

ASX Announcement  
28 July 2017

## QUARTERLY ACTIVITIES REPORT PERIOD ENDING 30 JUNE 2017

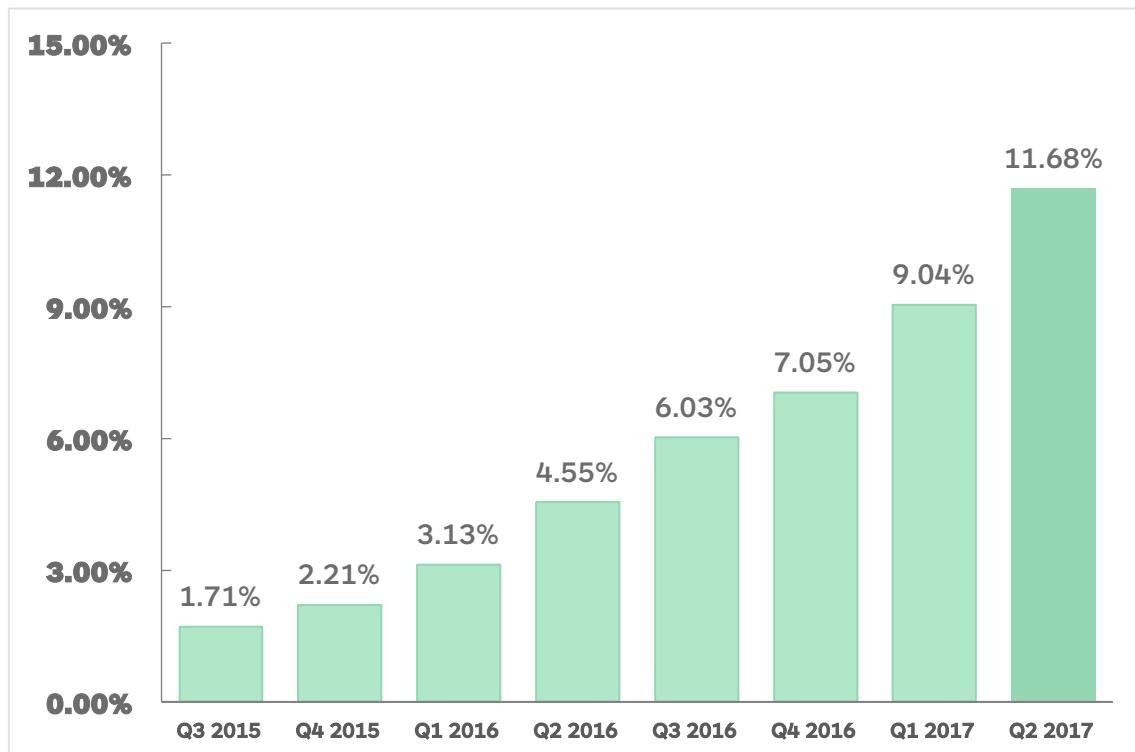
Updater Inc. (“Updater” or the “Company”) (ASX: UPD), the US technology company improving the moving process for the 17 million US households moving each year, is pleased to report activity highlights for Q2 2017 along with Appendix 4C.

The Company is pleased to report that at 30 June 2017 the Company held US\$28,193,502 in total cash (equivalent to approximately A\$36,729,198).

### Activity Highlights

The Company’s key performance metric, Estimated Market Penetration hit an all-time high in Q2 2017, increasing by more than 29% over Q1 2017, from 9.04% to 11.68%. The Company processed 535,782 unique household moves during the quarter, reinforcing the scalability of the Company’s processes and operations.

#### Estimated Market Penetration (Q3 2015 – Q2 2017)



Quarter	Quarterly Moves Processed	Estimated Market Share (of all US household moves)
<b>Q2 2017</b>	<b>535,782</b>	<b>11.68%</b>
Q1 2017	345,899	9.04%
Q4 2016	279,654	7.05%
Q3 2016	278,342	6.03%
Q2 2016	208,742	4.55%
Q1 2016	119,724	3.13%
Q4 2015	87,541	2.21%
Q3 2015	79,101	1.71%

- The Company proved material positive results in its Full-Service Moving Pilot Program. Preliminary results proved that Users exposed to Updater Communications purchased a full-service move from a Pilot Moving Company at a 520% higher rate than Users who were not exposed to Updater Communications. David Greenberg, CEO of Updater, commented: “This is a critical milestone for our company. The extraordinary results of the pilot demonstrate how helpful Updater can be to our Users, and how impactful Updater can be for our partners. Management is more confident than ever that Updater is uniquely positioned to reinvent the process of booking and scheduling a full-service moving company.”
- The Company agreed to run a pilot program with AT&T Inc. (NYSE: T). AT&T helps millions of consumers connect with leading entertainment, business, mobile and high speed Internet services. The primary goals of the pilot are to improve the experience for relocating consumers and prove the value of Updater’s platform for AT&T and other businesses in the telecommunications industry. The Company and AT&T began work on a technology integration in Q2 and the pilot will be live in Q3.
- The Company appointed Stephen Dove as its new Vice President of Product. Stephen started in June and joined David Greenberg, Ryan Hubbard, Raj Doshi, and Lindsey Dole on the senior management team. Stephen oversees product development for the Mover Product, Real Estate Products, and Business Products, and the scaling of the Company’s product team.
- The current executive team responsibilities are outlined below.

