



**ASX Announcement**  
**30 April 2018**  
**(ASX: UPD)**

## **QUARTERLY ACTIVITIES REPORT**

### **PERIOD ENDING 31 MARCH 2018**

#### **Highlights:**

- Updater is pleased to report that it has already achieved its year-end 2018 goal of securing 10 Paid Programs in the PayTV/Internet vertical months ahead of schedule.
- Additionally, the Company has developed an innovative new feature for Users to compare and select PayTV/Internet services, and the new feature is scheduled for full deployment in all top 20 metros in time for moving season.
- Significant progress has also been achieved in the Full-Service Moving vertical as MoveHQ has secured over 100+ Paid Programs, and the MoveHQ Engagement feature is now live in 8 major metros with a scheduled rollout to all top 20 metros in time for moving season.
- With the Insurance Division advancing from its set-up phase to execution phase, the Company is excited to announce the appointment of Rachel Loeffler as CEO of its Insurance subsidiary.
- The Company's Q1 2018 Bookings totaled US\$2.19m, an increase of 32% over Q4 2017 Bookings of US\$1.66m. Updater's Bookings are the fees invoiced to signed customers/clients in the quarter. Bookings most accurately reflects the adoption of the Company's platform and all contractual obligations to pay the Company.
- The Company's Q1 2018 cash receipts totaled US\$2.14m, an increase of 27% over Q4 2017 cash receipts of US\$1.69m.
- Management confirms that, as a result of the early development and sales successes in its initial verticals, the Company is in a strong position ahead of 2018 moving season and reaffirms CY2018 guidance of total revenue in the range of US\$19m to US\$23m.

Updater Inc. ("Updater" or the "Company") (ASX: UPD), the US leader in relocation technology ("ReloTech") improving the moving process for millions of US households each year, is pleased to report activity highlights for Q1 2018 along with Appendix 4C.

Management is pleased to report that at 31 March 2018, the Company held approximately US\$44.46m in total cash (equivalent to approximately A\$57.85m), well within the Company's budget, and the Company continues to remain debt-free. Further, Management is pleased to reaffirm its CY2018 guidance of total revenue in the range of US\$19m to US\$23m.

**David Greenberg, CEO of Updater, commented:** "I'm very pleased with the enormous progress we've made over the past several months - developing new core products and bringing them to market in time for moving season, and negotiating dozens of key new deals to run Paid Programs on the Updater platform. The extraordinary efforts of our team have put the Company in a strong position ahead of moving season. It's also great to see the excitement and interest from Business partners for running Paid Programs, reflecting our platform's unique scale, audience, and capabilities."

### **Growth in Bookings**

The Company's Bookings are the fees invoiced in a quarter to all signed customers/clients for their next billing cycle or contract period, consisting of both new and recurring business. During moving season, performance fees are expected to increase materially as User volume increases. In addition, the Company anticipates signing certain contracts that may involve significant long-term access fees. Bookings is a core financial metric for many high growth technology platforms, and most accurately reflects the adoption of the Company's platform and the contractual obligations of its customers to pay the Company.

The Company's Q1 2018 Bookings totaled US\$2.19m, an increase of 32% over Q4 2017 Bookings of US\$1.66m.

### **Paid Programs Ahead of Schedule**

As previously described, service providers that purchase certain Business Products from Updater may run 'Paid Programs' in the Updater Platform. Paid Programs involve contractual arrangements with the Company that result in access and/or performance fees. In addition, Paid Programs enable Updater Users to receive personalised and helpful content and/or access advanced functionality for initiating and completing transactions (e.g., reserving their moving company or purchasing Internet service for their new home).

