estate Companies that use the Real Estate Products have reported significant business value and strong return on investment (ROI). For example, the Real Estate Products help Real Estate Companies deliver an improved Client experience, stay top-of-mind, generate more referrals, increase the likelihood of retaining Clients, and/or increase Client engagement with important and/or revenue-generating products (such as resident portals or referral systems).

Real Estate Products help Real Estate Companies deliver an improved Client experience.

UPDATER'S REAL ESTATE PRODUCT

Our Partners
Invite their Clients
to a personalised
'invite only'
experience



Updater has signed partnership agreements with over 650 Real Estate Companies, most of which are 'live' using a Real Estate Product. Updater's Real Estate Company partners include some of the largest and most influential Real Estate Companies in the US real estate industry. Updater's 'live' Real Estate Company partners have locations or properties in all 50 states.

Updater's Integration Platform

Updater launched its Integration Platform in February 2015. The Integration Platform enables Real Estate Companies that purchase a Real Estate Product to seamlessly and automatically share Mover information with Updater for the purpose of inviting Clients to the Mover Product, personalising each Client's Mover Product experience, and generally enabling Updater to deliver an improved moving experience. Businesses that also seek to invite relocating customers to a branded, customised, and/or personalised version of the Mover Product may also leverage the Integration Platform. The Integration Platform is a state-of-the-art software system optimised for engineers and operations managers at Real Estate Companies to seamlessly integrate with Updater.

The Integration Platform enables Real Estate Companies (or Businesses) to integrate by (a) using an integration that Updater has developed for the Transaction Management System that they use, (b) using an integration that Updater developed specifically for their system or exported files, and/or (c) leveraging Updater's REST API (Application Programming Interface using REST architecture).

Updater has facilitated integration options with over 15 major Transaction Management Systems widely used by real estate brokers, property managers, and moving companies in the US. Also, Updater is in the planning and development stages with over 10 additional Transaction Management Systems.

Mover information that is processed via the Integration Platform passes through an extensive process of cleaning, eliminating duplicate information, and filtering before the applicable Mover is invited to use a personalised and customised version of the Mover Product at the optimal time before moving. All Mover information that is processed via the Integration Platform is also subject to, and protected by, Updater's Privacy Pledge (found at updater.com/privacy).

The Integration Platform streamlines and simplifies the onboarding of new Real Estate Company partners and facilitates ongoing and consistent use of the Real Estate Products.

Estimated Market Penetration

Updater defines a 'Move' as a unique old/new address pair within a 3-month time frame. Any Move information (regardless of completeness) that is passed through the Integration Platform from any third-party partner is counted as a 'Move Processed' (regardless of whether the applicable Mover(s) is invited to the Mover Product or uses the Mover Product). The aggregate number of unique Moves Processed from all sources in a given time frame is referred to as 'Moves Processed.'

Currently, Updater is only tracking US household Moves for Moves Processed. A Move is considered ‘processed’ at the time of the estimated move date, as opposed to the date any applicable invitation is sent to the Mover(s). For purposes of calculating Moves Processed, when Updater onboards a new Real Estate Company, Updater may count all Move information shared from such partner for the calendar month in which the onboarding occurs, the preceding calendar month, and all future months.

Relocation in the United States is seasonal. For calculating the ‘Estimated Market Penetration’ of Quarterly or Monthly Moves Processed, Updater divides the total number of Moves Processed in the applicable time frame by the estimated number of unique household moves that occurred in the United States during the applicable time frame. Updater estimates the total number of household moves that occur in a time period by applying a seasonality curve to the estimated total number of annual household moves for a given year. For 2017, Updater plans to continue using the same seasonality curve that was used in 2015 and 2016, which is set forth in figure 2.3 in the Prospectus. Management estimates that approximately 17 million household moves will occur in the United States in 2017. Therefore, in 2017, Updater will continue using the same total market size used in 2016 and 2015 (17 million household moves) for calculating Estimated Market Penetration.

Increasing national market penetration of Moves Processed has been the Company’s primary business objective for the past five years. The Company has invested tremendous resources building a defensible and scalable infrastructure to achieve widespread national adoption of the Updater platform.

With widespread national market penetration, Management believes that the Company will have the leverage to begin reinventing the relocation experience for both Movers and

Businesses. By aggregating a large percentage of Movers onto a single platform, traditionally offline Businesses may allow Updater to serve as the online 'user experience layer' between such Businesses and Movers. This unique position will enable Updater to generate significant revenue and ensure a superior experience for Movers, as the Company's software can curate the moving experience such that Movers only receive helpful, relevant, and valuable communications.

User Adoption of Mover Product

Management is very pleased that the Mover Product has very solid user adoption, even without extensive optimisation. The Company tracks the following three key metrics: (1) the invite email conversion funnel ('Conversion Rate'), (2) the extent to which users respond to Updater's Mover Product, as measured by interactions (such as click rates) ('Engagement'), and (3) the Net Promoter Score of users ('NPS'). Management is prioritising further improvements across each of these core metrics throughout 2017.

Management is very pleased that the Mover Product has solid user adoption.

Both Conversion Rate and Engagement are core indicators of the potential value of future Business Products and the extent to which Movers find value in the platform.

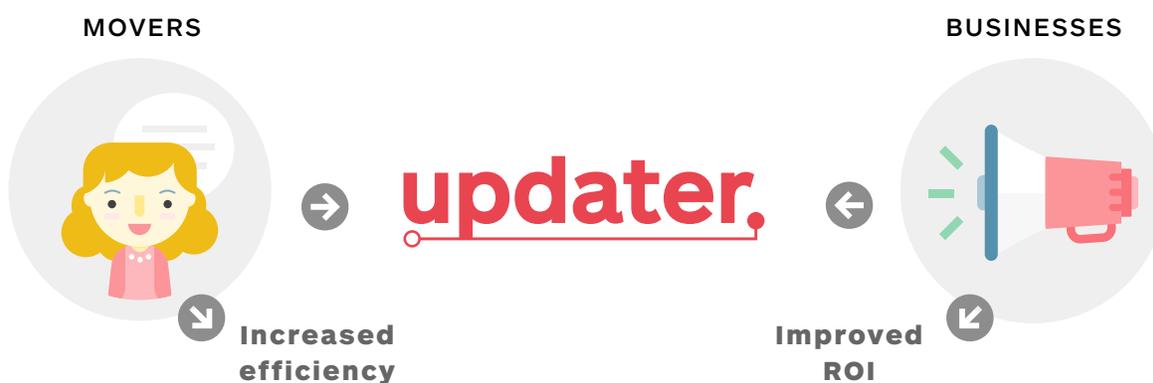
NPS measures the loyalty and satisfaction of users. NPS surveys ask users how likely they are to recommend the product to a friend, on a scale of 0-10. Those who score the product a 9 or 10 are 'promoters', those who score the product a 7 or 8 are 'passive', and those unhappy users who score the product a 6 or below are 'detractors'. The NPS score is the percentage of promoters minus the percentage of detractors. NPS is a key indicator of the value of the Updater platform to Movers. Management is optimistic that with the introduction of Pilot Programs for Business Products, the Mover Product will increase in value for Movers and the NPS score will increase.

Business Products (currently operating in Pilot Programs)

The Business Products will enable Businesses to customise the Mover Product experience for their existing and/or ideal prospective customers who are likely to find such customisations helpful and valuable. As such, Updater's Business Products provide Businesses with unique opportunities to communicate contextually with the right Movers at the right time.

Updater plans to develop the Business Products for a large and diversified group of consumer Businesses in the US that seek to communicate intelligently and contextually with Movers. The Business Products will enable Businesses to provide Movers with helpful and relevant communications, and unprecedented functionality throughout the move life cycle.

BRIDGING THE COMMUNICATION GAP



Business Products may enable Businesses to present Movers, within the Mover Product, with variable and intelligent messages and/or advanced functionality for completing or initiating transactions, such as sign-ups, transfers, address updating and more. Certain customisations, such as enabling transactions within the Mover Product, may require technology integrations between Updater and the applicable Business partner's customer database or another database. Updater only plans to enable Businesses to customise the moving experience for the Movers who are most likely to find the applicable

communication or functionality relevant and contextual, such as existing customers of the Business or consumers moving into the applicable geographic footprint of the Business.

Management believes that the Business Products will greatly enhance the Mover Product, resulting in increased demand from Movers for the Mover Product, thereby creating a potential 'network effect'. Further, Management is optimistic that Updater may create a powerful 'virtuous circle' in the relocation industry, delivering increased value to all parties – Movers, Real Estate Companies, and Businesses.

Pilot Programs

The Company has already secured three (3) Pilot Programs for Business Products. The primary goals of the Pilot Programs are to prove the value of the Updater platform for Businesses and learn best methods for efficient communication between Businesses and Movers. Each Pilot Program is structured as an iterative and collaborative product development partnership with the applicable pilot partner(s).

The Company will be in a superior position to optimally 'price' Business Products and efficiently onboard a multitude of Businesses within a given vertical after the Pilot Programs are completed and the Company has gained all necessary insights.

For each Pilot Program, the Company will compare a subset of Movers who receive the applicable communications (a 'Treated Group') against a subset of Movers who do not receive the applicable communications (a 'Control Group'). By comparing the Control Group to the Treated Group, the Company aims to prove a positive impact on a key metric of the applicable pilot partner(s) ('Lift').

Updater has already secured 3 Pilot Programs.

The Results that the Company announces are intended to demonstrate a level of Lift within the applicable vertical that may result in future material revenue-generating contracts. The Company will not announce Results until they are regarded as statistically significant.

Each Pilot Program will involve numerous marketing strategies and techniques. Moreover, each Pilot Program will involve an analysis of the effectiveness of communications across numerous groups of Movers that have shared experiences, events, attributes, or other factors (each a 'Cohort Group'). Announced Results may describe either the impact of the platform for all Movers in a Pilot Program study or the impact of the platform on a Cohort Group of Movers within an applicable Pilot Program study. As an example, Movers relocating interstate in a given pilot study (as opposed to those relocating intrastate) is an example of a Cohort Group.

Announced Results are merely initial indicators of the Lift that the Updater platform can achieve in the applicable vertical. Over the course of 2017, the Company will be significantly expanding its product team with the goal of building a more comprehensive platform for Business partners, enabling more sophisticated campaigns and deeper integrations. As such, Management believes that, over time, any initial Lift that is proven during the Pilot Programs may be materially improved with an optimised, more sophisticated marketing platform.

Results are information that is not generally known to the public and which has significant commercial value. Management believes that the Results constitute a trade secret, as the revelation of success (or failure) of various types of marketing, and in which verticals, and for which user Cohort Groups, is extremely valuable know-how that only the Company will possess. The information is therefore a trade secret that is confidential, and a reasonable person would not expect the

information to be disclosed given the sensitivity of the data, the potential impact on current or future negotiations, and the potential to aid or assist any future competitors.