- David Greenberg: Chief Executive Officer
  - Ryan Hubbard: Chief Technology Officer and Chief Operating Officer
  - Raj Doshi: Senior Vice President of Strategy
  - Lindsey Dole: Vice President of People Operations
  - Stephen Dove: Vice President of Product
- In addition to Stephen's appointment, the Company hired multiple new employees in Q2, including a Channel Leader for the Company's real estate brokerage division to oversee expansion of personnel and partnerships in the channel, an additional Property Management Salesperson to focus on sales in a key region, a Senior Backend Engineer to strengthen the platform's core architecture, a Content Marketing Manager to amplify inbound marketing efforts, and a People Experience Manager to help manage the Company's office, people, and culture.
  - The Company launched a partnership with its fourth major van line, National Van Lines. National Van Lines was launched in 1930 and is one of the largest moving company networks in the United States. This partnership aims to simplify the moving experience for the approximately 15,000 households that National Van Lines helps relocate interstate each year.
  - Since winning the National Multifamily Housing Council's coveted LaunchPad award in November 2015, the Company officially surpassed 1 million apartment units live on Updater. The Company achieved this impressive milestone only a few years after launching a product for Property Managers.
  - The Company celebrated National Moving Month (May 2017) with a plethora of widely-used moving content that underscored the Company's reputation as the national thought leader in the moving industry. During the 2017 moving season, thousands of Americans, even those not invited to use Updater, are leveraging the Company's moving box estimators, moving day checklists, lists of verified moving companies, gratuity guidelines, moving tips, etc.

#### **Cash Position (as of 30 June 2017)**

The attached Appendix 4C covers cash flow for Q2 2017. The Company is pleased to report that at 30 June 2017, the Company held approximately US\$28,193,502 in total cash (equivalent to approximately A\$36,729,198 at 30 June 2017), well within the Company's planned budget. The Company continues to remain debt-free.

Overall spend increased in Q2 2017 as compared to Q1 2017 primarily as a result of expanded operations, including the hiring of new team members. The Company

also incurred the remainder of the construction costs related to the build-out of its new larger office, which amounted to US\$306,666.

Q2 2017 cash receipts totaled US\$259,024. Although cash receipts have increased each quarter since listing, increased revenue is not currently a Company priority. The Company continues to focus on increasing market penetration, which grew 29% quarter over quarter, and the successful operation of its Pilot Programs.

The Company's bank is holding a US\$664,776 security deposit in connection with a letter of credit that the bank issued to the landlord of the Company's new office. The security deposit represents the difference between the total cash and cash-on-hand, US\$28,193,502 and US\$27,528,726, respectively.

During Q2 2017, the Company continued to increase investment in its operations, personnel, and marketing, as it aggressively captured additional market share. This trend of increased investment will continue throughout 2017. Management is confident that the Company's cash reserves are adequate to continue its growth plans and to further advance the business such that the Company is generating material revenue from the sale of Business Products.

**For more information, please contact:**

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**About Updater:**

Updater makes moving easier for the 17 million households that relocate every year in the US. With Updater, users seamlessly transfer utilities, update accounts and records, forward mail, and much more. Hundreds of the most prominent real estate companies in the US (from real estate brokerages to property management companies) rely on Updater's real estate products to save clients hours with a branded and personalized Updater moving experience. With significant market share of all US household moves, Updater can enable contextual and personalised communication between relocating consumers and the US businesses spending billions of dollars trying to reach them.

Updater is headquartered in New York City, and prior to listing on the ASX, Updater

received significant investments from leading US venture capital firms including SoftBank Capital, IA Ventures, and Second Century Ventures (the strategic investment division of the National Association of REALTORS®).

