



ASX Announcement
29 July 2016

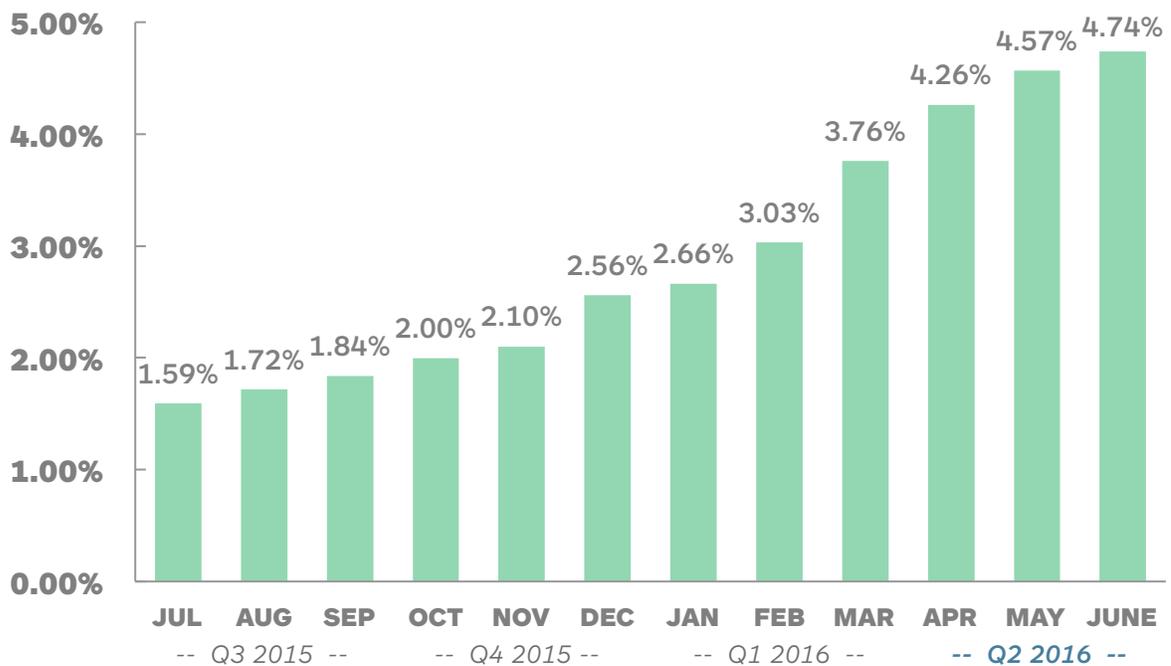
QUARTERLY ACTIVITIES REPORT PERIOD ENDING 30 JUNE 2016

Updater Inc. (“Updater” or the “Company”) (ASX: UPD), the US technology company making the moving process easier for the 17 million US households moving each year, is pleased to report activity highlights for Q2 2016 along with Appendix 4C.

Activity Highlights

- The Company’s key performance metric, Estimated Market Share hit all-time highs in each month of Q2.

Estimated Market Share (Q3 2015 – Q2 2016)



| Month | Monthly Moves Processed | Estimated Market Share (of all US household moves) |
|------------|-------------------------|--|
| June 2016 | 89,347 | 4.74% |
| May 2016 | 64,284 | 4.57% |
| April 2016 | 55,111 | 4.26% |

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June is the peak moving month in the United States, and Updater's 500+ real estate company partners facilitate substantially more moves in the summer months. Updater processed 62% more moves in June than in April without any additional personnel resources, underscoring the scalability of the Company's systems and operations.