Of course, Management also believes that it is important to provide Shareholders with guidance on the potential impact and value of the Business Products. In fact, Management believes that such information is a key variable for calculating the revenue that the Company can generate or save for a Business partner ('Partner Value'). Management has determined that it can minimize disclosure risk and adequately inform its Shareholders of the potential value of its platform by carefully selecting certain Results to announce to Shareholders.

Revenue Streams

Currently, Updater charges Real Estate Companies subscription fees for the Real Estate Products, and provides the Mover Product for free to Movers. The Business Products are a primary revenue opportunity that Updater has identified. Updater will prioritise the Mover experience by ensuring all communication within the Mover Product is helpful and contextual.

Directors' Report



Please find below the Directors' report for the year ended 31 December 2016.

The names and details of the Company's Directors in office during the financial year and until the date of this Annual Report are set forth below. Directors were in office for this entire period unless otherwise stated.

This Annual Report has been made in accordance with a resolution of the Directors.

Names, Qualifications, Experience, & Responsibilities of Directors

DAVID GREENBERG, FOUNDER AND CHIEF EXECUTIVE OFFICER /

EXECUTIVE DIRECTOR

- David is responsible for driving the vision and execution of the Company's business plan.
- David built and launched Updater out of his own frustrations with moving, recognizing that there had to be a better way to organise and complete all moving-related tasks.
- Prior to launching Updater, David practiced corporate law at Cravath, Swaine & Moore LLP.
- David holds a Juris Doctor from Cornell Law School and a Bachelor of Arts from the University of Pennsylvania.
- Other current directorships of listed companies: None
- Former directorships of listed companies in last three years: None

RYAN HUBBARD, CHIEF TECHNOLOGY OFFICER /

EXECUTIVE DIRECTOR

- Ryan oversees technical strategy for the Company and drives all engineering initiatives. Ryan joined the Board in 2014.
- Ryan has over 15 years of experience in the technology and software engineering industry.
- Prior to joining the Company, Ryan served as Partner and CTO of YellowHammer, a multi-award-winning performance trading platform that was ranked #37 on the Inc. 5000 Fastest Growing Companies list in 2013. Prior to YellowHammer, Ryan was Co-Founder and CTO of eVariant, a market leader in healthcare CRM/PRM software to manage interactions across both digital and direct channels.
- Ryan holds a Bachelor of Computer Science and Engineering from the University of Connecticut.
- Other current directorships of listed companies: None
- Former directorships of listed companies in the last three years: None

GRANT SCHAFFER, NON-EXECUTIVE DIRECTOR

- Grant was the lead seed investor in the Company and has been on the Board since 2011.
- Grant is an active technology investor in both Australia and the United States. Grant previously held a range of senior positions within London-based investment bank Evolution Securities (since sold to Investec plc) and Ernst & Young in Australia.
- Grant is a chartered accountant, holds a Bachelor of Arts and a Bachelor of Commerce degree from the University of Western Australia, is a Member of the Australian Institute of Company Directors and completed the Owner/President Management Program at Harvard Business School.
- Current directorships of listed companies: None
- Former directorships of listed companies in last three years: None

ANTONY CATALANO, NON-EXECUTIVE DIRECTOR

- Antony has been the CEO of Domain Group since November 2013. The value of Domain, Fairfax Media's (ASX: FXJ) most significant asset, has grown well over one billion dollars under his leadership.
- Antony established Metro Media Publishing (MMP) in 2009, Victoria's fastest-growing media business, which publishes a suite of glossy magazines that reach more than one million homes throughout Melbourne. Antony also pioneered the highly-effective agent equity model, which underpinned MMP's extraordinary success in digital and print publishing, and this model has been rolled out nationally by Domain Group.
- Antony is a recognized thought leader in the real estate technology industry.
- Current directorships of listed companies: Real Estate Investar Group Limited
- Former directorships of listed companies in last three years: None

ASX Representative

Under Delaware law, the Company is not required to have a Company Secretary. The Company appointed Nathan Bartrop as ASX Representative on 30 June 2016.

Corporate Structure

STATE OF INCORPORATION

The Company is incorporated in the State of Delaware, United States of America. As a foreign company registered in Australia, the Company is subject to different reporting and regulatory regimes than Australian companies.

GENERAL DESCRIPTION OF CAPITAL STRUCTURE

The Company is authorised to issue 110,000,000 Shares, 55,000,000 of which are designated common stock, par value US\$0.001 per Share, and 55,000,000 of which are designated common prime stock, par value US\$0.001 per Share.

In the event of a breach of an applicable mandatory escrow agreement, common stock will automatically convert into common prime stock for the duration of the breach. As at the date of this Annual Report, no Shares of common prime stock are issued or outstanding.

The Company has reserved an aggregate of 11,500,000 Shares of common stock for stock options under its 2010 Stock Incentive Plan.

25 CDIs are transferrable for 1 Share of common stock.

SECURITIES ON ISSUE

The Company had the following securities on issue at year-end 2016:

CATEGORY	COMMON STOCK	CDI EQUIVALENT*
Shares	19,556,778	488,919,450
Options	4,122,250	103,056,250
Warrants	234,750	5,868,750

*Assumes all Shares are held in the form of CDIs.

AUTHORISED BUT UNISSUED SHARES

Subject to the limitation on the issue of securities under the Listing Rules and DGCL, the Company's authorised but unissued Shares will be available for future issue without Shareholder approval. The Company may use additional Shares for a variety of purposes, including future capital raises, to fund acquisitions, and as employee compensation.

VOTING RIGHTS

At a meeting of the Company, every holder of common stock present in person or by proxy, is entitled to one vote for each Share of common stock held on the record date for the meeting on all matters submitted to a vote of the Shareholders. Holders of Shares do not have cumulative voting rights. Holders of common prime stock do not have voting rights. Voting rights for CDI holders are set forth in the Additional Information section of this Annual Report.

DIVIDENDS

Holders of common stock are entitled to receive ratably dividends, if any, as may be declared from time to time by the Board out of funds legally

available for dividend payments. Holders of common prime stock are not entitled to dividends.

RIGHTS ATTACHING TO SHARES

Shareholders have no preferences or rights of conversion, exchange, pre-emption or other subscription rights. There are no redemption or sinking fund provisions applicable to the Shares. In the event of any liquidation, dissolution or winding-up of the Company's affairs, Shareholders will be entitled to share ratably in the Company's assets that are remaining after payment or provision for payment of all of the Company's debts and obligations and after any applicable liquidation payments to former holders of preferred stock as described below.

DELAWARE LAW, CERTIFICATE OF INCORPORATION AND BYLAWS

As a foreign company registered in Australia, the Company will not be subject to Chapters 6A, 6B and 6C of the Corporations Act dealing with the acquisition of shares (i.e. substantial holders and takeovers). Provisions of DGCL, the Company's Certificate of Incorporation and the Company's Bylaws could make it more difficult to acquire the Company by means of a tender offer (takeover), a proxy contest or otherwise, or to remove incumbent officers and Directors of the Company. These provisions (summarised in section 9.2 of the Prospectus) could discourage certain types of coercive takeover practices and takeover bids that the Board may consider inadequate and encourage persons seeking to acquire control of the Company to first negotiate with the Board. The Board believes that the benefits of increased protection of its ability to negotiate with the proponent of an unfriendly or unsolicited proposal to acquire or restructure the Company outweigh the disadvantages of discouraging takeover or acquisition proposals because, among other things, negotiation of these proposals could result in an improvement of their terms.

LIQUIDATION COVENANT FOR VENTURE CAPITAL INVESTORS

The Company has provided the US Venture Capital Investors with a Liquidation Covenant. The Liquidation Covenant provides that in the event of a sale or liquidation of the Company (and only in such event), the Company shall pay to the US Venture Capital Investors the greater of (a) US\$0, or (b) an amount equal to US\$7.2m, less any proceeds received by the US Venture Capital Investors from any sale of their applicable Shares, less any proceeds to be received by the US Venture Capital Investors

from the liquidation or sale of the Company. This Liquidation Covenant was provided as part of a recapitalisation (which was implemented in part to facilitate the ASX Listing) and in recognition that the US Venture Capital Investors relinquished their preference shares and converted their holdings into common stock in order to facilitate the Listing. Each Share of common stock will have the right to receive a pro rata portion of assets remaining for distribution upon a liquidation of the Company after any applicable payments pursuant to the Liquidation Covenant.

Significant Events Post-Period End

Except as otherwise set out in this Annual Report, the Directors are unaware of any significant changes in the state of affairs or principal activities of the consolidated entity that occurred during the period under review.

Use of Funds

The Company has used the proceeds of the ASX IPO and the Placement in October 2016 and all other available assets in a manner generally consistent with the business objectives described in the Prospectus and the 2015 Annual Report.

Indemnification and Insurance of Directors

The Company has entered into Deeds of Indemnity with the Directors, indemnifying them against certain liabilities and costs to the extent permitted by law.

The Company has also agreed to pay a premium in respect of a contract insuring the Directors and officers of the Company against certain liabilities and costs to the extent permitted by law. Full details of the coverage and premium are not disclosed as the insurance policy prohibits the disclosure.

Indemnification of Auditors

To the extent permitted by law, the Company has agreed to indemnify its auditors, WithumSmith+Brown, as part of the terms of its audit engagement agreement, against claims by third parties (for an unspecified amount) arising from or relating to the Company's knowing misrepresentations or false or incomplete information provided to the auditors.

No payment has been made to indemnify WithumSmith+Brown during or since the financial year.

Corporate Governance

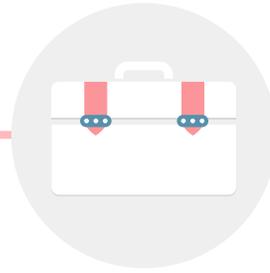
In recognising the need for the highest standards of corporate behaviour and accountability, the Directors of the Company adhere to strict principles of corporate governance. The Company's corporate governance statement is included in this Annual Report.

Non-Audit Services

There were no non-audit services provided by the Company's auditors during the financial year.

“ 2017 will be a game-changing year for Updater. ”

Corporate Governance Statement



In recognising the need for the highest standards of ethical corporate behaviour and accountability, the Directors of the Company adhere to strict principles of corporate governance.

The Board of Directors of the Company is responsible for the overall corporate governance of the Company, and guiding and monitoring the business and affairs of the Company on behalf of the Shareholders, to whom they are accountable.

The Company's corporate governance principles and policies are structured with reference to the Corporate Governance Councils best practice recommendations, which are as follows:

PRINCIPLE 1 ● LAY SOLID FOUNDATIONS FOR MANAGEMENT AND OVER-SIGHT

PRINCIPLE 2 ● STRUCTURE THE BOARD TO ADD VALUE

PRINCIPLE 3 ● ACT ETHICALLY AND RESPONSIBLY

PRINCIPLE 4 ● SAFEGUARD INTEGRITY IN CORPORATE REPORTING

PRINCIPLE 5 ● MAKE TIMELY AND BALANCED DISCLOSURE

PRINCIPLE 6 ● RESPECT THE RIGHTS OF SHAREHOLDERS

PRINCIPLE 7 ● RECOGNISE AND MANAGE RISK

PRINCIPLE 8 ● REMUNERATE FAIRLY AND RESPONSIBLY

The Company currently has in place corporate governance policies and charters which have been posted in a dedicated corporate governance information section on the Company's website at updater.com. The

Board's corporate governance policies and charters include procedures for compliance with the ASX Listing Rules continuous disclosure requirements, trading in the Company's securities, the management of risk, as well as a Code of Conduct.