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

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+Rule 4.7B

## Appendix 4C

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

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

**Name of entity**

Updater Inc.
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ABN	Quarter ended ("current quarter")
609 188 329	30 June 2017

<b>Consolidated statement of cash flows</b>		<b>Current quarter \$USD'000</b>	<b>Year to date (6 months) \$USD'000</b>
<b>1. Cash flows from operating activities</b>			
1.1 Receipts from customers		259	502
1.2 Payments for			
(a) research and development		(76)	(166)
(b) product manufacturing and operating costs		(21)	(28)
(c) advertising and marketing		(208)	(380)
(d) leased assets		-	-
(e) staff costs		(1,839)	(3,383)
(f) administration and corporate costs		(635)	(1,174)
1.3 Dividends received (see note 3)		-	-
1.4 Interest received		71	117
1.5 Interest and other costs of finance paid		-	-
1.6 Income taxes paid		-	-
1.7 Government grants and tax incentives		-	-
1.8 Other (executive search fees)		-	-
<b>1.9 Net cash from / (used in) operating activities</b>		<b>(2,449)</b>	<b>(4,512)</b>

<b>2. Cash flows from investing activities</b>			
2.1 Payments to acquire:			
(a) property, plant and equipment		(352)	(448)
(b) businesses (see item 10)		-	-
(c) investments		-	-

<b>Consolidated statement of cash flows</b>	<b>Current quarter \$USD'000</b>	<b>Year to date (6 months) \$USD'000</b>
(d) intellectual property	-	-
(e) other non-current assets	-	-
<b>2.2 Proceeds from disposal of:</b>		
(a) property, plant and equipment	-	-
(b) businesses (see item 10)	-	-
(c) investments	-	-
(d) intellectual property	-	-
(e) other non-current assets	-	-
<b>2.3 Cash flows from loans to other entities</b>	-	-
<b>2.4 Dividends received (see note 3)</b>	-	-
<b>2.5 Other (provide details if material)</b>	-	-
<b>2.6 Net cash from / (used in) investing activities</b>	<b>(352)</b>	<b>(448)</b>
<b>3. Cash flows from financing activities</b>		
3.1 Proceeds from issues of shares	-	-
3.2 Proceeds from issue of convertible notes	-	-
3.3 Proceeds from exercise of share options	29	86
3.4 Transaction costs related to issues of shares, convertible notes or options	-	-
3.5 Proceeds from borrowings	-	-
3.6 Repayment of borrowings	-	-
3.7 Transaction costs related to loans and borrowings	-	-
3.8 Dividends paid	-	-
3.9 Other (provide details if material)	-	-
<b>3.10 Net cash from / (used in) financing activities</b>	<b>29</b>	<b>86</b>
<b>4. Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1 Cash and cash equivalents at beginning of quarter/year to date	30,966	33,068
4.2 Net cash from / (used in) operating activities (item 1.9 above)	(2,449)	(4,512)
4.3 Net cash from / (used in) investing activities (item 2.6 above)	(352)	(448)
4.4 Net cash from / (used in) financing activities (item 3.10 above)	29	86

<b>Consolidated statement of cash flows</b>		<b>Current quarter \$USD'000</b>	<b>Year to date (6 months) \$USD'000</b>
4.5	Effect of movement in exchange rates on cash held	-	-
<b>4.6</b>	<b>Cash and cash equivalents at end of quarter</b>	<b>28,194</b>	<b>28,194</b>
<b>5. Reconciliation of cash and cash equivalents</b> at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts		<b>Current quarter \$USD'000</b>	<b>Previous quarter \$USD'000</b>
5.1	Bank balances	27,529	30,301
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (security deposit related to office lease agreement)	665	665
<b>5.5</b>	<b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>28,194</b>	<b>30,966</b>
<b>6. Payments to directors of the entity and their associates</b>		<b>Current quarter \$USD'000</b>	
6.1	Aggregate amount of payments to these parties included in item 1.2	100	
6.2	Aggregate amount of cash flow from loans to these parties included in item 2.3	-	
6.3	Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2	Payroll for Executive Directors David Greenberg and Ryan Hubbard	
<b>7. Payments to related entities of the entity and their associates</b>		<b>Current quarter \$USD'000</b>	
7.1	Aggregate amount of payments to these parties included in item 1.2	-	
7.2	Aggregate amount of cash flow from loans to these parties included in item 2.3	-	
7.3	Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2	-	

8. Financing facilities available <i>Add notes as necessary for an understanding of the position</i>		Total facility amount at quarter end \$USD'000	Amount drawn at quarter end \$USD'000
8.1	Loan facilities	-	-
8.2	Credit standby arrangements	-	-
8.3	Other (please specify)	-	-
8.4	Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.		
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9. Estimated cash outflows for next quarter		\$USD'000
9.1	Research and development	(84)
9.2	Product manufacturing and operating costs	(23)
9.3	Advertising and marketing	(239)
9.4	Leased assets	-
9.5	Staff costs	(2,237)
9.6	Administration and corporate costs	(730)
9.7	Other (new office construction, billed at completion)	(300)
9.8	<b>Total estimated cash outflows</b>	<b>(3,613)</b>

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

**Compliance statement**

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

Sign here: ....-/S/...David Greenberg..... Date: .....28 July 2017.....  
(CEO)

Print name: David Greenberg

**Notes**

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