updater

Annual Report 2017

Our Vision

Build technology that is so powerful, **consumers won't move without it**

Corporate Information

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Stock Exchange Listing
CHESS Depositary Interests (CDIs over Shares of Common Stock in Updater Inc. (the "Company" or "Updater") are listed on the Australian Securities Exchange ("ASX") under the code UPD. 25 CDIs are transferable for 1 Share of Common Stock.

Directors
David Greenberg
Founder, CEO and Chairman

Ryan Hubbard
CTO, COO and Executive Director

Grant Schaffer
Non-Executive Director

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Jessica Nagle
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Table of Contents

Letter from the CEO 5

A Year in Review 8

The Updater Platform and Strategy 16

Directors and Managers Report 26

Corporate Governance Statement 33

Consolidated Financial Statements 45

Additional ASX Information 65

Updater Inc. (ASX: UPD) ("Updater" or the "Company") is a New York City based technology company making the relocation process easier for the millions of US households moving each year. Updater has spent seven years building a defensible technology infrastructure and now processes a significant percentage of all household moves in the US. Management believes that Updater's national market penetration has unlocked a unique opportunity to dramatically improve the consumer relocation experience in the US and drive significant revenue.

This 2017 Annual Report dated 29 March 2018 (this "Annual Report") includes results and information regarding financial/calendar year 2017. Unless stated otherwise, all information contained in this Annual Report is accurate as at 29 March 2018. All capitalised terms used in this Annual Report and not otherwise defined shall have the meaning ascribed in the 2016 Annual Report dated 14 March 2017 (the "2016 Annual Report"), the Company's Prospectus dated 17 November 2015 (the "Prospectus"), or other ASX Announcements. All terms that are defined in both (a) this Annual Report and (b) the 2016 Annual Report, the Prospectus and/or other ASX Announcements, shall have the meaning set forth in this Annual Report. The contents of this Annual Report shall supersede in the case of any inconsistency between this Annual Report and the Prospectus, the 2016 Annual Report or any other ASX Announcement.

Letter from CEO

Dear fellow shareholders, partners, and employees:

Thank you for your consistent and overwhelming support throughout 2017. I write this letter with an enormous sense of pride in the progress we've made this past year and excitement for even greater things to come in 2018 and beyond.

With record growth across several fronts throughout 2017, I expect Updater to continue building and evolving its platform to the point that it is so helpful and transformative that consumers won't want to move without it.

Two themes stand out among our many achievements last year: 1) successfully demonstrating value to all stakeholders in the relocation ecosystem (Movers, Real Estate Companies, and Businesses) and 2) growing the Updater team with high-quality, talented individuals to help us deliver on our mission. These themes contributed to meaningful milestones in 2017:

- We processed more than 2.3M unique household moves.
- More than 1,000 of the most innovative Real Estate Companies in the US are now automatically inviting their clients/ residents to our platform.
- The retention rate for our Real Estate Partners has remained above 99% each quarter.
- We delivered material positive results in Business Product Pilot Programs in three key verticals: Full-Service Moving (520% lift), Insurance (93% lift), and Pay TV and Internet (224% lift).
- Investments in our Mover Product resulted in increased User engagement and improvements to our User conversion funnel.
- Revenue grew materially to US$2,235,405 for CY2017, and we announced strategies to achieve 8-10X revenue growth in 2018.
- New hires strengthened our leadership team, including the addition of Chad Horenfeldt as VP of Client Success and Zack Shalvarjian as VP of Data.
- The acquisitions of ACI and IGC, now operating together as MoveHQ, created the foundation to seamlessly connect Users with America's leading full-service moving companies.
- We appointed Chris Burke to lead Updater's new Insurance Division, and he has recruited a strong team of industry experts that have already secured licenses to distribute insurance in 48 states.

This past year, our company grew through the creation of two new external divisions and the expansion of our internal divisions. We've more than tripled the size of our team, and we've managed to navigate the complexity of high growth through operational efficiency and a unified, clear purpose.

For personal use only

Since solidifying our position as the emerging leader in US relocation technology, our positive impact in the relocation ecosystem is becoming increasingly clear every day. Our company has become the epicenter of previously complex and disjointed relationships between consumers who are moving, real estate companies who aid in the process, and the businesses who seek to connect with the consumers who need their various products and services. Our goal is to deliver unprecedented efficiencies and benefits to all parties within our platform.

The Updater Ecosystem

Updater is creating a new approach to moving—one that is powered by the efficiency and intelligence of innovative technology to solve painful and costly problems.

For Movers, Updater helps tackle one of life's most stressful challenges on an intuitive and simple platform that is personalised and customised for their unique move. Indeed, Updater is not just a sleek app, but a trusted partner to empower productivity and preparedness during a stressful time. "It'll keep your head on straight when your head is spinning," said one recent User from Colorado.

For Real Estate Partners, Updater is not just a useful tool for their clients and residents, but a cost-effective platform to optimise their own businesses, which positively impacts their bottom line.

For Businesses, Updater customises the relocation experience of existing customers and prospective customers, enabling more efficient acquisition and retention of customers. Updater presents an innovative way to approach some of today's toughest marketing challenges. The moving process triggers many consumers to shop for new products and services. Before Updater, these consumers were very hard to identify and engage with the right message at the right time.

Aggregating all of these key stakeholders onto a single platform unlocks the magic of Updater and delivers next-generation efficiencies for both consumers and businesses that serve them at both their old and new locations.

Looking Ahead

In 2017, we made tremendous progress, but in many ways, we're just getting started. Our 2018 priorities build on the momentum we generated in 2017, and we remain confident that we can achieve our ambitious goals.

For our Movers, our goal is to increase our User conversion and engagement rates, as the value of the platform increases materially.

For our Real Estate Partners, our goal is to deliver even more value, enabling continued growth in Estimated Market Penetration through new clients and continued high retention rates.

For our Business Partners, our goal is to introduce transformative methods for communicating with their current and prospective customers during the relocation event. With Updater serving as the *user experience layer* for transactions, we can deliver significant efficiencies for all parties via our Paid Programs.

For our team, our goals are to create a happy and rewarding place to work, continue hiring world-class talent, and provide amazing learning experiences and career opportunities for all.

For our shareholders, our goal is to communicate clearly, deliver on stated goals, and build an industry-leading and defensible business.

For our community, our goal is to build on our tradition of giving back and making a positive impact, such as with key charitable partners including Move for Hunger.

Our 2017 accomplishments prove that we can deliver value to all stakeholders in the relocation ecosystem. Delivering even greater value in 2018 will fuel the growth of our industry-leading business.

Thank you for your continued support,

David Greenberg
Founder and Chief Executive Officer

"Our goal is to deliver unprecedented efficiencies and benefits to all parties."

A Year in Review

A Year in Review

From bold acquisitions that propelled growth to continued investments in our people and technology, Updater made many *big moves* last year. Below are some of Updater's most noteworthy accomplishments from 2017.