- The Company announced that it is bringing forward the development of pilot programs for Business Products, previously scheduled for initial development in 2017. This acceleration is due to the Company's market share more than doubling since listing on the ASX, thereby reaching critical mass sooner than anticipated. The Company also announced two new goals:
 - 15% Estimated Market Share of Monthly Moves Processed by year-end 2017; and
 - 3 Pilot Programs signed by year-end 2016
- The Company negotiated a pilot partnership 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 Pilot is structured as a collaborative partnership to test various communication strategies with applicable movers.
- Raj Doshi, Updater's SVP of Sales and Success, began implementing new strategies and operations to further accelerate growth (see summary below).
- Dozens of influential real estate companies signed partnership agreements with the Company in Q2, and numerous existing real estate company partners expanded their relationship with Updater to additional properties, agents, and locations. Of note, 19 of the National Multifamily Housing Council's Top 50 Apartment Managers have signed partnership agreements with the Company.
- The Company launched a marketing and sales partnership with multiple new transaction management systems, including REThink CRM, a real estate client relationship software, and E-Closing, a title insurance production software.
- The Company won a Silver American Business Award in the "Most Innovative Tech Company of the Year" category. The Company has won back-to-back awards in this category in both 2015 and 2016.
- Ash Bell, Executive Director of Updater's Property Management Division and a recognised industry leader, was invited to speak at both the Apartment Internet Marketing Conference in May and at the National Apartment Association Annual Education Conference in June.
- The Company partnered with the American Moving and Storage Association (AMSA) and Inman News to celebrate National Moving Month in May with a high-profile educational webinar series. AMSA is the national trade association for the

professional moving industry and Inman News is the leading news organisation for the residential real estate industry. Updater's role in this campaign reflects the Company's reputation as an industry thought leader and partner to many respected organisations.

- The Company hired a new Director of Operations and Finance with over six years of experience running operations for high-growth technology companies.

Commentary from Raj Doshi, Updater's SVP of Sales and Success

"Since Joining Updater just over three months ago, I have spent the large majority of my time digging into our sales and success operations, engaging with real estate company partners and transaction management providers, and identifying and prioritizing our largest growth opportunities. It is clear to me that Updater has built the foundation for growth and success. Key to that foundation are core assets currently in place, including:

- A compelling product that provides enormous value to both movers and real estate companies
- Software integrations with key technology partners across each of our core channels
- Industry icons on our team who have earned the trust of real estate companies over decades, and who can help ensure Updater provides real value to its partners

At a recent company offsite, I synthesized my learnings and laid out a new strategy that I am confident will put us on a path to exceed our 15% Estimated Market Share goal by the end of 2017:

- *Sales optimization.* Each of our channels (e.g., property management, relocation, brokerages) have widely-distributed addressable markets. Therefore, driving to 15%+ market share will require both strategic partnerships with large companies as well as an optimized sales engine to partner with thousands of smaller companies (representing the lion's share of the addressable market).
- *Partner success.* As we onboard hundreds of partners, it is vital that we continue to demonstrate the value of our product. We are therefore instituting systematic approaches to measure and communicate the value of our product to our partners. Both quantitative and qualitative information will be distributed to partners, including user (mover) feedback as well as revenue and cost-savings from implementing Updater.
- *Exponential growth initiatives.* In order to hit our ambitious goals, we will need to continue to innovate and think big. We are working on multiple exciting initiatives that could spark significant growth.

We have a tremendous amount of work in front of us, but I am supremely confident that we are building a platform that will prove indispensable for our users, real estate company partners, and business partners.”

Company Goals and Reporting

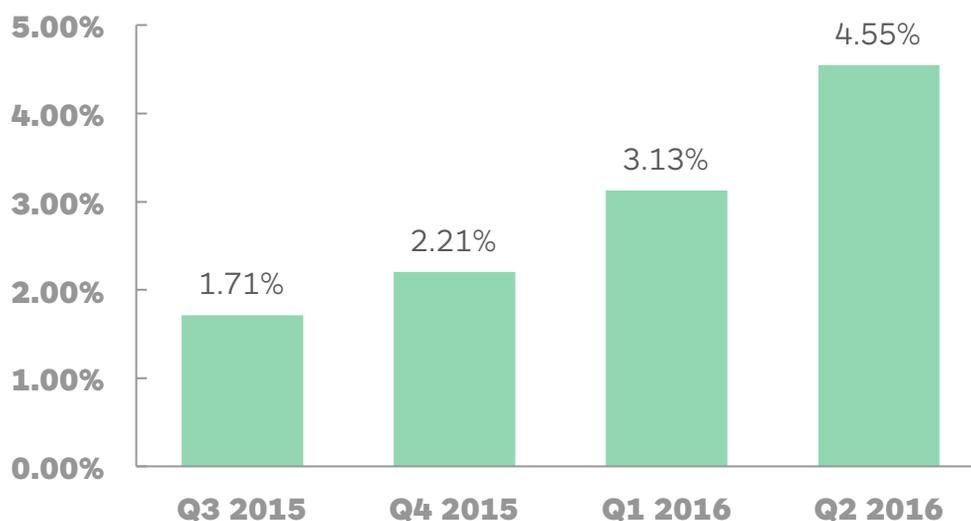
As described in the Company’s Annual Report, Estimated Market Share is the Company’s key metric and 5% by year-end 2016 and 15% by year-end 2017 are the Company’s stated goals. Increased market share will remain the Company’s principal business objective throughout 2016, even as the Company begins work on Business Product Pilot Programs.