Role of the Board

In general, the Board is responsible for, and has the authority to determine, all matters relating to the policies, practices, management and operations of the Company. The Board is required to do all things that may be necessary to carry out the objectives of the Company.

Without intending to limit this general role of the Board, the principal functions and responsibilities of the Board include the following:

- Set the strategic direction for the Company and monitor progress of those strategies;
- Establish policies appropriate for the Company;
- Monitor the performance of the Company, the Board and Senior Management;
- Approve business plans and budgets;
- Authorise and monitor investment and strategic commitments;
- Review and ratify systems for workplace safety, risk and internal control, codes of conduct, and regulatory compliance;
- Report to Shareholders, including, but not limited to, the financial statements of the Company; and
- Take responsibility for corporate governance.

Composition of the Board

To add value to the Company, the Board has been formed so that it has effective composition, size and commitment to adequately discharge its responsibilities and duties given the current size of the Company and scale of its operations.

The Company's Bylaws provide that the number of Directors on the Board is to be fixed exclusively by the Board. Newly created directorships

resulting from any increase in the Company's authorised number of Directors or any vacancies will be filled by a majority of the remaining Directors in office, unless otherwise required by law or by resolution of the Board. Currently, the Board has authorised a total of four (4) Directors.

The preferred skills and experiences for a Director of the Company include:

- Financing of operations;
- Business development and industry expertise; and
- Public company financial reporting and administration.

The Board has identified that the Board as a whole has all the required skills and experience to operate effectively. The Board will consider enhancing its skills and experience if required at an appropriate time in the Company's development.

CHAIRMAN OF THE BOARD

The Chairman of the Board should be a Non-Executive Director and the Board of Directors will elect the Chairman. Mr. David Greenberg, however, is an Executive Chairman and is not Independent. Given his skills, experience and knowledge of the Company, the Board considers that it is appropriate for him to be Chairman.

INDEPENDENT DIRECTORS

The Board considers that a Director is 'Independent' if that Director complies with the following criteria:

- Apart from Director's fees and shareholding, Independent Directors should not have any business dealings which could materially affect their independent judgment;
- Must not have served in an executive capacity with the Company in the last 3 years;
- Must not have served in an advisory capacity with the Company in the last 3 years;
- Must not be a significant customer or supplier for the Company;
- Must not be appointed through a special relationship with a Board member;

- Must not owe allegiance to a particular group of Shareholders which gives rise to a potential conflict of interest;
- Must not hold conflicting cross directorships; and
- Must not be a Substantial Shareholder or a nominee of a Substantial Shareholder (as defined under section 9 of the Corporations Act).

Using the ASX Best Practice Recommendations on the assessment of the independence of Directors, the Board considers that, out of a total of four (4) Directors, one is considered Independent.

Mr. David Greenberg is the CEO and Executive Chairman of the Company and is not considered to be Independent. His experience and knowledge of the Company and his contributions to the Board make it appropriate for him to remain on the Board and serve as Chairman.

Mr. Ryan Hubbard is the CTO and Executive Director of the Company and is not considered to be Independent. His experience and knowledge of the Company and his contributions to the Board make it appropriate for him to remain on the Board.

Mr. Grant Schaffer is a Non-Executive Director of the Company. He is not considered Independent because he is a Substantial Shareholder of the Company. His experience makes his contribution to the Board important and significant.

Mr. Antony Catalano is an Independent Non-Executive Director of the Company. His experience and expertise makes his contribution to the Board important and significant.

TERM AND REMOVAL OF DIRECTORS

The Company's Bylaws provide that Directors shall hold office until his or her successor has been elected and qualified or, if earlier, his or her death, resignation, retirement, disqualification or removal.

The Company's Bylaws provide that any Director may be removed either with or without cause at any special meeting of Shareholders duly called and held for such purpose.

NOMINATION OF DIRECTORS

Nominations for Directors must be received by the Company no earlier than 120 calendar days and no later than 90 calendar days prior to the first anniversary of the preceding year's annual meeting (provided however, that in the event that the date of the annual meeting is more than 30 calendar days before or more than 70 calendar days after such anniversary date, nominations for the election of directors must be received by the Company no earlier than 120 calendar days and no later than 90 calendar days prior to the annual meeting); or if the first public announcement of the annual meeting is less than 100 days prior to the date of such annual meeting, nominations for the election of Directors must be received by the Company no later than ten (10) calendar days following the day on which the public announcement of the date of such meeting was made by the Company.

VACANCIES ON THE BOARD OF DIRECTORS

If any vacancy occurs in the Board of Directors caused by death, resignation, retirement, disqualification, or removal from office of any Director, or otherwise, or if any new directorship is created by an increase in the authorized number of Directors, a majority of the Directors then in office, or the sole remaining Director, may choose a successor or fill the newly created directorship; and a Director so chosen shall hold office until the next election of Directors and until his or her successor has been duly elected and qualified or, if earlier, his or her death, resignation, retirement, disqualification or removal.

At commencement of the Director selection process, the Company will undertake appropriate checks on potential candidates to consider their suitability to fill a vacancy on the Board or for election as a Director. The Company will provide Shareholders with all material information in its possession relevant to a decision on whether or not to elect or re-elect a director. The Company enters into a written agreement with each Director and senior executive setting out the terms of their appointment.

Independent Professional Advice

Each Director has the right to seek independent professional advice at the Company's expense after consultation with the Chairman. Once received, the advice is to be made immediately available to all Board members.

Access to Employees

Directors have the right of access to any employee. Any employee may report any breach of corporate governance principles or Company policies to any Director or senior manager, who shall in turn work to remedy the breach. If the breach is not rectified to the satisfaction of the employee, such employee shall have the right to report any breach to an Independent Director without further reference to senior managers of the Company.

Insurance

- The Directors review the requirements for insurance coverage for the risks associated with the Company's business operations. The Board will maintain insurance as it considers appropriate, however, the Company will not be insured against all risks, either because appropriate coverage is not available or because the Directors consider the applicable premiums to be excessive in relation to the perceived benefits that would accrue.
- The Company maintains insurance policies that indemnify its Directors and officers against various liabilities that might be incurred by any Director or officer in his or her capacity as such.

Share Ownership

Directors are encouraged to own Shares in the Company. All current Directors are Shareholders in the Company.

Board Meetings

The following points identify the frequency of Board meetings and the extent of reporting from Senior Management at the meetings:

- A minimum of six (6) meetings are to be held per year;
- Other meetings will be held as required, meetings can be held by telephone; and
- Information provided to the Board shall include all material information on: operations, budgets, strategy, cash flows, funding requirements, Shareholder movements, broker activity in the Company's securities, assets and liabilities, disposals, financial accounts, external audits, internal controls, risk assessment and strategy proposals.

Board Performance Review and Senior Management Performance Review

The Board has a process for reviewing the performance of Directors as set out in the Board Charter. The Company confirms that a review processes was conducted during 2016. The performance of senior management is conducted annually by the CEO to assess whether they each senior manager has met key performance indicators set forth during the preceding year. The Company confirms that the performance reviews were conducted for all senior managers during 2016.

Other Areas for Board Review

The Board oversees reporting to Shareholders and the market to ensure trading in the Company's securities takes place in an efficient, competitive and informed market.

Board Committees

AUDIT COMMITTEE

The Company has established an audit committee. The Board is of the opinion that due to the size of the Company, the functions performed by the audit committee will be handled by the full Board.

The CEO declares in writing to the Board that the Company's financial statements for the year present a true and fair view, in all material aspects, of the Company's financial condition and operational results and are in accordance with relevant accounting standards. This representation is made by the CEO prior to the Board's approval of the release of the annual and half-year accounts. This representation is made after enquiry of, and representation by, appropriate levels of management.

The Company has requested that the external auditors be available to answer Shareholder questions regarding the audit at the Company's annual meeting and/or at a designated time within ten (10) days after the meeting.

NOMINATION AND REMUNERATION COMMITTEE

The Company has established a nomination and remuneration committee. The Board is of the opinion that due to the size of the Company, the

functions performed by the nomination and remuneration committee will be handled by the full Board.

Remuneration levels for Directors and senior managers of the Company are competitively set to attract and retain appropriately qualified and experienced Directors and senior managers. The structure of Non-Executive Directors' remuneration and that of executives is clearly distinguished.

The remuneration structures explained below are designed to attract suitably qualified candidates, reward the achievement of strategic objectives, and achieve the broader outcome of creation of value for Shareholders. The remuneration structures take into account:

- The capability and experience of the Director and/or senior manager;
- The Director's and/or senior manager's ability to control the relevant department's performance;
- The Company's performance including (a) the Company's progress on stated business objectives, and (b) the growth in share price; and
- The amount of incentives within the Director's and/or senior manager's remuneration package.

Risk Management

The Board of Directors regularly monitors all risks and exposures, including financial and reputational, associated with running the Company and the specific uncertainties for the Company's businesses. The full Board meets on an annual basis to formally review all such risks. All proposals reviewed by the Board include a consideration of all material risks and issues associated with the proposal. The Board considers that it does not have any current material exposure to economic, environmental and reputational risks.

Additionally, it is the responsibility of the Board to assess the adequacy of the Company's internal control systems and ensure that its financial affairs comply with applicable laws and regulations and professional practices. The Board reviews annually the Company's risk management framework to ensure that it continues to be sound. A review of the framework took place in 2016.

The CEO declares to the Board that the financial reporting, risk management and associated compliance controls have been assessed and found to be operating efficiently and effectively. This representation is made by the CEO prior to the Board's approval of the release of the annual and half year accounts. This representation is made after enquiry of, and representation by, appropriate levels of senior management and relevant external service providers.

Due to the size and current stage of development of the Company, the Company does not have an independent internal audit function. Oversight of the effectiveness of the Company's risk management and internal control processes currently form part of the responsibilities of the CEO for financial risks and controls. As the Company continues to develop, the Audit and Risk Committee will consider establishing an independent internal audit function and/or hiring a senior manager to take primary responsibility for these functions.

Promotion of Ethical and Responsible Decision-Making

CODE OF CONDUCT

The Company desires to remain a good corporate citizen and appropriately balance, protect and preserve all stakeholders' interests. The Company is also guided by its core values of honesty, integrity, common sense and respect.

The Board has adopted a Code of Conduct for Directors and employees of the Company that reflects the Company's principals and core values. The Company's actions aimed at achieving above average wealth creation for its Shareholders should at all times comply with this Code of Conduct, which provides principles to which Directors and employees should be familiar and to which they are expected to adhere and advocate.