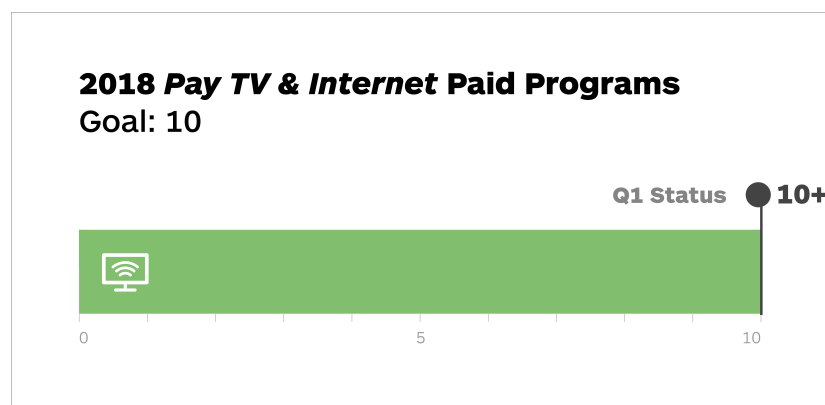
For many key features in the Mover Product, Management believes that building trust with Users through adequate choice is critical for driving high User engagement. The 2018 Paid Programs goals reflect the number of Paid Programs necessary to offer Users adequate choice.

The Company previously announced it would provide quarterly updates on its progress securing Paid Programs. In particular, securing adequate Paid Programs in the Full-Service Moving and PayTV/Internet verticals *in advance* of moving season (the summer months in the US beginning in June) is critical to achieving the CY2018 total revenue forecast. Management is pleased to highlight the following achievements:

**(i) PayTV/Internet:**

Management is pleased to announce that the Company has completed core development for an innovative and intuitive guided workflow for Users to select and schedule PayTV/Internet services. This new feature is scheduled for full deployment in all top 20 metros in time for moving season.

Further, the Company has already secured 10+ Paid Programs with service providers and/or their affiliates in the PayTV/Internet vertical, well ahead of schedule.

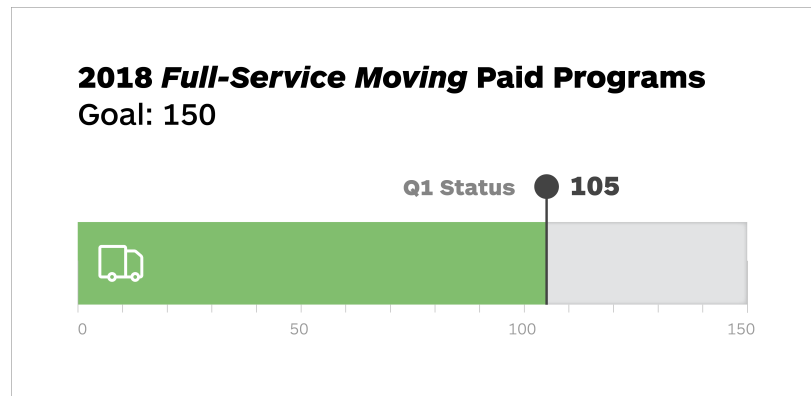


**(ii) Full-Service Moving**

Following the completion of the initial integration of the MoveHQ and Updater platforms, the Company has already launched the new MoveHQ Engagement feature in 8 of the largest US metros. Further, Management anticipates that the feature will be live in the top 20 US metros in time for moving season. Users in the live metros can seamlessly complete a household inventory, receive real time quotes from multiple moving companies, and instantly reserve a moving company – all within minutes using Updater's Mover Product.

The completion of the complex platform integration to enable this functionality represents an important milestone for the Company, as reserving a trusted full-service moving company has been one of Updater's most requested features for years.

The Company previously announced the goal of securing 150 Paid Programs in the Full-Service Moving vertical by year-end 2018. Due to the exceptional efforts of the MoveHQ and Updater teams, the Company has already secured 105 Paid Programs among the nation's most reputable moving companies.



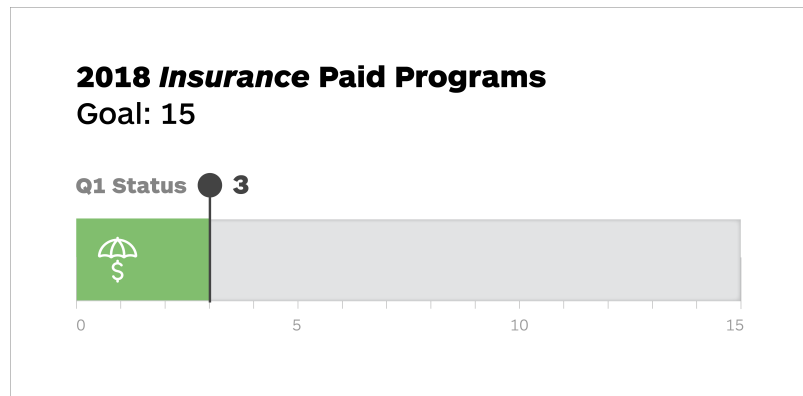
### Insurance Division Advances into Execution Phase

