



**ASX Announcement
30 January 2017**

QUARTERLY ACTIVITIES REPORT PERIOD ENDING 31 DECEMBER 2016

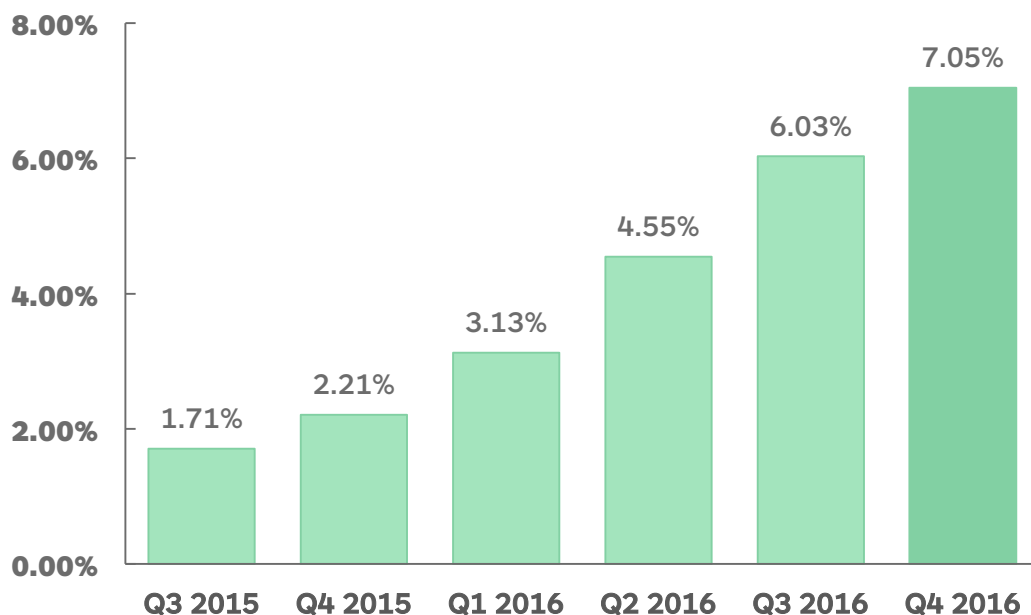
Updater Inc. ("Updater" or the "Company") (ASX: UPD), the US technology company making the moving process easier for the 17 million US households moving each year, is pleased to report activity highlights for Q4 2016 along with Appendix 4C.

The Company held approximately US\$33 million in cash (equivalent to approximately A\$46 million) as at 31 December 2016.

Activity Highlights

The Company's key performance metric, Estimated Market Share of Quarterly Moves Processed hit an all-time high in Q4 2016.

Estimated Market Share (Q3 2015 – Q4 2016)



Quarter	Quarterly Moves Processed	Estimated Market Share (of all US household moves)
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 agreed to run a pilot program with Capital One Financial Corporation (“Capital One”). Capital One is one of the ten largest bank holding companies in the United States, with annual revenue of approximately US\$23.4 billion. The primary goal of the pilot is to prove the value of the Updater platform and further improve the experience for Movers.
- The Company previously announced pilot programs with Liberty Mutual Insurance and certain Pilot Moving Companies. Both of these pilot programs are fully operational, and Management is pleased with the early progress. With the announcement of the Capital One pilot program, the Company achieved one of its 2016 goals of securing three pilot programs by year-end 2016.
- The Company signed a partnership agreement with Greystar Real Estate Partners, LLC (“Greystar”), the largest apartment management company in the United States. Greystar manages a portfolio of over 400,000 units across 1,800 properties, with a presence in all 50 states. With the addition of Greystar to its client list, Updater now works with over half of the top 50 property management companies in the US.
- The Company announced the appointment of Lindsey Dole as Vice President of People Operations. She will manage the scaling of operations, employee experience, and HR. Lindsey previously led people operations at Tumblr, successfully growing their team from 50 to 300 employees and helping lead the company through their US\$1.1 billion acquisition by Yahoo.
- The Company successfully recruited multiple key new team members in Q4, including a Product Manager, previously with Google, to work exclusively on pilot programs; a Director of Platform Engineering to continue developing the core API and technology platform; a Senior Dev Ops Engineer to improve efficiency across the technology team; and a Success Coordinator to

support relationships with real estate brokerage partners. At year-end the Company's total head count was 40 full-time employees.

- 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 in New York City. The recognition program, in its ninth year, honors the best employers in New York City based on employee surveys and employer questionnaires. Management believes this prestigious honour will help the Company recruit elite talent and accelerate growth of the team.
- The Company, through its partnership with Move For Hunger, hosted a holiday food drive, collecting hundreds of pounds of non-perishable food and toiletries for local food banks in New York City. The Company also raised money during a charity run in honour of the organisation. Move For Hunger is the official charity of the American Moving & Storage Association, a highly valued partner of the Company's.