It is the responsibility of the Board to ensure that the Company performs in line with its Code of Conduct, and regularly review the Code of Conduct.

DIVERSITY

The Board has adopted a diversity policy. The Company is committed to workplace diversity and recognises the benefits arising from recruitment, development and retention of a talented, diverse and motivated workforce. Whilst the board is committed to diversity across the Company, during

the year it did not establish measurable objectives for achieving diversity. The Board may formulate measurable objectives during the 2017 financial year. Set out below is the percentage of female employees within the following groups, as at 31 December 2016:

GROUP	PERCENTAGE 31 DECEMBER 2016
Board	0%
Senior Management	25%
Entire Team	40%

TRADING IN COMPANY SECURITIES BY DIRECTORS, OFFICERS AND EMPLOYEES

Trading of Company securities is covered by, amongst other things, the Corporations Act and the ASX Listing Rules. The Board has established a Securities Trading Policy that implements strict guidelines as to when a Director, officer or an employee can deal in Company securities. The policy prohibits trading in the Company's securities whilst a Director, senior manager or employee is in the possession of price sensitive information. The Company requires all Directors, senior managers and employees to consult with the CEO before dealing in Company securities to ensure that Company policies are not violated. The majority of employees and all senior managers of the Company have signed a 'Sales Opportunity and Restriction Agreement' that includes certain limitations, for a five-year period, on the ability of such senior manager and employee to freely trade securities in the Company without facilitation and approval by the Company.

Shareholder Communication

The Board aims to ensure that Shareholders and the general investing community have equal access to material information about the Company.

The Company has policies and procedures that are designed to ensure compliance with ASX Listing Rules disclosure requirements and to ensure accountability of the Board and senior managers with compliance. This disclosure policy includes processes for the identification of matters that are material to the Company's stated business objectives and/or which may have a material effect on the price of the Company's securities, and then disclosing such matters to the ASX and posting them on the Company's website.

The Company also has a strategy to promote effective communication with Shareholders and encourage effective participation at general meetings through a policy of open disclosure to Shareholders, regulatory authorities and the broader community of all material information with respect to the Company's affairs including, but not limited to:

- The Company's activities and analysis of performance relative to stated goals and objectives;
- Conflicts of interest and related party transactions;
- The grants of options and details of stock option plans;
- The process for performance evaluation of the Board, its committees, individual Directors and senior managers;
- The use of clear and concise text in all communications.

The following information is communicated to Shareholders via filing on the ASX and available on the Company's website (updater.com):

- The most recent Annual Report;
- Notices of Shareholder meetings;
- Half-yearly and quarterly reports reviewing the operations, activities, and financial position of the Company; and
- All material information that is required to be disclosed pursuant to the ASX Listing Rules.

ELECTRONIC COMMUNICATION

The Company's contact details are available on the Updater website updater.com/contact-us.

Shareholders can submit an email to the Company at investors@updater.com or contact its Share Registry, Computershare Investor Services at www.computershare.com/us/investor-inquiries (for common stock holders) or www-au.computershare.com/Investor/contact (for CDI holders).

Available to all Shareholders is the option to receive all shareholder communications (including notification that the Annual Report is available, notices of meetings and other announcements) by email. Electronic communications have the added advantage of being more timely and cost-effective, which benefits all Shareholders.

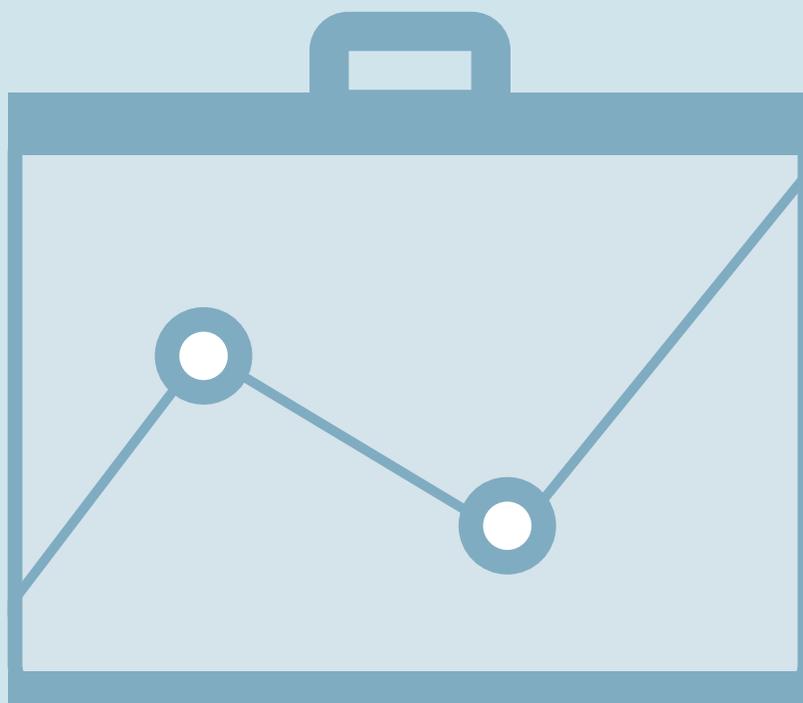
ASX Corporate Governance Principles

Since listing on the ASX in December 2015, the Company has followed all of the recommendations of the ASX Corporate Governance Council, except for the following:

- The majority of the members of the Board are not Independent Directors, the Chairman is not an Independent Director, and the Chairman is the same person as the CEO. These are departures from Recommendations 2.4 and 2.5. Currently there is only one out of four (4) members of the Board that are Independent Directors. Considering the Company's stage of development and the collective experience and expertise of the Directors, the Board considers the current composition of the Board appropriate.
- The majority of the Directors on the Audit and Risk Committee and the Nomination and Remuneration Committee are not Independent Directors. These are departures from Recommendations 4.1 (audit), 7.1 (risk), 2.1 (nomination) and 8.1 (remuneration). The Remuneration and Nomination Committee is not chaired by an Independent Director as set forth in Recommendations 2.1 (nomination) and 8.1 (remuneration). The Audit and Risk Committee is not chaired by an Independent Director as set forth in Recommendations 4.1 (audit) and 7.1 (risk). The Company is presently unable to comply with all of the recommendations of the ASX Corporate Governance Council regarding the composition of these Board committees given that only one Director is considered to be Independent. The Board may adjust the composition of its Board committees in the future when additional Independent Directors are appointed.
- Due to the Company's stage of development and number of employees, the Company may face certain issues in relation to setting, reviewing, assessing and reporting on certain diversity measures. Consequently, the Company may not fully comply with Recommendation 1.5 (diversity).
- The Company does not have an internal audit function.

UPDATER INC.

Financial Statements



Years ended
December 31, 2016 and 2015

All amounts are in US Dollars

Independent Auditors' Report

Board of Directors and Stockholders,
Updater, Inc.:

Report on the Financial Statements

We have audited the accompanying financial statements of Updater, Inc., which comprise the balance sheets as of December 31, 2016 and 2015, and the related statements of operations, changes in stockholders' equity, and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Updater Inc. as of December 31, 2016 and 2015, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Withum Smith + Brown, PC

February 24, 2017

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ASSETS	DECEMBER 31, 2016	DECEMBER 31, 2015
Current assets		
Cash and cash equivalents	\$32,251,581	\$16,605,391
Restricted cash	100,426	100,225
Accounts receivable	48,854	27,882
Unbilled revenue	53,120	-
Prepaid expenses	188,970	115,989
Total current assets	32,642,951	16,849,487
Property and equipment, net	457,188	34,610
Other assets	699,891	50,881
	\$33,800,030	\$16,934,978
Liabilities and Stockholders' Equity		
Current liabilities		
Accounts payable and accrued expenses	\$346,789	\$241,092
Deferred revenue	30,105	34,771
Total current liabilities	376,894	275,863
Long term liabilities		
Warrant liability	-	959,689
Deferred rent	-	12,768
Total long term liabilities	-	972,457
Stockholders' equity		
Common stock, \$.001 par value	19,557	17,080
Additional paid in capital	56,479,524	29,885,371
Accumulated deficit	(23,075,945)	(14,215,793)
Total stockholders' equity	33,423,136	15,686,658
	\$33,800,030	\$16,934,978

	DECEMBER 31, 2016	DECEMBER 31, 2015
Revenue, net	\$578,258	\$183,492
Cost of revenue	37,388	27,460
Gross margin	540,870	156,032
Operating expenses		
Research and development expense	1,540,095	1,369,546
Sales and marketing expense	2,648,416	1,908,398
General and administrative expense	1,804,296	1,574,747
Stock based compensation	3,546,723	461,605
Total operating expenses	9,539,530	5,314,296
Loss from operations	(8,998,660)	(5,158,264)
Other income (expense)		
Other expense	(29,463)	(42,347)
Other Income	5,698	5,000
Interest income	47,087	2,158
Change in fair value of warrants	115,186	(896,122)
Total other income (expense), net	138,508	(931,311)
Net loss	(\$8,860,152)	(\$6,089,575)

Updater Inc.
 Statements of Changes in Stockholders' Equity
 Years ended December 31, 2016 and 2015

	SERIES A-1 CONVERTIBLE PREFERRED STOCK		SERIES A CONVERTIBLE PREFERRED STOCK		COMMON STOCK		ADDITIONAL PAID IN CAPITAL	ACCUMULATED DEFICIT	TOTAL STOCKHOLDERS' EQUITY
	NO. OF SHARES	AMOUNT	NO. OF SHARES	AMOUNT	NO. OF SHARES	AMOUNT			
January 1, 2015	3,354,799	\$3,355	3,135,451	\$3,135	5,644,912	\$5,645	\$10,004,745	(\$8,126,218)	\$1,890,662
Issuance of common stock for cash, net of expense	-	-	-	-	5,876,167	5,876	18,930,300	-	18,936,176
Issuance of common stock to related parties for cash, net of expense	-	-	-	-	341,706	342	999,658	-	1,000,000
Conversion of preferred stock to common stock	(3,354,799)	(3,355)	(3,135,451)	(3,135)	6,543,236	6,543	(53)	-	-
Repurchase of common stock	-	-	-	-	(4,641,494)	(4,641)	(995,359)	-	(1,000,000)
Exercise of options	-	-	-	-	40,000	40	94,755	-	94,795
Stock-based compensations expense (restricted stock)	-	-	-	-	3,274,960	3,275	389,720	-	392,995
Stock-based compensations expense (options)	-	-	-	-	-	-	461,605	-	461,605
Net loss	-	-	-	-	-	-	-	(6,089,575)	(6,089,575)
December, 31 2015	-	-	-	-	17,079,487	17,080	29,885,371	(14,215,793)	15,686,658
Exercise of common stock options for cash, net of expense	-	-	-	-	77,291	77	203,807	-	203,884
Issuance of common stock for cash, net of expense	-	-	-	-	2,400,000	2,400	21,999,120	-	22,001,520
Reclassification of liability warrants	-	-	-	-	-	-	844,503	-	844,503
Stock-based compensations expense	-	-	-	-	-	-	3,546,723	-	3,546,723
Net loss	-	-	-	-	-	-	-	(8,860,152)	(8,860,152)
December, 31 2016	-	\$-	-	\$-	19,556,778	\$19,557	\$56,479,524	(\$23,075,945)	\$33,423,136