Following the early achievements of securing insurance licenses, recruiting key personnel, and signing initial strategic partnerships, the Company's wholly-owned Insurance subsidiary has completed its 'set-up' phase and is now actively developing key features. As such, the Company is very pleased to announce that it has appointed Rachel Loeffler as CEO of the Insurance Division. Chris Burke and newly appointed Updater Non-Executive Director Jessica Nagle played a key role in helping to successfully recruit Rachel to the Insurance Division. Rachel's exceptional track record of steering and motivating teams will be a huge asset as Updater's Insurance Division moves into the execution phase of its growth plan.

Previously, Rachel was the Head of the Investment Banking and Private Equity Segment of S&P Global Market Intelligence. In this role, Rachel quickly integrated two teams united through acquisition, by defining strategic priorities and executing a major technological platform release in late 2017. Previously, Rachel drove double-digit growth in the Media and Technology business for SNL Financial, which was ultimately acquired by S&P, by building an international team to scale its US roots into a global offering. Prior to her ten years at SNL and S&P, Rachel played a key role in establishing the US Treasury Department's Office of Terrorism and Financial Intelligence. Rachel holds an MBA from the Wharton School at the University of Pennsylvania, and a BA from Princeton University.

David Greenberg, CEO of Updater, commented: "Rachel is an exceptional leader and operator, and with the support of a number of insurance industry experts, she is well positioned to improve the insurance buying experience for Movers and generate significant value for insurance companies."

To date, the Insurance Division has successfully secured licenses to distribute property and casualty insurance in 48 US states, identified dozens of revenue opportunities across multiple lines of business and begun active development on a streamlined insurance purchasing workflow. The Insurance Division has also already secured 3 Paid Programs.



#### **Additional Activity Highlights:**

- The Company announced that Jessica Nagle has been appointed as an Independent Non-Executive Director of the Company. Ms. Nagle co-founded SNL Financial, the premier provider of industry-specific financial information to leading global banking, trading and investment firms. In 2015, after years of rapid growth, SNL Financial was sold to McGraw Hill Financial for US\$2.3b, and is now known as S&P Global Market Intelligence.
- Following a successful six-month Pilot Program proving 126% lift in the Do-It-Yourself (DIY) Moving vertical, Updater has determined that DIY Moving will be its fourth vertical for developing and selling Business Products, enabling a highly complementary offering to its full-service moving functionality. Developing an amazing experience for Updater Users to (a) analyse all options for transporting household goods, and (b) seamlessly secure their ideal packing and transportation methods at an optimal price, is critical to building a platform that drives maximum engagement. In the second half of 2018, the Company will update shareholders with a comprehensive go-to-market strategy and Paid Programs goal in the DIY Moving vertical.
- The Company announced two new preferred supplier partnerships: (1) Berkshire Hathaway Home Services (BHHS), one of fastest-growing real estate brokerage networks in the US with nearly 44,000 agents and 1,350 offices, and (2) Realty Executives International, another one of the largest real estate franchises in the US with over 8,000 agents and 500 offices.

- The Company won the prestigious American Moving & Storage Association Summit Award. The Summit Award recognises outstanding performance by a supplier for strong leadership, visionary thinking, customer service practices, and the development of an innovative product or service.
- Additionally, Updater CEO David Greenberg was named a 2018 Tech Trendsetter by Swanepoel T3 Group, one of the leading real estate consulting firms. The SP2018 Trendsetters list identifies and celebrates 'innovators, dealmakers, and movers-and-shakers' who have made significant impact on the real estate industry over the past year.

### **Strong Cash Position**

The attached Appendix 4C covers cash flow for Q1 2018. The Company held approximately US\$44.46m in total cash (equivalent to approximately A\$57.85m) as at 31 March 2018, well within the Company's budget. The Company continues to remain debt-free.