Breakthroughs in Business Products

In 2017, Updater ran Pilot Programs in 5 verticals: *Insurance, Full-Service Moving, PayTV & Internet, Retail Banking, and DIY Moving*, with the intention of developing go-to-market strategies in at least two verticals.

After achieving material positive results and learning key industry trends and dynamics, Updater began developing and implementing go-to-market strategies in three verticals: *Insurance, Full-Service Moving, and PayTV/Internet*.

The results:

- In the *Insurance Pilot*, Updater communications delivered a 93% lift over a control group.
- In the *Full-Service Moving Pilot*, Updater communications delivered a 520% lift over a control group.
- In the *Pay TV Pilot*, Updater communications delivered a 224% lift over a control group.

The results of the Pilot Programs demonstrate that Updater's platform, with its unique timing and trust dynamics, can help Movers make great choices and enable Businesses to more efficiently acquire and retain customers.

Revenue on the Rise

Since 2012, Updater has focused on partnering and integrating with hundreds of Real Estate Companies to expand national market penetration of Moves Processed. In Q4 2017, for the first time, Updater began selling Business Products after achieving substantial national scale (over 15% estimated national market penetration). Updater's Q4 2017 cash receipts totaled US$1,694,234, a material increase over Q3 2017 cash receipts of US$401,184. Updater's CY2017 revenue totaled US$2,235,405 and Updater is pleased to confirm that it forecasts CY2018 revenue in the range of US$19,000,000–US$23,000,000.

Acquisitions Fuel Innovative Products

As part of its go-to-market strategy in the Full-Service Moving vertical, Updater acquired two leading software companies: IGC Software and Asset Controls, Inc. The two companies now operate as MoveHQ, a wholly-owned subsidiary of Updater. The acquisitions enable Updater to build a suite of products and services that may transform the way full-service moving companies engage and connect with relocating consumers.

Updater and MoveHQ completed the initial technology integration between their platforms on time in Q1 2018. The integration enables:

- **A new MoveHQ feature** for moving companies to seamlessly secure Updater Users as customers, and
- **New features within Updater's Mover Product** for Users to review pricing and availability of premier moving companies and instantly reserve their selected moving company online.

Laying the Foundation in Insurance

As part of its go-to-market strategy in the Insurance vertical, Updater established an Insurance Division responsible for distributing property and casualty insurance products to Movers. Updater plans to simplify and improve the insurance renewal, transfer and buying experience for Movers and generate significant value for insurance partners. To achieve these goals, the Insurance Division is negotiating key strategic partnerships with the largest insurance carriers, brokerages, and various "InsureTech" startups.

The industry experts appointed to run the Insurance Division have made great strides since launching the division in late 2017, including:

- **Securing licenses** to sell insurance in 48 US states,
- **Developing core** insurance retention and acquisition products, and
- **Establishing distribution** for ancillary products including lease and security deposit insurance and moving insurance.

Mover Product Enhancements Return Positive Impact

Updater made significant investments in its Mover Product in 2017 to improve its User conversion funnel and increase User engagement.

The User conversion funnel was optimised throughout the year, resulting in 30–40% of Mover invitation recipients completing the conversion funnel and becoming Updater Users, a significant increase over the previously un-optimised conversion rate of 12.5%. Updater's current email conversion rate is considered among the highest of business-to-consumer (B2C) technology platforms.

The Mover Product was also improved, including a smart timeline design and intelligent grouping of tasks in order to more seamlessly guide users through the moving process. In addition, Updater has launched multiple new features with useful content and functionality. Results have been very positive in terms of increased user engagement.

Real Estate Partners Continue to Love Updater

2017 was Updater's strongest year yet working with Real Estate Companies. The number of partners grew to over 1,000, with retention rates remaining consistently over 99% each quarter (i.e., nearly no partner churn). In Q4 2017, surveys revealed an exceptional Net Promoter Score (NPS) of 71, with many of Updater's most influential partners reporting that Updater had improved their business and was an easy product to launch company-wide.

To capitalise on Updater's incredible relationships, Chad Horenfeldt joined Updater as the Vice President of Client Success. With strong experience building scalable client success teams, Chad will optimise and oversee scalable processes to onboard hundreds of new partners, expand existing relationships, and maintain Updater's strong retention metrics.

Investing in Data Science to Maximise Updater's Value

Updater announced the creation of a new data team in November 2017, led by Zack Shalvarjian, Vice President of Data. Zack oversees all data functions at Updater, including business intelligence, reporting and analytics, and data science. The team will drive valuable insights from Updater's information assets to help build a platform that will not only power Updater's next-generation moving experience, but also aggregate moving trends to deliver insights to business partners.

The data team will operate out of Updater's new US West Coast office in the Bay Area.

Investing to Build a World-Class Team

Updater continues to attract leading talent, capitalising on its reputation as one of the best technology companies to work for in New York City.

In 2017, Updater aggressively expanded its team to 156 employees (across all divisions) at year-end, and filled noteworthy roles across its Internal Divisions including:

- Vice President of Client Success
- Vice President of Data and a data team
- 10+ senior software engineers
- Residential real estate business development experts
- Controller
- Specialty engineering/tech recruiters

In 2017, Updater continued to build its employment brand through innovative recruitment marketing strategies. Building on the momentum from Updater's #3 ranking on the *Crain's Best Places to Work in NYC* list, Updater won the highly-coveted designation as *Best Tech Work Culture* at the *2017 Timmy Awards.*

Updater is committed to providing employees an incredible work environment, challenging projects, and tools to invest in both personal and professional growth. In 2017, Updater provided various educational opportunities for employees to hone their skills in the areas of communication, collaboration, prioritisation, and delivering/receiving feedback. At Updater, investing in the team is a priority. Throughout 2018 and beyond, Updater will continue to foster an environment of innovation, autonomy, and growth.

Looking Ahead

As announced in Q3 2017, Updater's 2018 quarterly reporting will focus on Paid Programs, i.e., the establishment of the next-generation relocation platform via the development and sales of its Business Products. Updater will also continue to provide a framework for analysing market penetration on an annual basis.