	DECEMBER 31, 2016	DECEMBER 31, 2015
Cash flows from operating activities		
Net loss	(\$8,860,152)	(\$6,089,575)
Adjustments to reconcile net loss to net cash used by operating activities:		
Depreciation expense	40,831	28,054
Change in fair value of warrants	(115,186)	896,122
Stock based compensation expense	3,546,723	854,600
Changes in operating assets and liabilities:		
Accounts receivable	(20,972)	(17,710)
Unbilled revenue	(53,120)	-
Prepaid expenses	(72,981)	(114,210)
Deferred revenue	(4,666)	(21,007)
Accounts payable and accrued expenses	92,929	124,437
Net cash used by operating activities	(5,446,594)	(4,339,289)
Cash flows from investing activities		
Purchases of property and equipment	(463,409)	(6,141)
Increase in restricted cash	(201)	(75,212)
Other assets	(649,010)	-
Net cash used by investing activities	(1,112,620)	(81,353)
Cash flows from financing activities		
Proceeds from issuance of common stock, net	22,001,520	18,936,176
Repurchase of common stock	-	(1,000,000)
Proceeds from issuance of common stock to related parties	-	1,000,000
Proceeds from exercise of options	203,884	94,795
Net cash provided by financing activities	22,205,404	19,030,971
Net increase in cash and cash equivalents	15,646,190	14,610,329
Cash and cash equivalents		
Beginning of year	16,605,391	1,995,062
End of year	\$32,251,581	\$16,605,391
Supplemental disclosure of cash flow information		
Cash paid for interest	\$-	\$23,208

Non cash investing and financing activity

During 2016, warrants valued at \$844,503 were converted to an equity classification from a liability classification due to the removal of a contingent put option. On September 15, 2015 6,490,250 shares of preferred stock were converted to 6,543,236 shares of common stock.

1. Summary of Significant Accounting Policies

NATURE OF BUSINESS

Updater Inc. (the "Company"), a Delaware C-Corporation, develops and markets tools for consumers to complete their moving-related tasks. The Company partners with companies in the relocation services industry such as real estate agents and brokers, property managers, and moving companies to provide a co-branded version of its product to consumers. The Company serves clients throughout the United States.

USE OF ESTIMATES

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reporting period. Significant estimates include stock based compensation expense, warrant expense, revenue recognition, depreciation expense, and warrant valuation. Actual results may differ from those estimates.

CASH AND CASH EQUIVALENTS

The Company considers cash equivalents to be only those investments which are highly liquid, readily convertible to cash and have a maturity date within ninety days from the date of purchase.

ACCOUNTS RECEIVABLE AND CREDIT POLICIES

Accounts receivable are uncollateralized, non-interest bearing customer obligations due under normal trade terms, usually within 30 days of services provided.

The Company applies collections of accounts receivable to specific invoices in accordance with customer specifications, or if unspecified, to the oldest outstanding invoices.

Management individually reviews all accounts receivable balances that exceed 90 days from the invoice date and based on an assessment of current creditworthiness, estimates

the portion, if any, of the balance that will not be collected. Management may also utilize the direct write off method for specific balances that are deemed uncollectible between financial reporting periods. Management determined that no allowance for doubtful accounts was required as of December 31, 2016 and 2015.

REVENUE RECOGNITION

Revenue is recognized when (i) persuasive evidence of an arrangement exists, (ii) delivery has occurred or services have been rendered, (iii) the fee is fixed or determinable, and (iv) collectability is reasonably assured.

The Company typically enters into fixed fee contracts with enterprise and small business clients which dictate both revenue recognition and billings to customers. These contracts are typically for a 1-year initial term, with annual renewals thereafter. Fees are due under the contracts in varying terms either monthly or annually. Revenue is recognized upon delivery of the service. The Company occasionally receives payment in advance of service, this payment is deferred and recognized into revenue upon delivery of the service.

The Company enters into annual fixed fee contracts with individual real estate agents. All fees are due under the contracts in advance of the annual term. Payments received upon the inception of the contract are deferred and recognized into revenue upon delivery of the service.

The Company occasionally enters into fee-sharing agreements with its enterprise and small business clients or other referral sources. The total amount paid out pursuant to these agreements has, to date, been de-minimus.

The Company generally performs its services in one period with the billing occurring in a subsequent period. The Company accrues unbilled revenue at the end of the period, provided that the other revenue criteria have been met.

PROPERTY AND EQUIPMENT

Property and equipment are carried at cost less depreciation. Depreciation of property and equipment are provided using the straight-line method at the following rates:

DESCRIPTION	ESTIMATED LIFE (YEARS)
Computer equipment	5
Furniture	5
Leasehold improvements	*

* Shorter of lease term or useful life.

Leasehold improvements are amortized using the straight line method over the shorter of the lease term or estimated useful life of the asset.

Expenditures for major renewals and betterments that extend the useful lives of equipment are capitalized. Expenditures for maintenance and repairs are charged to expense as incurred.

CONCENTRATION OF CREDIT RISK

The Company periodically maintains cash balances in excess of the FDIC insurance limit of its financial institutions. The Company has had no losses related to these financial institutions.

RESEARCH AND DEVELOPMENT

Research and development costs consist primarily of salaries and benefits paid to engineers and other members of the product development team. Costs incurred for research and development are expensed as incurred. In addition, the Company recognizes research and development expenses in the period in which it becomes obligated to incur such costs.

ADVERTISING

The Company expenses the cost of advertising and marketing as incurred. Total advertising costs for the years ended December 31, 2016 and 2015 were approximately \$2,600 and \$500, respectively.

COST OF REVENUE

Cost of revenue consists primarily of payments for data authentication and outside services.

SALES AND MARKETING

Sales and marketing consists primarily of salaries, taxes and benefits, advertising expense, and travel, meals and entertainment.

GENERAL AND ADMINISTRATIVE

General and administrative consists primarily of salaries, taxes and benefits, facilities costs, depreciation and amortization, professional services, and other general overhead.

STOCK-BASED COMPENSATION

Stock-based compensation cost is estimated at the grant date based on the fair value of the award and is recognized as expense, net of estimated pre-vesting forfeitures, ratably over the vesting period of the award. In addition, the pronouncement dealing with the stock-based compensation requires additional accounting related to the income tax effects and disclosures regarding the cash flow effects resulting from stock-based payment arrangements.

Calculating stock-based compensation expense requires the input of highly subjective assumptions, including the expected term of the stock-based awards, volatility, dividend yield, risk free rates and pre-vesting forfeitures. The assumptions used in calculating the fair value of stock-based awards represent the Company's best estimates, but these estimates involve inherent uncertainties and the application of management judgment. If factors change and the Company uses different assumptions, its stock-based compensation expense could be materially different in the future. In addition, the Company is required to estimate the expected pre-vesting forfeiture rate and only recognize expense for those shares expected to vest. If the actual forfeiture rate is materially different from its estimate, stock-based compensation expense could be significantly different from what the Company has recorded in the current period.

INCOME TAXES

The Company accounts for its income taxes using the asset and liability method. Under the asset and liability method, deferred taxes are determined for differences between the carrying values of assets and liabilities for financial and tax reporting purposes. Deferred income taxes are recognized as assets for net operating loss carry forwards that are available to offset future taxable income. Valuation allowances are established when necessary to reduce deferred tax assets to the amount expected to be realized.

The Company follows the accounting pronouncement dealing with uncertain tax positions. The pronouncement clarifies the accounting for uncertainty in income taxes recognized in the Company's financial statements and prescribes a recognition threshold and measurement process for financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return. The pronouncement also provides guidance on derecognition, classification, interest and penalties, accounting in interim periods, disclosure and transition.

The Company is required to file tax returns in the U.S. federal jurisdiction and various states/cities.

The Company had no uncertain tax positions at December 31, 2016 and 2015, respectively. In addition, the Company has no material income tax related penalties or interest for the periods reported in these financial statements.

FAIR VALUE MEASUREMENTS

The carrying amounts of the Company's cash and cash equivalents, accounts payable, accrued expenses, and its line of credit approximate fair value due to the short-term nature of these instruments. The Company presents its warrant liability at fair value in accordance with the accounting pronouncement dealing with fair value measurements.

Fair value is defined under the accounting standard related to fair value measurements, as the exchange price that would be received to sell an asset or paid to transfer a liability (i.e., the "exit price") in an orderly transaction between market participants on the measurement date. Fair value is a market-based measurement that is determined based on assumptions that market participants would use in pricing an asset or liability.

Observable inputs are inputs that market participants would use in pricing the asset or liability developed based on market data obtained from sources independent of the Company. Unobservable inputs are inputs that reflect the Company's evaluation about the assumptions market participants would use in pricing the asset or liability based on the best information available in the circumstances.

A three-tier fair value hierarchy is used to prioritize the inputs in measuring fair value as follows:

Level 1 - Quoted prices in active markets for identical assets or liabilities.

Level 2 - Quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets that are not active, or other inputs that are observable, either directly or indirectly.

Level 3 - Significant unobservable inputs that cannot be corroborated by market data.

The assets or liability's fair value measurement within the fair value hierarchy is based upon the lowest level of any input that is significant to the fair value measurement.

The availability of observable inputs can vary from product to product and is affected by a wide variety of factors, including, for example, the type of product, whether the product is

new and not yet established in the marketplace, and other characteristics particular to the transactions. To the extent that valuation is based on models or inputs that are less observable or unobservable in the market, the determination of fair value requires more judgment. Accordingly, the degree of judgment exercised by the Company in determining fair value is greatest for instruments categorized in Level 3. The Company uses the Black Scholes pricing model to value Level 3 financial liabilities at inception and on subsequent valuation dates. This simulation incorporates transaction details such as the Company's stock price, contractual terms, maturity, risk free rates, and volatility. The inputs utilized by management are highly subjective, changes to the inputs could result in a material change to the calculated value.

2. Restricted Cash

The restricted cash balance consists of a certificate of deposit collateralizes the Company credit card as required by the banking institution. As of December 31, 2016 and 2015, \$100,426 and \$100,225, respectively, was maintained in restricted cash.

A letter of credit in the amount of \$664,776 was issued to the Company in conjunction with the Company's new lease agreement (see note 6) and is included in other assets.

3. Property and Equipment

Property and equipment consists of the following at:

	DECEMBER 31, 2016	DECEMBER 31, 2015
Leasehold improvements	\$272,708	\$ -
Computer equipment	158,214	78,156
Furniture	132,796	22,153
Subtotal	563,718	100,309
Accumulated depreciation	(106,530)	(65,699)
Property and equipment, net	\$457,188	\$34,610

Depreciation expense charge to operations was \$40,831 and \$28,054 for the years ended December 31, 2016 and 2015, respectively.