Cash receipts for Q1 2018 totaled US\$2.14m, an increase of 27% over Q4 2017 cash receipts of \$1.69m. As set forth above, in addition to reporting its cash receipts, the Company will provide quarterly updates on its Bookings, calculated as recognised revenue plus the change in deferred revenue. Bookings is a core financial metric for many high growth technology platforms, and most accurately reflects the adoption of the Company's platform and the contractual obligations of its customers to pay the Company.

As per Management's strategy, overall spend increased in Q1 2018 as compared to Q4 2017 primarily as a result of expanded operations, including the hiring of multiple new team members. Research and development expenditure increased in Q1 primarily because MoveHQ accelerated its internal product development with nearly 20 new external contractors. There are approximately 95 full-time employees of Updater's 'internal' divisions, 85 full-time employees of MoveHQ, and 14 full-time employees of the Insurance Division. Throughout 2018, the Company will continue to increase investment in optimising operations, expanding personnel, and accelerating product development across the internal and external divisions. The Company has secured additional office space at its Union Square headquarters in New York City to support its growth plans.

Management is confident that the Company's cash reserves are adequate to achieve its growth and development plans to solidify the Company's position as the long-term technology leader in the US relocation industry.

## **Investor Webinar**

Investors are invited to join a webinar on Tuesday 1 May 2018 at 11.30am AEST hosted by Updater CEO David Greenberg.

Registration in advance of the webinar is required, and can be completed via the link below:

<https://register.gotowebinar.com/register/239200244480107522>

### **For more information, please contact:**

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### **About Updater:**

Updater, the US leader in ReloTech, makes moving easier for the millions of American households that relocate every year. 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 to help their clients transition to their new home with a branded and personalised moving experience. With significant market penetration of all US household moves, Updater enables 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).

## 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 2018

<b>Consolidated statement of cash flows</b>	<b>Current quarter \$USD'000</b>	<b>Year to date (3 months) \$USD'000</b>
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers	2,143	2,143
1.2 Payments for		
(a) research and development	(686)	(686)
(b) product manufacturing and operating costs	(46)	(46)
(c) advertising and marketing	(296)	(296)
(d) leased assets	-	-
(e) staff costs	(4,888)	(4,888)
(f) administration and corporate costs	(1,324)	(1,324)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	137	137
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>(4,960)</b>	<b>(4,960)</b>

<b>2. Cash flows from investing activities</b>		
2.1 Payments to acquire:		
(a) property, plant and equipment	(291)	(291)
(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	(6)	(6)
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	<b>Net cash from / (used in) investing activities</b>	<b>(297)</b>	<b>(297)</b>

<b>3.</b>	<b>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	66	66
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	<b>Net cash from / (used in) financing activities</b>	<b>66</b>	<b>66</b>

<b>4.</b>	<b>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	49,655	49,655
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(4,960)	(4,960)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(297)	(297)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	66	66

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	<b>Cash and cash equivalents at end of quarter</b>	<b>44,464</b>	<b>44,464</b>

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	43,245	48,990
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (security deposit related to office lease agreement)	1,219	665
5.5	<b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>44,464</b>	<b>49,655</b>

**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**

100

-

Payroll for Executive Directors David Greenberg and Ryan Hubbard

**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. <b>Financing facilities available</b> <i>Add notes as necessary for an understanding of the position</i>	<b>Total facility amount at quarter end \$USD'000</b>	<b>Amount drawn at quarter end \$USD'000</b>
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. <b>Estimated cash outflows for next quarter</b>	<b>\$USD'000</b>
9.1 Research and development	304,000
9.2 Product manufacturing and operating costs	25,000
9.3 Advertising and marketing	315,000
9.4 Leased assets	-
9.5 Staff costs	5,271,000
9.6 Administration and corporate costs	1,362,000
9.7 Other (Office build-out costs)	315,00
<b>9.8 Total estimated cash outflows</b>	<b>7,592,000</b>

10. <b>Acquisitions and disposals of business entities (items 2.1(b) and 2.2(b) above)</b>	<b>Acquisitions</b>	<b>Disposals</b>
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.....  
(CEO)

Date: .....30 April 2018.....

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.