Cash Position (as of 31 December 2016)

The attached Appendix 4C covers cash flow for Q4 2016. The Company is pleased to report that at 31 December 2016, the Company held approximately US\$33,067,664 in total cash (equivalent to approximately A\$45,917,745 at 31 December 2016), well within the Company's planned budget. The Company continues to remain debt-free.

The significant increase in total cash balance from 30 September 2016 (the end of Q3 2016) to 31 December 2016 is the result of the A\$30,000,000 Placement, the cash proceeds from which hit Updater's bank accounts in October 2016.

Overall spend increased in Q4 2016 as compared to Q3 2016 primarily as a result of hiring nine new team members.

Although Q4 2016 cash receipts of US\$183,594 increased as compared to Q3 2016 cash receipts of US\$135,817, it is important to note that market share growth, not revenue, was the Company's primary business objective in Q4 2016. Nearly 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 statement of cash flows in the attached Appendix 4C for Q4 2016 includes multiple non-recurring expenses, including US\$199,000 in physical assets related to the Company's new larger office, as well as US\$70,000 in executive search fees. The Company's bank is holding a \$US664,776 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, in combination with a number of smaller security deposits, reduces the total cash on hand by US\$716,000.

During Q4 2016, the Company continued to increase investment in its operations and personnel. This trend will continue into Q1 2017 and beyond, as the Company intends to use its significant available capital to expand its Sales, Client Support, Product and Engineering teams. In Q1 2017, the company will also be billed for the majority of construction costs incurred throughout the buildout of its new larger office. This investment in the new office is fully budgeted for and a key example of the long-term commitment that the Company is making to team culture, recruiting the best personnel, and establishing the infrastructure that will support anticipated future growth.

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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 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.

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 December 2016

Consolidated statement of cash flows		Current quarter \$USD'000	Year to date (12 months) \$USD'000
1. Cash flows from operating activities			
1.1 Receipts from customers		184	458
1.2 Payments for			
(a) research and development		(60)	(212)
(b) product manufacturing and operating costs		(8)	(37)
(c) advertising and marketing		(149)	(515)
(d) leased assets		-	-
(e) staff costs		(1,200)	(3,910)
(f) administration and corporate costs		(379)	(1,106)
1.3 Dividends received (see note 3)		-	-
1.4 Interest received		13	47
1.5 Interest and other costs of finance paid		-	-
1.6 Income taxes paid		-	15
1.7 Government grants and tax incentives		-	-
1.8 Other (executive search fees)		(70)	(247)
1.9 Net cash from / (used in) operating activities		(1,669)	(5,507)
2. Cash flows from investing activities			
2.1 Payments to acquire:			
(a) property, plant and equipment		(199)	(370)
(b) businesses (see item 10)		-	-
(c) investments		-	-

Consolidated statement of cash flows		Current quarter \$USD'000	Year to date (12 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	(199)	(370)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of shares	22,035	22,035
3.2	Proceeds from issue of convertible notes	-	-
3.3	Proceeds from exercise of share options	-	204
3.4	Transaction costs related to issues of shares, convertible notes or options	-	-
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.10	Net cash from / (used in) financing activities	22,035	22,239

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	12,091	16,706
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(1,669)	(5,507)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(199)	(370)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	22,035	22,239

Consolidated statement of cash flows		Current quarter \$USD'000	Year to date (12 months) \$USD'000
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of quarter	33,068	33,068

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	32,352	12,185
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (security deposit related to office lease agreement)	716	716
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	33,068	12,901

6. Payments to directors of the entity and their associates

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

**Current quarter
\$USD'000**

68
-

Payroll for Executive Directors David Greenberg and Ryan Hubbard for quarter ending 31 December, 2016

7. Payments to related entities of the entity and their associates

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

**Current quarter
\$USD'000**

-
-

-

8. Financing facilities available

Add notes as necessary for an understanding of the position

Total facility amount at quarter end \$USD'000	Amount drawn at quarter end \$USD'000
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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.

-

9. Estimated cash outflows for next quarter

\$USD'000

9.1 Research and development

(66)

9.2 Product manufacturing and operating costs

(9)

9.3 Advertising and marketing

(142)

9.4 Leased assets

-

9.5 Staff costs

(1,470)

9.6 Administration and corporate costs

(379)

9.7 Other (new office construction, billed at completion)

(500)

9.8 Total estimated cash outflows

(2,565)

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/....Nathan Bartrop..... Date:30 January 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.