4. Income Taxes

The Company's deferred income tax assets consist of the following:

	DECEMBER 31, 2016	DECEMBER 31, 2015
Net operating loss carryforwards	\$8,206,645	\$5,017,863
Other	185,335	423,452
Total deferred tax assets, net	8,391,980	5,441,315
Valuation allowance	(8,391,980)	(5,441,315)
Net deferred tax assets	\$ -	\$ -

Deferred tax assets consist primarily of net operating loss carryforwards. The Company's effective income tax rate differs from the federal and state statutory rates for all periods presented due to the valuation allowance recorded against the deferred tax assets. The Company has provided for a 100% valuation allowance for all periods presented as the realization of sufficient future taxable income during the expiration period of the net operating loss carryforwards is uncertain. As of December 31, 2016, the Company has approximately \$19,431,252 in federal, and \$30,139,849 in state and city net operating loss carryforwards available to offset future taxable income. The majority of the federal and state net operating loss carryforwards will begin to expire in 2032.

5. Line of Credit

In January 2015 the Company entered into an agreement for a secured credit line facility with Silicon Valley Bank ("SVB") that provides for borrowings of up to \$1,500,000, which can be drawn down in increments of at least \$500,000 during the draw period, which ends on January 13, 2016. The line was secured by a first perfected security interest in all assets, excluding intellectual property. Interest was charged at 1.25% above the Prime Rate. On September 11, 2015, the Company repaid this facility in full and terminated the agreement.

In January 2015, the Company issued to SVB a warrant for 22,000 shares of common stock with an exercise price of \$0.47 per share and a term of 10 years in connection with this loan. The value of the warrants was determined to be immaterial and no value was ascribed to them. As

of December 31, 2016, all of the aforementioned warrants remained outstanding.

6. Commitments

The Company has lease commitments for office space in New York City under a non-cancellable lease which expired in January 2017. In March of 2016, the Company entered into a 10-year lease for new office space in New York City. Rental payments for this lease initiated upon move-in, in January of 2017. For the years ended December 31, 2016 and 2015, rent expense amounted to \$131,756 and \$136,335, respectively.

Assuming that the Company remains in leased premises, the future minimum rental payments due under the lease agreements are as follows:

YEAR ENDING DECEMBER 31:	
2017	\$ 508,919
2018	553,980
2019	664,776
2020	609,378
2021	664,776
Thereafter	3,462,375
	\$ 6,464,204

7. Concentrations

The Company periodically maintains cash balances in excess of the FDIC insurance limit of \$250,000 in its financial institutions. The Company has had no losses related to these financial institutions.

As of December 31, 2016, the Company had an accounts receivable balance with one customer approximating 26% of total accounts receivable.

8. Stockholders' Equity

2016 EQUITY OVERVIEW

AUTHORIZED AND OUTSTANDING At December 31, 2016, the authorized capital of the Company consists of 55,000,000 shares of common stock and 55,000,000 shares of common prime stock. Furthermore, 19,556,778 shares of common stock were issued and outstanding and there were no shares of common prime stock issued and outstanding.

SALE OF STOCK On September 28, 2016, the Company sold 2,400,000 shares of common stock (equivalent to 60,000,000 CHES Depository Interests) to new and existing stock holders for cash totaling US\$22,001,520, net of expenses.

EXERCISE OF STOCK OPTIONS During the year ended December 31, 2016, 77,291 shares of common stock were issued upon the exercise of stock options for cash totaling \$203,884.

2015 EQUITY OVERVIEW

AUTHORIZED AND OUTSTANDING At December 31, 2015, the authorized capital of the Company consisted of 55,000,000 shares of common stock and 55,000,000 shares of common prime stock. 17,079,487 shares of common stock were issued and outstanding and there were no shares of common prime stock issued and outstanding.

SALE OF STOCK On September 15, 2015, the Company sold 1,476,167 shares of common stock to new stockholders for cash totaling US\$4,290,979.

On September 15, 2015, the Company sold 113,902 shares of common stock to an existing stockholder for cash totalling US\$333,333, and 227,804 shares of common stock to certain Company officers in exchange for two stock subscription receivables totalling US\$666,667, which were fully repaid by November 9, 2015.

On December 7, 2015 the Company listed CHES Depository Interests ("CDIs") on the Australian Securities Exchange ("ASX") after successfully raising approximately US\$16,150,000 in gross proceeds from new Australian investors. Net cash proceeds were reduced by approximately US\$1,370,000 of issuance costs. The Company issued a total of 4,400,000 new shares of common stock as part of the IPO fundraising transaction. CDIs, not the Company's common stock, are traded on the ASX. At the option of the holder, 25 CDIs can be converted to 1 share of common stock, and vice versa.

GRANTS OF RESTRICTED STOCK On August 28, 2015, 3,274,960 shares of restricted common stock were issued to existing employees and directors in exchange for services.

EXERCISE OF STOCK OPTIONS During the year ended December 31, 2015, 40,000 shares of common stock were issued upon the exercise of stock options for cash totalling US\$94,795.

RECAPITALIZATION On August 28, 2015, the Company

signed a recapitalization agreement, whereby all of the existing preferred stockholders converted their shares into common stock and the Company repurchased 4,641,494 shares of common stock for cash totalling US\$1,000,000. The recapitalization of the Company's stock closed on September 15, 2015, and since that date there has been no preferred stock outstanding.

PREFERRED STOCK – NONE OUTSTANDING AS OF AUGUST 28, 2015

The following provisions set forth the rights and privileges of the preferred shareholders according to the Company's Certificate of Incorporation in operation prior to the recapitalization of the Company. Since August 28, 2015, and the recapitalization of the Company, there has been no preferred stock outstanding.

VOTING Preferred shareholders were entitled to one vote for each share of common stock into which such preferred stock could then be converted and had voting rights and powers equal to the voting rights of the common stock. After August 28, 2015 and the recapitalization of the stock of the Company, there was no preferred stock outstanding.

The holders of the common stock were entitled to one vote for each share of common stock held at all meetings of stockholders (and written actions in lieu of meetings); There was no cumulative voting. The holders of common stock prime shall not be entitled to any voting rights.

DIVIDENDS The holders of preferred stock were entitled to receive, a non-cumulative dividend on each outstanding share of preferred stock (the "Preferred Dividends") at the rate of 8% per annum of the Original Issue Price (as defined below), when and if declared by the Board of the Directors out of the assets of the Company that are by law available. The "Series A Original Issue Price" meant \$0.9568 per share, and the "Series A-1 Original Issue Price" meant \$1.4904 per share. All preferred shares were subject to appropriate adjustment in the event of any stock dividend, stock split, combination or other similar recapitalization with respect to the preferred stock. The Company could not declare, pay, or set aside any dividends on common stock of the Company unless any and all such dividends or distributions in excess of the Preferred Dividends were distributed among all holders of common stock and preferred stock in proportion to the number of shares of common stock that would be held by each such holder if all shares of preferred stock were converted to common stock at the then effective conversion rate. After August 28, 2015 and the recapitalization of the stock of the Company, there was no preferred stock outstanding.

The holders of common stock shall be entitled to receive dividends, when and if declared, out of the assets legally available. The holders of common stock prime shall not be entitled to share in any dividends or other distributions of the Company.

LIQUIDATION In the event of any closing of the sale, lease, transfer or other disposition of all or substantially all of the Company's assets or merger or consolidation of the Company with or into another entity, the grant to a single entity of an exclusive, irrevocable license to the Company's intellectual property that is used to generate substantially all of the Company's revenues, or a liquidation, dissolution or winding up of the Company, the holders of shares of preferred stock then outstanding were entitled to be paid out of the assets of the Company available for distribution to its stockholders before any payment shall be made to the holders of common stock by reason of their ownership thereof, an amount per share equal to (i) the Original Issue Price, plus any Preferred Dividends declared but unpaid thereon, or (ii) such amount per share as would have been payable had all shares of the relevant series of preferred stock been converted into common stock immediately prior to such liquidation, dissolution, winding up or liquidation event.

If upon any such liquidation, dissolution or winding up of the Company or liquidation event, the assets of the Company available for distribution to its stockholders shall be insufficient to pay the holders of shares of preferred stock the full applicable liquidation amount to which they shall be entitled, the holders of shares of preferred stock shall share ratably in any distribution of the assets available for distribution in proportion to the respective applicable liquidation amounts that would otherwise be payable in respect of the shares of preferred stock held by them upon such distribution if all amounts payable on or with respect to such shares were paid in full.

In the event of any voluntary or involuntary liquidation, dissolution or winding up of the Company or liquidation event, after the payment in full of the applicable liquidation amounts to be paid to the holders of shares of preferred stock, the remaining assets of the Company available for distribution to its stockholders shall be distributed among the holders of shares of common stock, pro rata based on the number of shares held by each such holder. After August 28, 2015 and the recapitalization of the stock of the Company, there was no preferred stock outstanding.

In the event of any liquidation, dissolution or winding up of the Company, any assets of the Company available for distribution shall be distributed equally to the holders of the

common stock and the common stock prime on a pro-rata basis.

LIQUIDATION PREFERENCE In the event of a sale of the Company or all or substantially all of its assets, a merger or consolidation of the Company (except a merger or consolidation in which the holders of capital stock of the Company immediately prior to such merger or consolidation continue to hold at least 50% of the voting power of the capital stock of the Company or the surviving or acquiring entity), or either a voluntary or involuntary liquidation, dissolution, or winding up of the Company, the Company is obligated to pay a group of investors (the "preferred stockholders") who formerly held preferred stock the aggregate amount of \$7,199,991.94 less (i) any proceeds received by the preferred stockholders from the sale of their common stock, and less (ii) any proceeds to be paid to the preferred stockholders from a sale or liquidation of the Company by virtue of their common stock ownership.

ANTI-DILUTION If the Company issues additional stock (as defined in the articles of incorporation) without consideration or for consideration per share less than the conversion price applicable to the series A preferred stock or series A-1 preferred stock, the conversion price for said series A and A-1 preferred stock shall be adjusted. The adjusted price will be determined by multiplying the conversion price by a fraction, the numerator of which shall be the number of shares of common stock outstanding immediately prior to such issuance plus the number of shares of common stock that the aggregate consideration received by the Company for such issuance would purchase at such conversion price. The denominator of which shall be the number shares of common stock outstanding (as defined in the articles of incorporation) immediately prior to such issuance plus the number of shares of such additional stock.

As of December 31, 2016, there was no preferred stock outstanding.

CONVERSION Each share of preferred stock is convertible, at the option of the holder, at any time after the date of issuance of such share, into such number of fully paid and nonassessable shares of common stock as is determined by dividing the applicable Original Issue Price for such series by the applicable Conversion Price (as defined below) for such series (the conversion rate for a series of preferred stock into common stock is referred to herein as the "Conversion Rate" for such series), determined on the date the certificate is surrendered for conversion. The initial Conversion Price per share for each series of preferred stock is the Original Issue Price applicable to such series; provided, however,

that the Conversion Price for each series of preferred stock is subject to adjustment. As of the Series A-1 Original Issue Date, the Conversion Rate for the Series A preferred stock is 1.016899007.