In Q4 2017, Updater announced the following key performance metrics that it aims to achieve by year-end 2018:

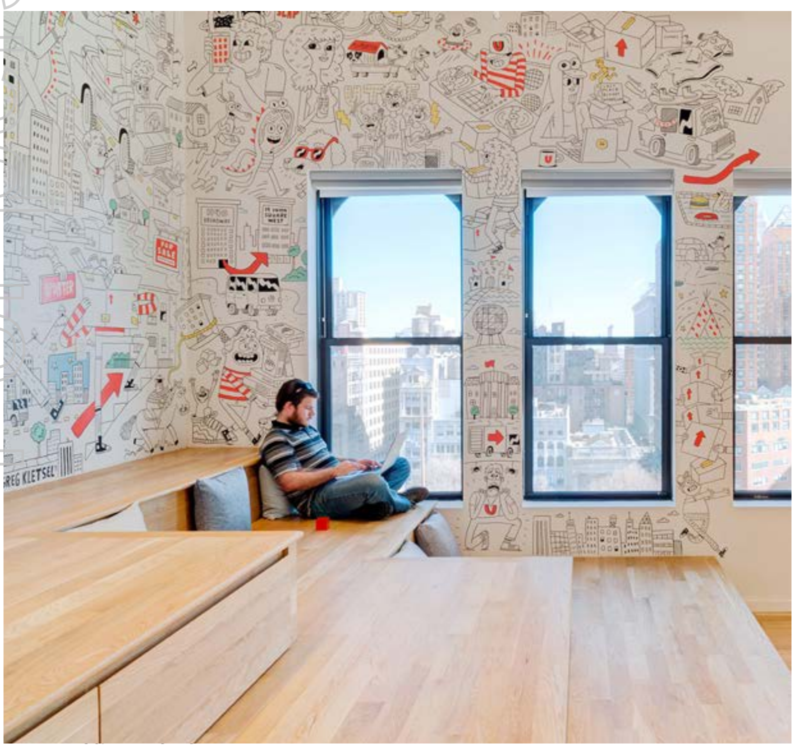
- Updater will actively sell Business Products in five verticals.
- Updater will secure a certain minimum number of Paid Programs running on its platform in each live vertical by year-end 2018 in order to ensure Users receive a "complete view of the market" in all top 20 metros:
  - In the Insurance Vertical, 15 Paid Programs will be live by year-end 2018.
  - In the Full-Service Moving Vertical, 150 Paid Programs will be live by year-end 2018.
  - In the Pay TV/Internet Vertical, 10 Paid Programs will be live by year-end 2018.

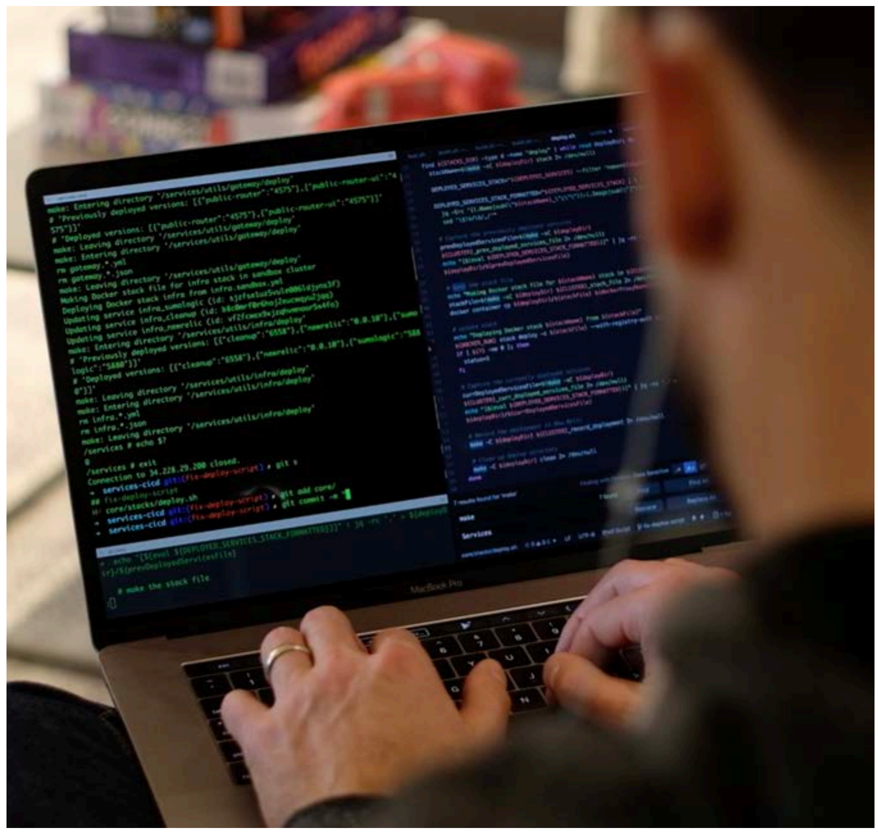
Management is confident that if Updater achieves its stated 2018 vertical-specific goals for Paid Programs, then 2018 revenue will increase materially to US$19M–$23M.

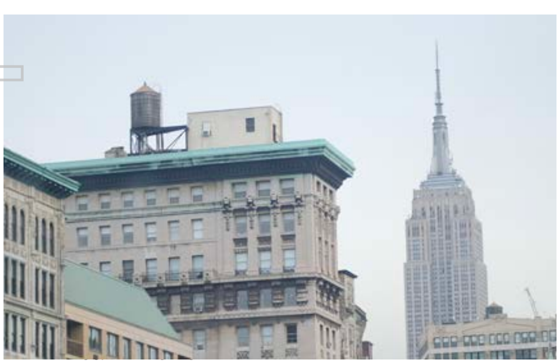
Life at Updater

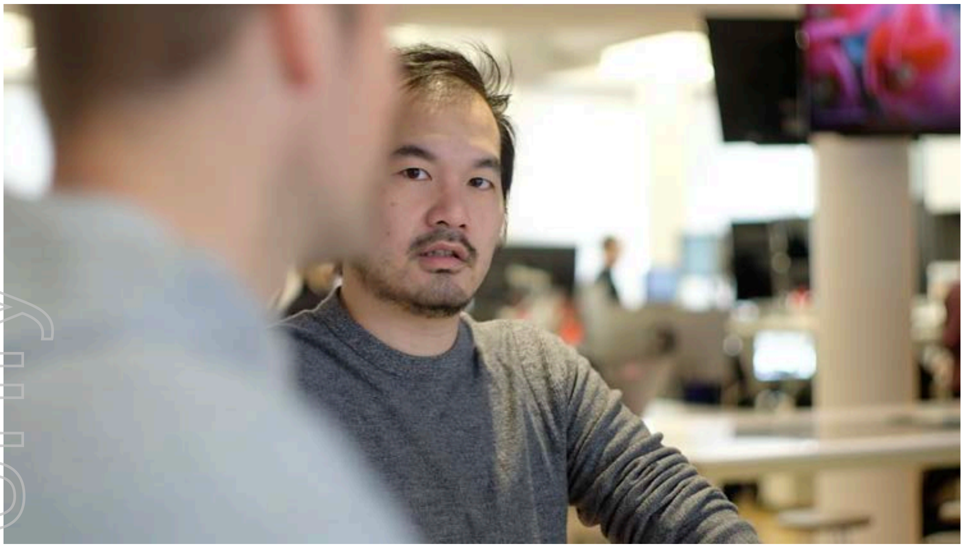
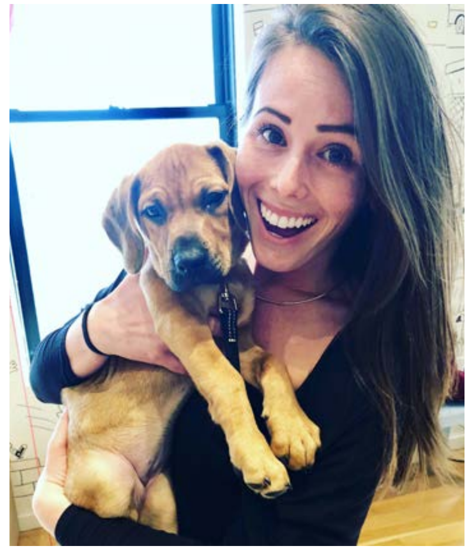
In January 2017, the Updater team moved into a new office overlooking New York City's famed Union Square Park. The Updater team (as well as their dogs on the Pupdater team) are loving the new space.

