



ASX Announcement
24 April 2017

QUARTERLY ACTIVITIES REPORT PERIOD ENDING 31 MARCH 2017

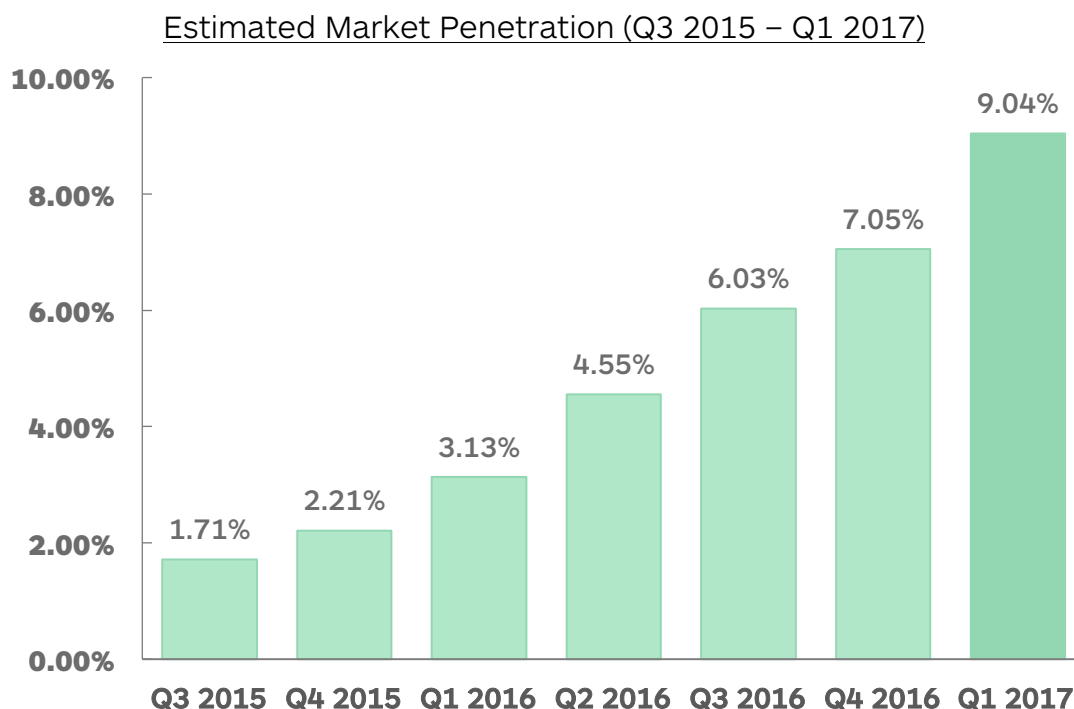
Updater Inc. ("Updater" or the "Company") (ASX: UPD), the US technology company improving the moving process for the 17 million US households moving each year, is pleased to report activity highlights for Q1 2017 along with Appendix 4C.

The Company held approximately US\$31 million in total cash (equivalent to approximately A\$40 million) as at 31 March 2017.

Commenting on the Company's achievements in Q1, Updater's CEO, David Greenberg, said: "The breakthrough preliminary results of the insurance pilot was a very significant milestone for Updater, as we have now validated the value of our platform for Businesses. We are also very pleased that we continue to achieve consistent growth in national market penetration. We are more confident than ever that we can leverage our unique industry position to provide tremendous value to the entire relocation ecosystem."

Activity Highlights

The Company's key performance metric, Estimated Market Penetration, hit an all-time high in Q1 2017, increasing by more than 25% since Q4 2016, from 7.05% to 9.04%.



Quarter	Quarterly Moves Processed	Estimated Market Penetration (of all US household moves)
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 Insurance Pilot Program. Preliminary results proved that Pre-Movers exposed to Updater Communications purchased insurance products at a 93% higher rate than Pre-Movers who were not exposed to Updater Communications.
- Dozens of Real Estate Companies signed new partnerships with Updater, in addition to the expansion of numerous existing partnerships. The Company successfully introduced an improved feature set that allows Real Estate Company partners to more efficiently configure and manage internal access to the Real Estate Product.
- The Company announced key performance metrics for 2017:
 - Achieve 15% Estimated Market Penetration of Monthly Moves Processed in any month prior to year-end 2017.
 - Sign two new Pilot Programs during calendar year 2017; ensure all five Pilot Programs are fully operational before year-end 2017.
 - Announce Results relating to at least two separate Pilot Programs (in separate verticals), one by 30 June 2017 and the other by 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.
- Management remains highly confident that the Company will achieve each of its key performance metrics for 2017.
- The Company successfully recruited multiple new employees, including an experienced Internal Recruiter to help scale its hiring processes, an engineering Director of Microservices, and two Customer Success Managers to continue servicing its growing partner base.

- The Company moved into its new corporate headquarters in Union Square, New York City. The state-of-the-art office reflects Updater's ongoing commitment to provide an environment that encourages collaboration and creativity.
- The Company attended the 2017 American Moving & Storage Association Annual Conference and was named "Best Exhibitor." This award recognises the company with the best overall supplier experience at the trade show.