Each share of Series A preferred stock shall automatically be converted into shares of common stock at the applicable Conversion Rate then in effect for such series of preferred stock immediately upon the earlier of (i) this corporation's sale of its common stock in a public offering with aggregate gross proceeds of at least \$50,000,000 (a "Qualifying IPO"), or (ii) the date specified by written consent or agreement of the holders of a majority of the then outstanding shares of Series A preferred stock.

Each share of Series A-1 preferred stock shall automatically be converted into shares of common stock at the applicable Conversion Rate then in effect for such series of preferred stock immediately upon the earlier of (i) a Qualifying IPO, or (ii) the date specified by written consent or agreement of the holders of at least 66 2/3% of the then outstanding shares of Series A-1 preferred stock.

As of December 31, 2016, there was no preferred stock outstanding.

REDEMPTION In the event of a liquidation event (as defined in the articles of incorporation), if the Company does not effect a dissolution of this corporation under the General Corporation Law within ninety (90) days after such liquidation event, then (i) the Company shall send a written notice to each holder of preferred stock no later than the 90th day after the liquidation event advising such holders of their right (and the requirements to be met to secure such right) pursuant to the terms of the following clause (ii) to require the redemption of such shares of preferred stock, and (iii) if the holders of at least a majority of the then outstanding shares of preferred stock so request in a written instrument delivered to this corporation not later than 120 days after such Liquidation Event, the Company shall use the consideration received by the Company for such Liquidation Event (net of any retained liabilities associated with the assets sold or technology licensed, as determined in good faith by the Board of Directors of this corporation), together with any other assets of this corporation available for distribution to its stockholders, all to the extent permitted by Delaware law governing distributions to stockholders (the "Available Proceeds"), on the 150th day after such Liquidation Event, to redeem all outstanding shares of preferred stock at a price per share equal to, with respect to the Series A preferred stock, the Series A Liquidation Amount and, with respect to the Series A-1 preferred stock, the Series A-1

Liquidation Amount. Notwithstanding the foregoing, in the event of a redemption pursuant to the preceding sentence, if the Available Proceeds are not sufficient to redeem all outstanding shares of preferred stock, the Company shall redeem a pro rata portion of each holder's shares of preferred stock to the fullest extent of such Available Proceeds, and shall redeem the remaining shares to have been redeemed as soon as practicable after this corporation has funds legally available. Prior to the distribution or redemption, the Company shall not expend or dissipate the consideration received for such Liquidation Event, except to discharge expenses incurred in connection with such Liquidation Event or in the ordinary course of business. As of December 31, 2016 and 2015, there was no preferred stock outstanding.

The common stock and common stock prime is not redeemable.

PROTECTIVE PROVISIONS So long as at least 649,000 shares of preferred stock remain outstanding (as adjusted for any stock splits, stock dividends, combinations, subdivisions, recapitalizations or the like), the Company shall not take any of the following actions without the vote or written consent of the holders of a majority of the then outstanding shares of preferred stock: (i) consummate a liquidation event, (ii) amend, alter or repeal any provision of the Certificate of Incorporation or Bylaws of the Company in a manner that adversely affects the powers, preferences or rights of the preferred stock, (iii) authorize or issue, or obligate itself to issue, any equity security (including any other security convertible into or exercisable for any such equity security) having a preference over, or being on a parity with, the Series A preferred stock or Series A-1 preferred stock with respect to dividends, liquidation or redemption, other than the issuance of any authorized but unissued shares of preferred stock designated in the Certificate of Incorporation (including any security convertible into or exercisable for such shares of preferred stock), (iv) redeem, purchase or otherwise acquire (or pay into or set aside for a sinking fund for such purpose) any share or shares of preferred stock or common stock; provided, however, that this restriction shall not apply to the repurchase by the Company of shares of common stock at cost from employees, officers, directors, consultants or other persons performing services for this corporation or any subsidiary pursuant to agreements under which the Company has the option to repurchase such shares upon the occurrence of certain events, such as the termination of employment or service, or pursuant to a right of first refusal, (v) declare or pay any dividends on or declare or make any other distribution on account of any class of stock prior to the Series A preferred stock or the Series A-1 preferred stock other than dividends or other distributions payable on the common stock solely in

the form of additional shares of common stock, (vi) change the authorized number of directors of the Company, or (vii) create, or hold capital stock in, any subsidiary that is not wholly owned (either directly or through one or more other subsidiaries) by the Company.

So long as at least 313,545 shares of Series A preferred stock (as adjusted for any stock splits, stock dividends, combinations, subdivisions, recapitalizations or the like with respect to the Series A preferred stock) remains outstanding, this corporation shall not (by amendment, merger, consolidation or otherwise), without first obtaining the approval (by vote or written consent, as provided by law) of the holders of at least a majority of the then outstanding shares of Series A preferred stock, amend, alter or repeal any provision of the Certificate of Incorporation or Bylaws of this corporation in a manner that adversely affects the powers, preferences or rights of the Series A preferred stock.

So long as at least 335,480 shares of Series A-1 preferred stock (as adjusted for any stock splits, stock dividends, combinations, subdivisions, recapitalizations or the like with respect to the Series A-1 preferred stock) remains outstanding, this corporation shall not (by amendment, merger, consolidation or otherwise), without first obtaining the approval (by vote or written consent, as provided by law) of the holders of at least 66 2/3% of the then outstanding shares of Series A-1 preferred stock, amend, alter or repeal any provision of the Certificate of Incorporation or Bylaws of this corporation in a manner that adversely affects the powers, preferences or rights of the Series A-1 preferred stock.

As of December 31, 2016, there was no preferred stock outstanding.

9.

Stock-Based Compensation Plan

The Company has a stock-based compensation plan for certain employees, Board members and consultants (as amended and restated, the "Plan"). The Plan provides for the granting of options and restricted stock at the discretion of the Board to employees, Board members and consultants. The Board determines the strike price of options at the date of grant based on the fair market value of the stock. Under the Plan, the total number of shares that may be optioned as of December 31, 2016 is 11,500,000 shares of common stock. Options with performance related vesting conditions generally become exercisable after achieving certain predetermined conditions that relate to company

specific objectives. Options with service conditions become exercisable over terms ranging from two to four years. Options with market based conditions vest after the achieving of certain predetermined conditions related to the Company's share price on the ASX exchange. Option terms are generally 10 years. The fair value of market based awards is estimated using a Monte Carlo simulation designed to calculate the probability of achieving the vesting condition. The fair value of options with performance or service conditions is estimated on the date of the grant using the Black-Scholes option valuation model based on the assumptions noted in the following table. The expected term of options represents the period that the Company's stock-based awards are expected to be outstanding. The risk-free interest rate for periods related to the expected life of the options is based on the U.S. Treasury yield curve in effect at the time of the grant. The expected volatility is based on historical volatilities noted within the Company's industry. The expected dividend yield is zero, as the Company does not anticipate paying dividends in the near future.

PERFORMANCE BASED OPTIONS In connection with the Company's ASX listing, the Company issued certain Directors and officers of the Company an aggregate of 575,000 options at a strike price of \$3.61, which vest upon achievement of certain performance milestones. These options vest upon the Company surpassing 5% Estimated Market Share, as defined in the Company's Prospectus dated November 17, 2015, in any month in calendar year 2016.

On August 3, 2016, the Company announced that its Estimated Market Share of Monthly Moves Processed surpassed 5% and therefore all 575,000 share were vested upon that date. As of December 31, 2016 and 2015, the Company recognized \$934,017 and \$75,974, respectively, in stock based compensation expense related to these options.

On April 28, 2016, the Company issued certain employees of the Company an aggregate of 475,000 options at a strike price of \$3.50, which vest upon achievement of the following performance milestones:

- 75,000 vest upon the Company surpassing 5.00% Estimated Market Share in any month prior to December 31, 2016;
- 50,000 vest upon the Company surpassing 15% Estimated Market Share in any month prior to December 31, 2017;
- 200,000 vest upon the Company surpassing a defined performance milestone, to be determined by the

Board of Directors, in any month prior to December 31, 2017;

– 200,000 vest upon the Company surpassing a defined performance milestone, to be determined by the Board of Directors, in any month prior to December 31, 2018;

As of December 31, 2016 the Company recognized \$98,301 in stock-based compensation expense related to these options. On August 3, 2016, the Company announced that its Estimated Market Share of Monthly Moves Processed surpassed 5% and therefore 75,000 shares were vested upon that date.

On July 1, 2016, the Company issued a consultant of the Company 6,000 options at a strike price of \$4.95, which vest upon achievement of specific marketing milestones in any month prior to December 31, 2016. On December 31, 2016 it was determined that these milestones were not met, and therefore all 6,000 of these shares were forfeited.

MARKET BASED OPTIONS In connection with the Company's ASX listing, the Company issued certain Directors and officers of the Company an aggregate of 575,000 shares of options at a strike price of \$3.61, which vest upon achievement of certain market based milestones. These options vest when the 20 day volume weighted average price ("VWAP") of the Company's CDIs quoted on the ASX equaling to or exceeding an amount that is two times the IPO offer price (AU\$0.20) at any time within 18 months of the date of the Company's listing on the ASX.

On August 8, 2016, the Company announced that the 20 Day VWAP of the CDIs surpassed AU\$0.40 per and therefore all 575,000 share were vested upon that date. As of December 31, 2016 and 2015, the Company recognized \$329,667 and \$27,472 in stock based compensation expense related to these options, respectively.

Total stock-based compensation expense recognized during the years ended December 31, 2016 and 2015 was \$3,546,723 and \$461,605, respectively. As of December 31, 2016, the total unrecognized stock-based compensation balance for unvested options was \$5,806,294, which is expected to be recognized ratably through December 2020.

The weighted average grant date fair value of options granted during the years ended December 31, 2016 and 2015 was \$2.86 and \$0.47, respectively.

The following assumptions were used to determine stock-based compensation:

	YEAR ENDED DECEMBER 31, 2016	YEAR ENDED DECEMBER 31, 2015
Expected term (in years)	7.00	7.00
Volatility	68.51%	35.54%
Risk-free interest rate	1.54%	2.09%
Dividend yield	0.00%	0.00%

The following describes changes in the outstanding stock-based compensation for the year ended December 31, 2016:

	OPTIONS OUTSTANDING	WEIGHTED AVERAGE EXERCISE PRICE
Balance at December 31, 2015	3,014,833	\$2.68
Options granted	1,359,500	\$4.78
Options forfeited	(167,184)	\$2.10
Options exercised	(77,291)	\$2.52
Balance at December 31, 2016	4,122,500	\$3.44
Exercisable at December 31, 2016	2,135,225	\$2.80

The aggregate intrinsic value of stock options outstanding at December 31, 2016 is \$31,073,214. The aggregate intrinsic value of stock options exercised during the year ended December 31, 2016 was \$684,752. A stock option has intrinsic value, at any given time, if and to the extent that the exercise price of such stock option is less than the market price of the underlying common stock at such time. The weighted-average remaining contractual life of options outstanding is 8.5 years.