Having established itself as one of the best places to work in New York, Updater managed to attract leading talent and grew its team while maintaining its unique high-impact and high-energy culture.





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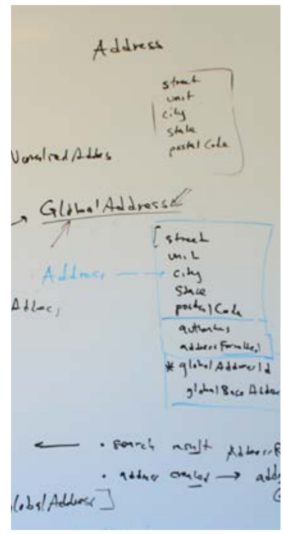
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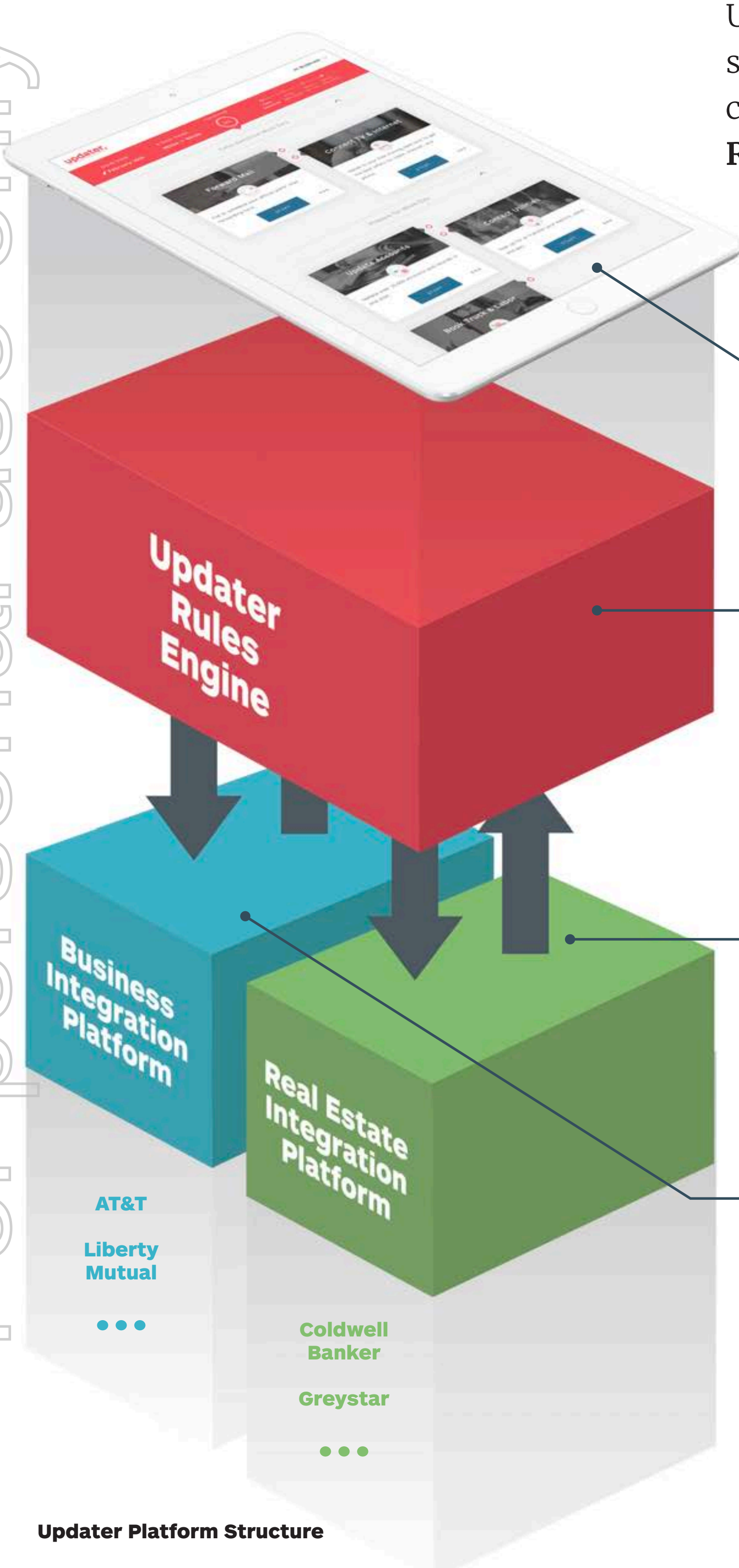
The Updater
Platform & Strategy

The Updater Platform & Strategy

Updater's products are built for the key stakeholders operating within the US consumer relocation industry: **Movers, Real Estate Companies, and Businesses.**



Updater Platform Structure

1 **Mover Product**

One-stop solution for organising and completing tasks

Users enjoy a personalised and curated experience

2 **Core Platform & Rules Engine**

Unbiased algorithms optimise the Mover Product for each User

Engine programmatically analyses service information, customer information, efficiency for Users, service ratings of providers, and predictive modeling from recent and similar moves

3 **Real Estate Integration Platform**

Partners invite clients/residents who are moving

Partners enable automatic invitations for all their clients/residents, and configure branding and various settings