With 5% Estimated Market Share, management believes that the Company will be positioned to unlock a substantial revenue opportunity from the launch of Updater’s Business Products. US businesses (such as insurance companies and big box retailers) collectively spend billions of dollars each year targeting movers, and Updater plans to provide such businesses with unique opportunities to communicate contextually with the right movers at the right time.

Raj has begun implementing new strategies for accelerating market share to an industry dominant position of over 15% by year-end 2017. The strategies to achieve 15% market share involve longer-term initiatives and are not aimed at achieving incremental improvements on a month-to-month basis. Therefore, to align communications with Company strategy, going forward the Company will release market share numbers once per calendar quarter, providing the Estimated Market Share for all Moves Processed during the applicable calendar quarter.

For reference, below is the Estimated Market Share of “Quarterly Moves Processed” for the past four quarters.

Estimated Market Share (Q3 2015 – Q2 2016)



| Quarter | Quarterly Moves Processed | Estimated Market Share (of all US household moves) |
|---------|---------------------------|--|
| Q2 2016 | 208,742 | 4.55% |
| Q1 2016 | 119,724 | 3.13% |
| Q4 2015 | 87,541 | 2.21% |
| Q3 2015 | 79,101 | 1.71% |

Cash Position (as at 30 June 2016)

The attached Appendix 4C covers cash flow for Q2 2016. The Company is pleased to report that at 30 June 2016, the Company held approximately US\$14,092,000 in total cash (equivalent to approximately AU\$18,934,000 at 30 June 2016), well within the Company's planned budget. The Company also continues to remain debt-free.

Please note that cash receipts in Q2 related almost entirely to the sale of Real Estate Products. The Company has not yet begun to sell Business Products.

As planned, the Company has increased its investment in its operations and personnel. This trend will continue through the second half of 2016, as the Company continues to invest on all sides of the business in order to achieve its business objectives. Senior management remains highly confident that the Company has adequate funding to achieve its near-term business objectives outlined above.

The attached Appendix 4C for Q2 2016 includes several non-recurring expenses, including \$50,000 in legal fees for US counsel related to work for the IPO, and \$54,000 for physical non-current assets for the Company's new larger office. In addition, the Company's current landlord is holding a security deposit, and the Company's bank is holding a security deposit in connection with a letter of credit that the bank issued to the landlord of the Company's new office, which collectively reduce the amount of cash on hand by \$716,000.

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About Updater:

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

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

For more information, please visit www.updater.com.

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

Appendix 4C

Quarterly report for entities admitted on the basis of commitments

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

Name of entity

Updater Inc.

ABRN

609 188 329

Quarter ended ("current quarter")

30 June 2016

Consolidated statement of cash flows

| Cash flows related to operating activities | Current quarter US\$'000 | Year to date (6 months to 30 June 2016) US\$'000 |
|---|-----------------------------|---|
| 1.1 Receipts from customers | 72 | 138 |
| 1.2 Payments for (a) staff costs | (942) | (1,745) |
| (b) advertising & marketing | (155) | (261) |
| (c) research & development | (62) | (121) |
| (d) leased assets | - | - |
| (e) other working capital | (299) | (479) |
| 1.3 Dividends received | - | - |
| 1.4 Interest and other items of a similar nature received | 15 | 24 |
| 1.5 Interest and other costs of finance paid | - | - |
| 1.6 Income taxes paid | - | 15 |
| 1.7 Other (IPO-related legal fees, executive search fees) | (50) | (132) |
| Net operating cash flows | (1,421) | (2,561) |

+ See chapter 19 for defined terms.