Cash Position (as of 31 March 2017)

The attached Appendix 4C covers cash flow for Q1 2017. The Company is pleased to report that at 31 March 2017, the Company held approximately US\$30,966,784 in total cash (equivalent to approximately A\$40,374,493 at 31 March 2017), well within the Company's planned budget. The Company continues to remain debt-free.

Overall spend increased in Q1 2017 as compared to Q4 2016 primarily as a result of expanded operations, including the hiring of new team members.

Although Q1 2017 cash receipts of US\$242,810 increased as compared to Q4 2016 cash receipts of US\$183,594, it is important to note that market penetration growth and the successful operation of the Pilot Programs, not revenue, were the Company's primary business objectives in Q1 2017. Nearly all of the Company's Q1 2017 revenue related to the sale of Real Estate Products, as the Company is not yet selling Business Products.

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. This security deposit represents the difference between total cash and cash-on-hand, US\$30,966,784 and US\$30,302,008, respectively.

During Q1 2017, the Company continued to increase investment in its operations and personnel. This trend will continue into Q2 2017 and beyond, as the Company intends to use its significant available capital to expand its Sales, Client Support, Product and Engineering teams. In Q2 2017, the Company will also be billed for the remainder of construction costs incurred throughout the build-out of its new larger office.

Capital Structure

As set forth in the Annual Report, the Company is authorised to issue 55,000,000 shares of Common Stock under its Certificate of Incorporation. In connection with the Company's listing on the ASX, the Company created a mechanism to enforce

ASX Mandatory Restriction Deeds, whereby restricted shares of Common Stock automatically convert to shares of “Common Prime Stock” if an applicable Mandatory Restriction Deed is violated. The Company has confirmed and clarified to the State of Delaware that the Company will not directly issue shares of Common Prime Stock, and Common Prime Stock will only exist upon a required conversion.

The Company’s Certificate of Incorporation provides that the Company is only authorised to issue a total of 55,000,000 shares of Common Stock. Currently there are 19,575,341 shares of Common Stock (equivalent to 489,308,525 CDIs) issued and outstanding; and there are zero shares of Common Prime Stock issued and outstanding.

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 personalised Updater moving experience. With significant market penetration 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.

Appendix 4C

Quarterly report for entities subject to Listing Rule 4.7B

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

Name of entity

Updater Inc.

ABN

609 188 329

Quarter ended ("current quarter")

31 March 2017

Consolidated statement of cash flows		Current quarter \$USD'000	Year to date (3 months) \$USD'000
1. Cash flows from operating activities			
1.1 Receipts from customers		243	243
1.2 Payments for			
(a) research and development		(90)	(90)
(b) product manufacturing and operating costs		(7)	(7)
(c) advertising and marketing		(172)	(172)
(d) leased assets		-	-
(e) staff costs		(1,544)	(1,544)
(f) administration and corporate costs		(539)	(539)
1.3 Dividends received (see note 3)		-	-
1.4 Interest received		46	46
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)		-	-
1.9 Net cash from / (used in) operating activities		(2,063)	(2,063)
2. Cash flows from investing activities			
2.1 Payments to acquire:			
(a) property, plant and equipment		(96)	(96)
(b) businesses (see item 10)		-	-
(c) investments		-	-

Consolidated statement of cash flows		Current quarter \$USD'000	Year to date (3 months) \$USD'000
	(d) intellectual property	-	-
	(e) other non-current assets	-	-
2.2	Proceeds from disposal of:		
	(a) property, plant and equipment	-	-
	(b) businesses (see item 10)	-	-
	(c) investments	-	-
	(d) intellectual property	-	-
	(e) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
2.6	Net cash from / (used in) investing activities	(96)	(96)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of shares	57	57
3.2	Proceeds from issue of convertible notes	-	-
3.3	Proceeds from exercise of share options	-	-
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)	-	-
3.10	Net cash from / (used in) financing activities	57	57

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of quarter/year to date	33,068	33,068
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(2,063)	(2,063)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(96)	(96)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	57	57

Consolidated statement of cash flows		Current quarter \$USD'000	Year to date (3 months) \$USD'000
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of quarter	30,966	30,966

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$USD'000	Previous quarter \$USD'000
5.1	Bank balances	30,301	32,352
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (security deposit related to office lease agreement)	665	716
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	30,966	33,068

6.	Payments to directors of the entity and their associates	Current quarter \$USD'000
6.1	Aggregate amount of payments to these parties included in item 1.2	241
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 and annual bonus for Executive Directors David Greenberg and Ryan Hubbard, and Director Fees for Non-Executive Director Antony Catalano		

7.	Payments to related entities of the entity and their associates	Current quarter \$USD'000
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	(99)
9.2 Product manufacturing and operating costs	(8)
9.3 Advertising and marketing	(198)
9.4 Leased assets	-
9.5 Staff costs	(1,826)
9.6 Administration and corporate costs	(620)
9.7 Other (new office construction, billed at completion)	(350)
9.8 Total estimated cash outflows	(3,101)

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	-	-

Quarterly report for entities subject to Listing Rule 4.7B

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

Sign here:/S/...Nathan Bartrop..... Date:24 April 2017.....
(ASX Representative)

Print name: Nathan Bartrop

Notes

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