4 **Business Integration Platform**

Communication platform for Businesses

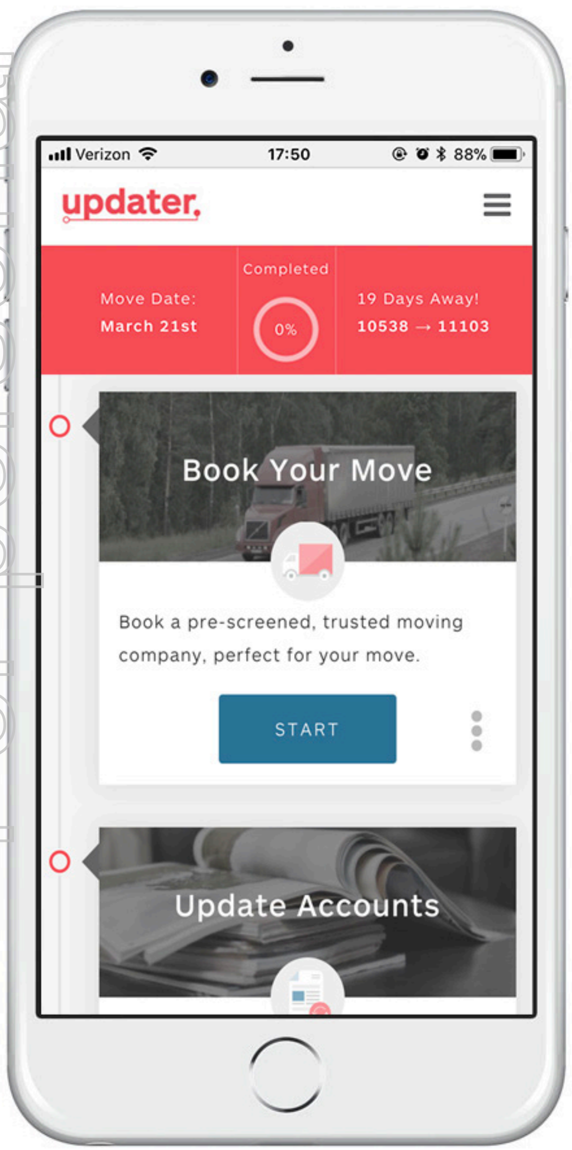
Businesses (a) share service Information (such as service boundaries, pricing, product information), (b) share customer information, (c) share implementation and order status, and (d) receive orders and insights

The Mover Product

The moving process is an inefficient and painful consumer experience that requires reaching out to dozens of businesses to transfer, sign-up and/or disconnect services (such as electricity, gas, water, television, and internet providers), change address information (such as for mail forwarding, insurance, online accounts, banking, and more), and coordinate the transportation of household goods (such as moving, packing and storage services).

Updater's Mover Product provides relocating consumers with a personalised and curated digital platform to organise and complete all moving-related tasks. Currently, the Mover Product can only be accessed via an invitation from a Real Estate Company.

Delivering on Updater's mission for an extraordinary Mover experience will require significant continued investment in user research and product design. Building a product that Users love requires adhering to several core principles:

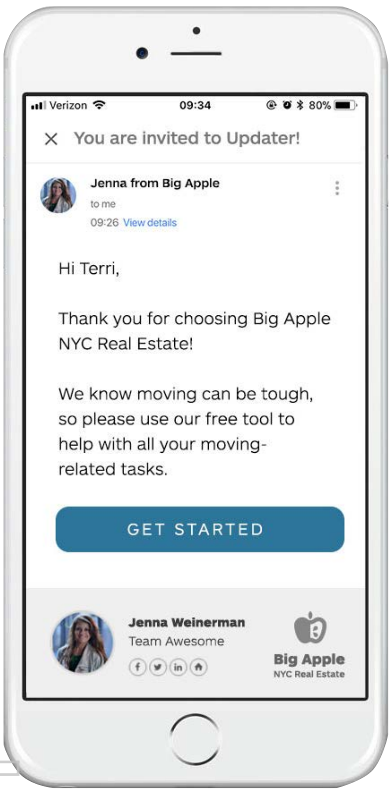


- **Meet the needs of all User personas:** The Mover Product needs to discover exactly which decisions each User wants to make and how they want to make them, and then deliver a customised interface that satisfies each User's needs.
- **Build trust with Users:** Updater needs to provide a "complete view of the market," such that Users know that Updater is on their side, helping them make great decisions among all reasonably available options and unlocking the best prices for the products and services that they choose.
- **Protect the privacy of Users:** Updater has a strict privacy pledge that prohibits the renting, selling, or sharing of Users' information without their consent. Updater does not allow Businesses to pay for specific placement in the platform; instead, Businesses can pay only for access to the platform (and the related performance). The Updater Rules Engine determines the best options for each User and ranks all options according to a value index.

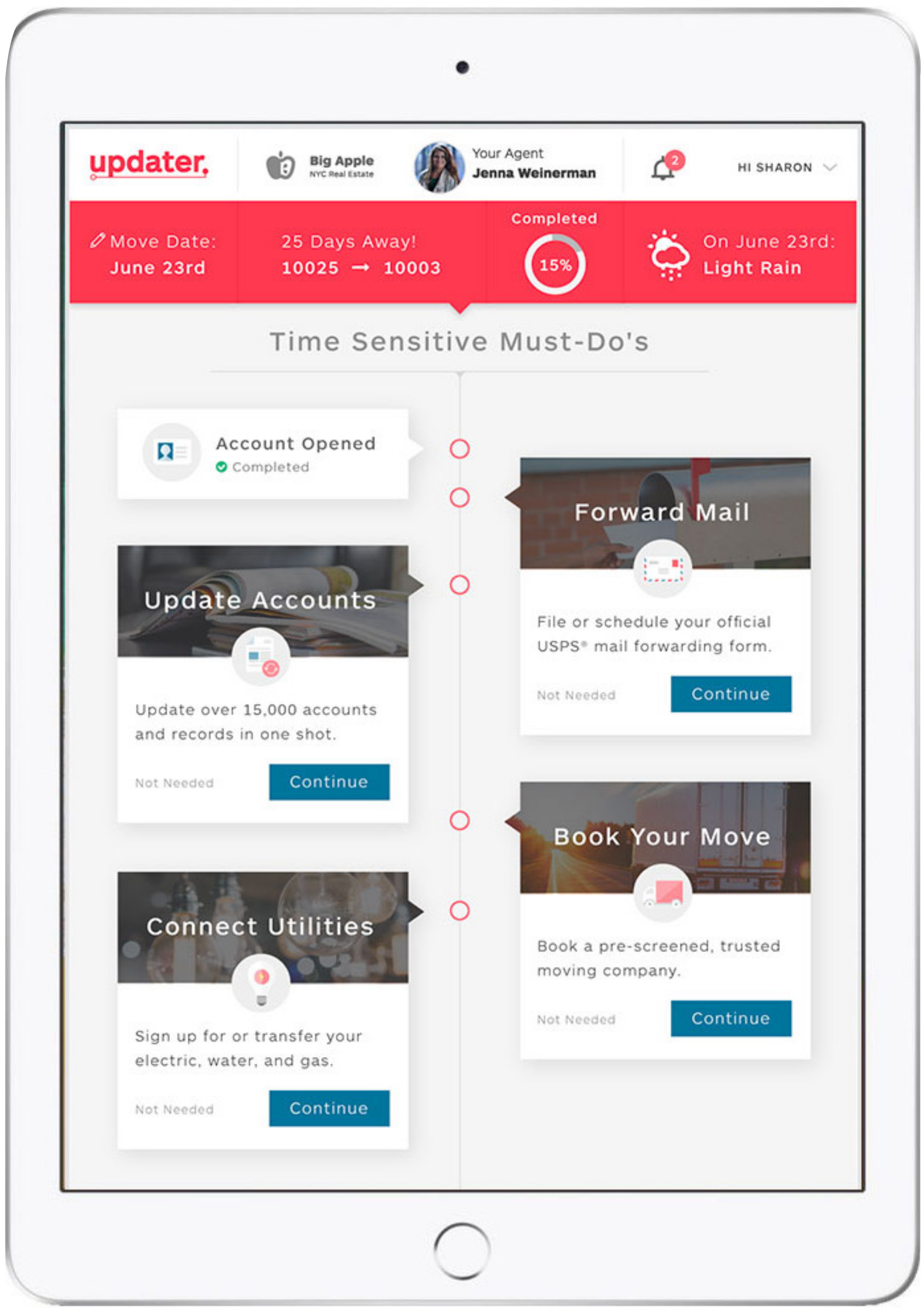
Real Estate Products

Updater's **Real Estate Products** enable Real Estate Companies to provide their clients/residents with the "invite-only" **Mover Product**, and configure the Mover Product experience for all of their clients/residents.