10. Warrants

As of December 31, 2016 and 2015, the Company has an outstanding warrant for 212,750 shares of common stock with an exercise price of \$0.27 per share in exchange for participation in a mentorship and marketing program (the NAR REach program). On the date of issuance, the warrants were fully vested, exercisable at the option of the holder, in whole or in part, and expire 10 years from the date of issuance. The

warrant contains a contingent put provision that could allow the holder to require the Company to settle the warrant in cash. The Company determined that the warrant qualified as a derivative instrument. Accordingly, this instrument was classified as a liability on the accompanying balance sheets. The warrant liability was recorded at fair value, using the Black-Scholes Pricing Model, with the change in fair value being recorded in the statements of operations.

On June 24, 2016, the warrants were amended and the contingent put option was removed. Accordingly, the warrants were revalued as of the amendment date and then reclassified into equity.

The following assumptions were used to determine the warrant liability:

	YEAR ENDED DECEMBER 31, 2016	YEAR ENDED DECEMBER 31, 2015
Expected term (in years)	6.71	8.0
Volatility	59.42%	35.00%
Risk-free interest rate	1.35%	2.35%
Dividend yield	0.00%	0.00%

The following table presents the Company's liabilities that are measured at fair value on a recurring basis and are categorized using the fair value hierarchy (all Level 3):

	YEAR ENDED DECEMBER 31, 2016	YEAR ENDED DECEMBER 31, 2015
Liability:		
Warrants at fair value	\$ -	\$ 5,111
Fair value of warrants - beginning balance	\$ 959,689	\$ 63,567
Change in fair value included in results of operations	(115,186)	(58,456)
Reclassification of warrants to equity	(844,503)	-
Fair value of warrants - ending balance	\$ -	\$ 5,111

11. Subsequent Events

The Company has evaluated subsequent events through February 26, 2017, which is the date these financial statements were available to be issued, and has determined that there are no events that require recognition or disclosure in these financial statements.

Additional ASX Information

Overview

The Company's securities are listed for quotation in the form of CHES Depository Interests ('CDIs') on the Australian Securities Exchange ('ASX') and trade under the symbol 'UPD'. Each Share of common stock is equivalent to 25 CDIs.

The Company has the following securities on issue:

CATEGORY	COMMON STOCK	CDI EQUIVALENT*
Shares	19,572,341	489,308,525
Options	4,376,687	109,417,175
Warrants	234,750	5,868,750

*Assumes all securities are held in the form of CDIs.

OPTIONS (not listed on ASX)

There are 4,376,687 options on issue to purchase Shares of common stock under the Company's 2010 Stock Incentive Plan.

WARRANTS (not listed on ASX)

There are 234,750 warrants on issue to purchase Shares of common stock.

Substantial Shareholders

NAME OF HOLDERS	NUMBER AND CLASS OF EQUITY SECURITIES IN WHICH HOLDER, TOGETHER WITH ASSOCIATES, HAS RELEVANT INTEREST	PERCENTAGE OF TOTAL VOTING SHARES
David Greenberg	4,860,000 Shares of common stock (equivalent to 121,500,000 CDIs)	24.9%
Ryan Hubbard	1,736,098 Shares of common stock (equivalent to 43,402,450 CDIs)	8.9%
Grant Schaffer	31,051,800 CDIs (equivalent to 1,244,472 Shares of common stock)	6.4%
Thorney Investment Group and Tiga Trading Pty Ltd	25,700,000 CDIs (equivalent to 1,028,000 Shares of common stock)	5.3%

*Information accurate as of 4 March 2017.

Distribution of Holdings

CATEGORY	TOTAL SHAREHOLDERS	UNITS (IN COMMON STOCK)
1 – 1,000	437	168,497
1,001 – 5,000	285	701,341
5,001 – 10,000	66	514,388
10,001 – 100,000	87	2,576,483
100,001 and over	21	15,611,632
Total	896	19,572,341

*Information accurate as of 4 March 2017.

Note: 25 CDIs equals 1 Share of Common Stock

HOLDING OF COMPANY SECURITIES

The Company has issued a total of 19,572,341 Shares of common stock, which equates to 489,308,525 CDIs. There are 868 Shareholders that hold their securities in the form of CDIs; and they hold, in the aggregate, 262,579,775 CDIs. The remaining 28 Shareholders hold Shares of common stock (i.e., such holders have not elected to hold Company securities in the form of CDIs).

UNMARKETABLE PARCELS

Based on the market price on 3 March 2017, there were 33 Shareholders holding less than a marketable parcel (a parcel of securities of less than A\$500).

Top 20 Holders

NAME OF HOLDER	NO. OF SHARES	CDI EQUIVALENT	% OF ISSUED CAPITAL
DAVID GREENBERG	4,860,000	121,500,000	24.83%
RYAN HUBBARD	1,736,098	43,402,450	8.87%
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	1,690,741	42,268,522	8.64%
J P MORGAN NOMINEES AUSTRALIA LIMITED	1,120,980	28,024,496	5.73%
UBS NOMINEES PTY LTD	1,032,050	25,801,242	5.27%
HOPERIDGE ENTERPRISES PTY LTD	687,582	17,189,539	3.51%
SECOND CENTURY VENTURES	631,334	15,783,350	3.23%
SCE SUPERANNUATION PTY LTD	605,000	15,125,000	3.09%

GRANT SCHAFFER	552,764	13,819,100	2.82%
SOFTBANK CAPITAL FUND 10 LP	552,417	13,810,425	2.82%
CITICORP NOMINEES PTY LIMITED	528,441	13,211,015	2.70%
IA VENTURE STRATEGIES FUND II LP	419,129	10,478,225	2.14%
NATIONAL NOMINEES LIMITED	316,945	7,923,636	1.62%
IA VENTURE STRATEGIES FUND I LP	203,063	5,076,575	1.04%
COMMERCE VENTURES	167,740	4,193,500	0.86%
KIMIK NOMINEES PTY LTD	134,156	3,353,900	0.69%
SCHAFFER NOMINEES PTY LTD	134,156	3,353,900	0.69%
FERNLAND HOLDINGS PTY LTD	123,089	3,077,123	0.63%
BNP PARIBAS NOMS PTY LTD	115,948	2,898,717	0.59%
CHRIS MAYER	100,000	2,500,000	0.51%
Total held by top 20 holders	15,711,632	392,790,715	80.27%
Total held by other holders	3,860,709	96,517,810	19.73%

*Information accurate as of 4 March 2017.

ASX Restrictions

ASX RESTRICTED SHARES

There are 8,121,253 Shares of common stock restricted until 7 December 2017.

ASX RESTRICTED OPTIONS

There are the following options over Shares of common stock restricted until 7 December 2017:

- 25,000 exercisable at US\$1.4908 each expiring on 26 December 2021
- 330,000 exercisable at US\$0.47 each expiring on 4 February 2024
- 285,000 exercisable at US\$3.6098 each expiring on 4 February 2024
- 1,180,000 exercisable at US\$3.6098 each expiring on 10 November 2025

Voluntary Restrictions

VOLUNTARY RESTRICTED SHARES

There are 1,820,420 Shares of common stock voluntarily restricted until 7 December 2017.

VOLUNTARY RESTRICTED OPTIONS

There are the following options over Shares of common stock voluntarily restricted until 7 December 2017:

- 2,500 exercisable at US\$0.01 each expiring on 17 January 2021
- 10,000 exercisable at US\$0.27 each expiring on 15 August 2023
- 10,000 exercisable at US\$0.47 each expiring on 1 August 2024
- 20,000 exercisable at US\$0.47 each expiring on 7 August 2024
- 10,000 exercisable at US\$0.47 each expiring on 27 August 2024

VOLUNTARY RESTRICTED WARRANTS

There are 212,750 warrants over Shares of common stock, exercisable at US\$0.27, each expiring on 11 March 2023, voluntarily restricted until 7 December 2017.

Voting Rights for Common Stock Holders

At a meeting of the Company, every holder of common stock present in person or by proxy, is entitled to one vote for each Share of common stock held on the record date for the meeting on all matters submitted to a vote of the Shareholders. Holders of Shares do not have cumulative voting rights. Holders of common prime stock do not have voting rights.

Holders of issued but unexercised options and warrants are not entitled to vote.

Voting Rights for CDI Holders

If holders of CDIs wish to attend and vote at the Company's general meetings, they may do so. Under the ASX Listing Rules and the ASX Settlement Operating Rules, the Company as an issuer of CDIs must allow CDI holders to attend any meeting of the Shareholders unless relevant US law at the time of the meeting prevents CDI holders from attending those meetings.

In order to vote at such meetings, CDI holders have the following options:

A) Instructing CDN, as the legal owner, to vote the Shares underlying their CDIs in a particular manner. A voting instruction form will be sent to CDI holders with the notice of meeting or proxy statement for the meeting and this must be completed and returned to the Company's

Share Registry prior to the meeting; or

B) Informing the Company that they wish to nominate themselves or another person to be appointed as CDN's proxy with respect to their Shares underlying the CDIs for the purposes of attending and voting at the general meeting; or

C) Converting their CDIs into a holding of Shares of common stock and voting these at the meeting (however, if thereafter the former CDI holder wishes to sell their investment on ASX it would be necessary to convert the Shares of common stock back to CDIs). In order to vote in person, the conversion must be completed prior to the record date for the meeting. Please contact the Share Registry for information regarding the conversion process.

As holders of CDIs will not appear on the Company's share register as the legal holders of the Shares, they will not be entitled to vote at Shareholder meetings unless one of the above steps is undertaken.

As each CDI represents 1/25 of a Share of common stock, a CDI Holder will be entitled to one vote for every 25 CDIs that they hold.

Required Statements

A) There is no current on-market buy-back of the Company's securities.

B) The Company is incorporated in the State of Delaware in the United States of America.

C) The Company is not subject to Chapters 6, 6A, 6B and 6C of the Corporations Act 2001 (Cth), dealing with the acquisition of Shares (i.e., substantial holdings and takeovers).

D) The Company's securities are not quoted on any exchange other than the ASX.

E) Under the Delaware General Corporation Law ('DGCL'), Shares are generally freely transferable subject to restrictions imposed by US federal or state securities laws, by the Company's Certificate of Incorporation or Bylaws, or by an agreement signed with the holders of the Shares. The Company's Amended and Restated Certificate of

Incorporation and Bylaws do not impose any specific restrictions on transfer.

F) The name of the Company's ASX representative is Nathan Bartrop. DGCL does not require the Company to have a Company Secretary.

G) The address and telephone number of the Company's principal registered office in Australia is:

Level 12
680 George Street
Sydney NSW 2000
+61 2 8280 7355

H) The Share Registry is:

Computershare Investor Services Pty Ltd
Level 2, 45 St. George's Terrace
Perth WA 6000

Phone	1300 557 010 (AUS) +61 8 9323 2000 (Int'l)
Fax	+61 8 9323 2033
Website	computershare.com



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