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Appendix 4C
Quarterly report for entities
admitted on the basis of commitments

| | Current quarter US\$'000 | Year to date (6 months to 30 June 2016) US\$'000 |
|---|-----------------------------|---|
| 1.8 Net operating cash flows (carried forward) | (1,421) | (2,561) |
| 1.9 Cash flows related to investing activities | | |
| Payment for acquisition of: | | |
| (a) businesses (item 5) | - | - |
| (b) equity investments | - | - |
| (c) intellectual property | - | - |
| (d) physical non-current assets | - | (11) |
| (e) other non-current assets (investments related to buildout of new office space) | (54) | (54) |
| 1.10 Proceeds from disposal of: | | |
| (a) businesses (item 5) | - | - |
| (b) equity investments | - | - |
| (c) intellectual property | - | - |
| (d) physical non-current assets | - | - |
| (e) other non-current assets | - | - |
| 1.11 Loans to other entities | - | - |
| 1.12 Loans repaid by other entities | - | - |
| 1.13 Other | - | - |
| Net investing cash flows | (54) | (65) |
| 1.14 Total operating and investing cash flows | (1,475) | (2,626) |
| Cash flows related to financing activities | | |
| 1.15 Proceeds from issues of shares, options, etc. | 12 | 12 |
| 1.16 Proceeds from sale of forfeited shares | - | - |
| 1.17 Proceeds from borrowings | - | - |
| 1.18 Repayment of borrowings | - | - |
| 1.19 Dividends paid | - | - |
| 1.20 Other (one-time payment for fundraising expense) | - | - |
| Net financing cash flows | 12 | 12 |
| Net increase (decrease) in cash held | (1,463) | (2,614) |
| 1.21 Cash at beginning of quarter/year to date | 15,555 | 16,706 |
| 1.22 Exchange rate adjustments to item 1.20 | - | - |
| 1.23 Cash at end of quarter | 14,092 | 14,092 |

+ See chapter 19 for defined terms.

Payments to directors of the entity and associates of the directors

Payments to related entities of the entity and associates of the related entities

| | | Current quarter US\$'000 |
|------|--|-----------------------------|
| 1.24 | Aggregate amount of payments to the parties included in item 1.2 | 74 |
| 1.25 | Aggregate amount of loans to the parties included in item 1.11 | |

1.26 Explanation necessary for an understanding of the transactions

Payroll for Executive Directors David Greenberg and
Ryan Hubbard for quarter ending 30 June 2016

Non-cash financing and investing activities

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

N/A

2.2 Details of outlays made by other entities to establish or increase their share in businesses in which the reporting entity has an interest

N/A

Financing facilities available

Add notes as necessary for an understanding of the position.

| | | Amount available US\$'000 | Amount used US\$'000 |
|-----|-----------------------------|------------------------------|-------------------------|
| 3.1 | Loan facilities | - | - |
| 3.2 | Credit standby arrangements | - | - |

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Appendix 4C
Quarterly report for entities
admitted on the basis of commitments

Reconciliation of cash

| Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows. | Current quarter US\$'000 | Previous quarter US\$'000 |
|---|-----------------------------|------------------------------|
| 4.1 Cash on hand and at bank | 13,376 | 14,890 |
| 4.2 Deposits at call | - | - |
| 4.3 Bank overdraft | - | - |
| 4.4 Other (security deposit for current and new office space) | 716 | 665 |
| Total: cash at end of quarter (item 1.23) | 14,092 | 15,555 |

Acquisitions and disposals of business entities

| | Acquisitions (Item 1.9(a)) | Disposals (Item 1.10(a)) |
|---|-------------------------------|-----------------------------|
| 5.1 Name of entity | - | - |
| 5.2 Place of incorporation or registration | - | - |
| 5.3 Consideration for acquisition or disposal | - | - |
| 5.4 Total net assets | - | - |
| 5.5 Nature of business | - | - |

Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX.
- 2 This statement does give a true and fair view of the matters disclosed.

Sign here: /S/ Nathan Bartrop
 (ASX Representative)

Date: 29 July 2016

Print name: Nathan Bartrop

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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 wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
2. The definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report except for any additional disclosure requirements requested by AASB 107 that are not already itemised in this report.
3. **Accounting Standards.** ASX will accept, for example, the use of International Financial Reporting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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