Updater has developed unique Real Estate Products to suit different types of Real Estate Companies. For example, the product for property management companies is different than the product for real estate brokerage firms. Updater has also developed unique interfaces and account types for various roles within Real Estate Companies, such as corporate managers and individual professionals.



Our partners invite their clients to a personlised ***invite-only*** experience



Business Products

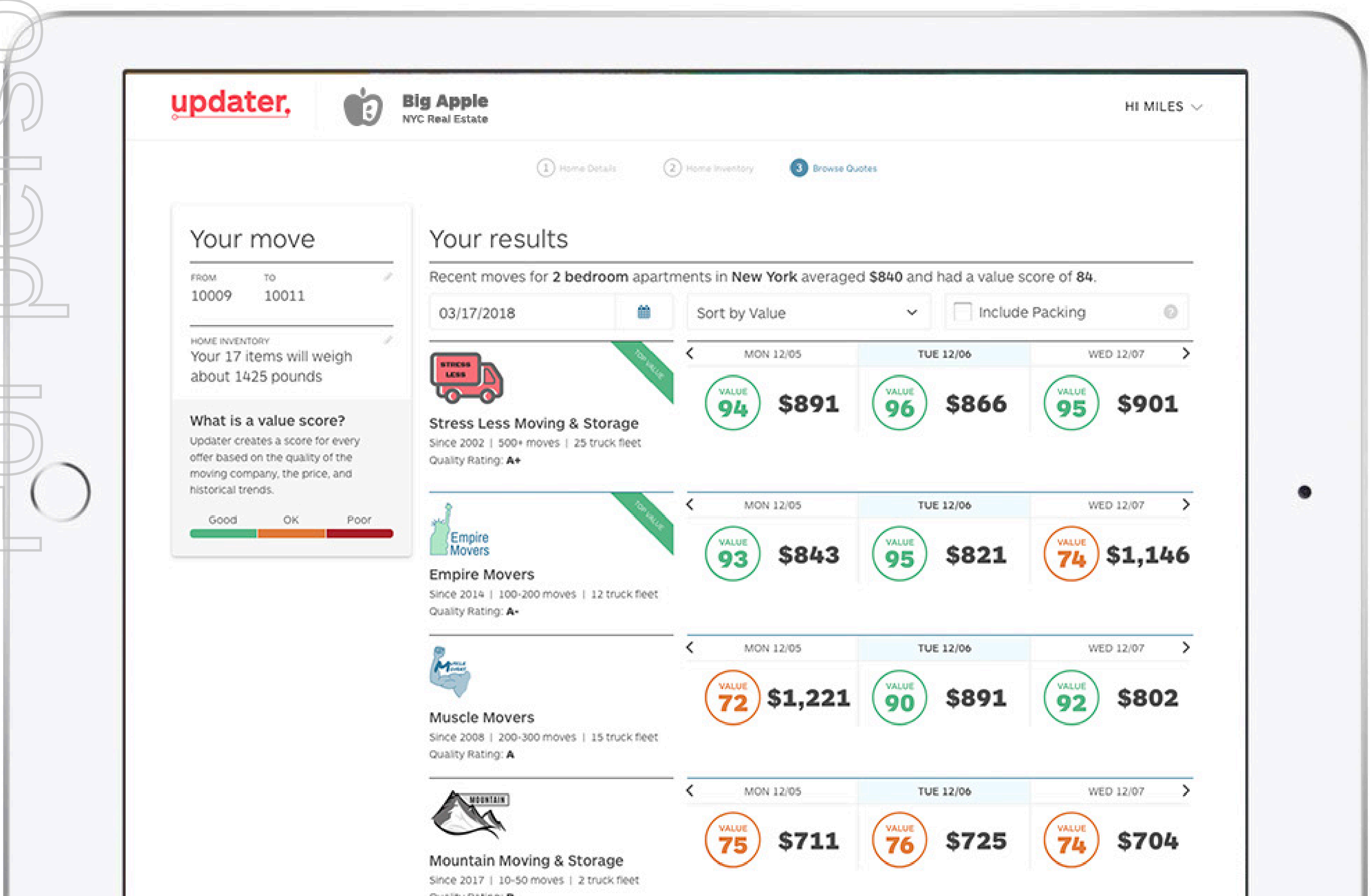
After successfully aggregating over 15% of all household moves in the US onto a single platform, Management believes that Businesses across multiple verticals will increasingly rely on Updater's Business Products to acquire and retain customers during the relocation event.

Updater plans to sell Business Products to a large and diverse group of Businesses in the US across approximately 15 verticals. Updater seeks to charge Businesses for access to its platform (and for related performance if key thresholds are achieved).

Paid Programs may enable Businesses to present Movers with intelligent, targeted messages and/or advanced functionality for completing or initiating transactions, such as sign-ups, transfers, address updating, and more. Certain customisations, such as enabling transactions within the Mover Product, may require technology integrations between Updater and the applicable Business' customer database or another database.

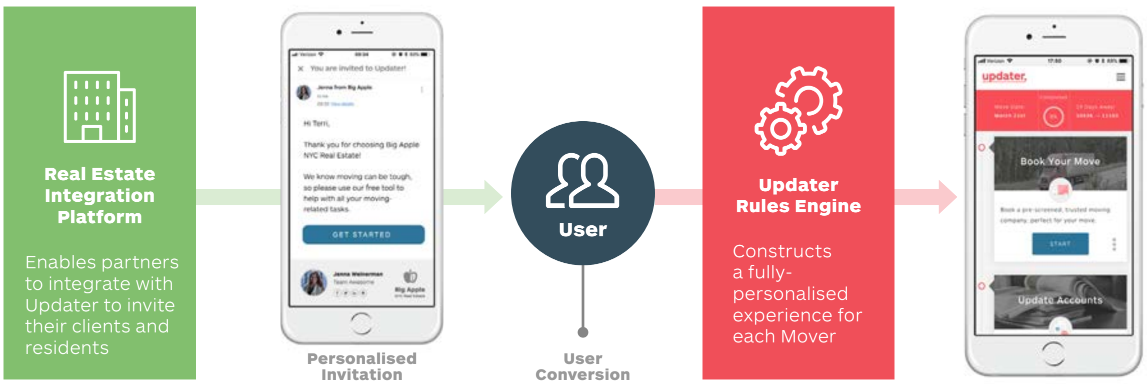
Throughout 2018, Updater will be investing significant resources to further advance its platform. The next evolution of the Updater platform will:

- **Enable Users to access** personalised and helpful content and/or advanced functionality for initiating and completing transactions,
- **Deliver a user experience that satisfies** a myriad of User personas and builds trust with all Users, and
- **Enable self-service options** for Business Products to drive scalable revenue growth over the long term with minimal human interaction.



The Real Estate Integration Platform

The **Real Estate Integration Platform** enables Real Estate Companies that purchase a Real Estate Product to seamlessly and automatically share Mover information with Updater for the purpose of inviting their clients/residents to the Mover Product, configuring the Mover Product experience, and generally enabling Updater to deliver an improved moving experience.



Real Estate Integration Process

The Real Estate Integration Platform is a state-of-the-art software system optimised for engineers and operations managers at Real Estate Companies to seamlessly integrate with Updater by leveraging:

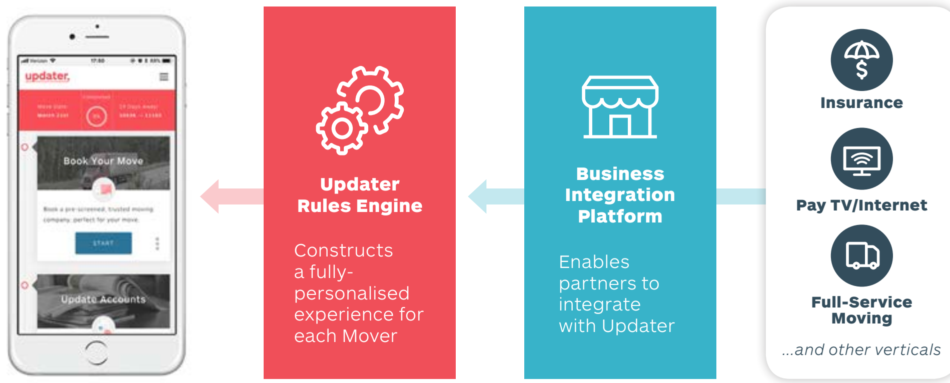
- An integration that Updater developed specifically for their system,
- An integration that Updater has developed with a third-party software system, or
- Updater's REST API (Application Programming Interface using REST architecture).

Updater has facilitated integration options with over 20 major third-party software systems widely used by real estate brokers, property managers, and moving companies in the US.

The Real Estate Integration Platform streamlines and simplifies the onboarding of new Real Estate Partners and facilitates ongoing and consistent use of the Real Estate Products.

The Business Integration Platform

Using the **Business Integration Platform**, Businesses Partners may register various products and/or services that are relevant for relocating consumers.



Business Integration Process

Businesses may submit a product/service, and any related information, for review to Updater. If approved, the information related to the applicable product/service will be sent into **Updater's Core Platform**, and a new program dedicated to the product/service will run in the Updater Platform (a "*Program*"). Once a Program is running, the applicable product/service will become eligible for inclusion in the **Mover Product**. Updater will charge Businesses fees to run approved Programs in the platform for a certain time frame (i.e., Business Products involve paying for access to the Updater platform), as well as performance fees.

Businesses may use the Business Integration Platform for many purposes, such as:

- **Sharing service information:** Businesses may set service boundaries, pricing, applicable discounts, product information, etc.
- **Sharing customer information:** Businesses may send their customer information (or conduct blind-matching) for the purposes of sharing customer lists, prospect lists, historical customer sales, etc.
- **Sharing implementation information:** Businesses may share real-time information about delivery, scheduling, or installation for customers booked via Updater (Updater may then display such information to Users in the Mover Product).
- **Receiving orders:** Businesses may receive orders, appointments, and/or purchases placed by Updater Users.
- **Receiving insights:** Businesses may gain insights into their service ratings, their performance for acquisition and retention on the platform relative to other Businesses in the same vertical, and/or analysis of their ideal customer segments.

For Products that are critical to provide Users with a great experience, but for which the applicable Business is not yet a partner, Updater may pre-set Programs on behalf of the Business to ensure a comprehensive experience for its Users. Updater may then report results (and competitive analysis) to such Businesses to create leverage for selling Business Products in the future.

The Rules Engine

Updater will build an increasingly sophisticated **Rules Engine**, the proprietary software application that determines exactly which content and functionality (from various approved Programs) to present to each User in the Mover Product.

The Rules Engine ensures that Businesses can only customise the moving experience for Users who are most likely to find their applicable communications or functionality relevant and contextual, such as existing customers or Users moving into their geographic footprint. Further, the Rules Engine will rank all options/offers for each User based on a value index (i.e., a programmatic analysis of the best options for each User). The Rules Engine will, therefore, curate a moving experience that is optimised for each individual User. Businesses cannot pay to override the output of the Rules Engine or pay for specific placement in the Mover Product.

The Rules Engine will analyse:

- **Service information** from approved Programs: product/service boundaries, pricing, etc.
- **Customer information** from approved Programs: Existing customer relationships, historical orders, etc.
- **User efficiency**: The extent to which Business partners are utilising the Integration Platform to accept orders and communicate with customers during the moving process via Updater.
- **Ratings**: Analysis of the quality of applicable products/services based on feedback from verified recent customers, third parties, and proprietary insights (such as whether a moving company or cable company arrives at the time they promise).
- **Artificial intelligence**: Ongoing analysis of millions of household moves that Updater facilitates will result in discovery of correlations that indicate which content and functionality each User is most likely to find helpful and valuable.

Scalability of the Platform and the Company

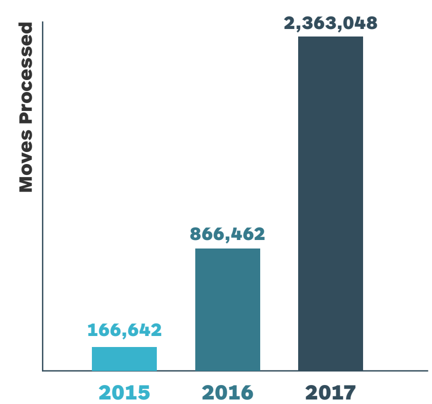
Updater has built its existing platform for Users and Real Estate Partners to ensure minimal operating costs. For example, over 1,000 of the nation's leading Real Estate Companies are Updater clients, and Updater has a team of fewer than 15 employees to manage all ongoing relationships and onboard new clients. Further, Updater processed 2.3 million moves in 2017, and upon accounts created, Updater managed millions of User requests within the Mover Product, all with fewer than 5 customer service representatives.

Similarly, Updater seeks to build its platform to ensure minimal costs to implement Business Products. A key goal, over the long-term, is to ensure that the vast majority of Business partners do not interact with a human for sales and account management. Therefore, in the future, Updater seeks to create a self-service Business Platform, including an easy-to-use interface along with a more comprehensive API layer for more complex Programs.

In the long-term, Updater hopes to primarily grow revenue by increasing the utility of its Business Products, rather than expanding its sales team. Updater is investing heavily upfront to build a scalable platform so that costs do not increase in line with revenue as the number of partners and Programs increase.

Moves Processed and Estimated Market Penetration

Updater is pleased to report that in 2017 it processed 2,363,048 unique household moves, more than doubling the 866,462 moves that it processed in 2016.



Going forward, Updater will report on total Moves Processed on an annual basis, as Updater has already achieved the scale necessary to reinvent consumer relocation via a deeply integrated experience for initiating and completing all key moving tasks on a single platform.

For reporting Estimated Market Penetration, Updater may count a "Move" each time it receives information regarding old/new addresses via the Real Estate Integration Platform, assuming Updater is permitted to leverage such information to generate an invite to the Mover Product. Also, Updater may count a Move each time it receives applicable Move information directly from a Mover (for example, if the Company allows Movers who are not invited by a Real Estate Company to leverage certain features of the Mover Product). Further, Updater may count Moves in the databases of its subsidiary corporations if the privacy policies of such subsidiary corporations permit the use of such information by Updater (for example, if Updater is permitted to use the Move information to generate invites to the Mover Product). The aggregate number of unique Moves received from all sources in a given year is Updater's total annual "Moves Processed." Currently, Updater is only tracking household moves. A move is considered "processed" during the month of the estimated move date.

Management expects that Updater's Estimated Market Penetration will continue to increase substantially by adding new partners, expanding existing relationships, and ensuring that client retention remains strong. Updater continues to focus on executing on its strategy to reach 35% Estimated Market Penetration. At such scale, Updater would solidify its long-term defensible position as the platform for all facets of relocation in the US.

Relocation in the US is seasonal, with the majority of moves occurring in the summer months. As set forth in Updater's Prospectus and in subsequent communications, Updater previously estimated that 17M households relocate each year, based largely on the most recent US Census Bureau migration report as at the time of the Prospectus. Annual national household migration is a key figure for calculating Estimated Market Penetration, and 17M total household moves has been assumed throughout 2015, 2016, and 2017. In recent months, the US Census Bureau has released research indicating that the number of US household moves has decreased by approximately 4% since 2015. Based largely on these Census Bureau findings (which is generally confirmed by Updater's own data), Updater estimates that 16.2M household moves will occur in 2018. Updater will use the updated figure for calculating its Estimated Market Penetration of US household moves beginning in 2018.

While the estimated number of relocating US households has decreased, overall consumer spend during the move lifecycle and marketing spend targeting Movers continues to grow. Further, digital spend has significantly outpaced other channels (digital budgets continue to grow at 10-15% annually vs. the overall market which has grown at <5%). In fact, according to eMarketer, US digital marketing spend (~$83B) exceeded TV marketing spend (~$73B) for the first time ever in 2017. Therefore, Management believes that Updater's addressable revenue opportunity has increased, despite the recent small decrease in overall US migration.

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Directors and Managers Report

Directors and Managers Report

Please find below the Directors and Managers Report for the year ended 31 December 2017.

The names and details of the Company's Directors in office during the financial year and until the date of this Annual Report are set forth below. Directors were in office for this entire period unless otherwise stated.

This Annual Report has been made in accordance with a resolution of the Directors.

Names, Qualifications, Experience, and Responsibilities of Directors

David Greenberg

Founder and
Chief Executive Officer/
Executive Director

- Responsible for driving the vision and execution of the Company's business plan.
- Built and launched Updater based on his own frustrations with moving, recognising that there had to be a better way to organise and complete all moving-related tasks.
- Prior to launching Updater, practiced corporate law at Cravath, Swaine & Moore LLP.
- Holds a Juris Doctor from Cornell Law School, where he was Editor of the Law Review, and a Bachelor of Arts from the University of Pennsylvania.
- Appointed to the Board in May 2010.
- Other current directorships of listed companies: none.
- Former directorships of listed companies in last three years: none.

Ryan Hubbard

Chief Technology Officer
& Chief Operating Officer/
Executive Director

- Oversees technical strategy for the Company and drives all engineering initiatives.
- Has over 15 years of experience in the technology and software engineering industry.
- Prior to joining the Company, served as Partner and CTO of YellowHammer, a multi-award-winning performance trading platform that was ranked #37 on the *Inc. 5000 Fastest Growing Companies list* in 2013. Prior to YellowHammer, Ryan was Co-Founder and CTO of eVariant, a market leader in healthcare CRM/PRM software to manage interactions across both digital and direct channels.
- Holds a Bachelor of Computer Science and Engineering from the University of Connecticut.
- Appointed to the Board in February 2014.
- Other current directorships of listed companies: none.
- Former directorships of listed companies in the last three years: none.

Grant Schaffer
Non-Executive Director

- Was the lead seed investor in the Company and has been on the Board since 2011.
- An active technology investor in both Australia and the United States. Previously held a range of senior positions within London-based investment bank Evolution Securities (since sold to Investec plc) and Ernst & Young in Australia.
- A charted accountant, holds a Bachelor of Arts and a Bachelor of Commerce degree from the University of Western Australia, is a Member of the Australian Institute of Company Directors, and completed the Owner/President Management Program at Harvard Business School.
- Appointed to the Board in February 2011.
- Current directorships of listed companies: none.
- Former directorships of listed companies in last three years: none.

Antony Catalano
Non-Executive Director

- Served as the CEO of Domain Holdings Australia Limited (Domain) from November 2013 to January 2018. The value of Domain (ASX: DHG) grew to well over AU$2 billion under his leadership.
- Established Metro Media Publishing (MMP) in 2009 — Victoria's fastest-growing media business — which publishes a suite of glossy magazines that reach more than one million homes throughout Melbourne. Also pioneered the highly-effective agent equity model, which underpinned MMP's extraordinary success in digital and print publishing, and this model has been rolled out nationally by Domain.
- A recognised thought leader in the real estate technology industry.
- Appointed to the Board in December 2015.
- Current directorships of listed companies: Real Estate Investor Group Limited.
- Former directorships of listed companies in last three years: none.

Jessica Nagle
Non-Executive Director

- Was the co-founder and principal of SNL Financial, a premier provider of sector-specific financial information to global banking, trading and investment firms in the US, which scaled to over 3,000 employees.
- Helped power the growth of SNL Financial for over 25 years, prior to its sale to McGraw Hill Financial for US$2.3 billion.
- An active investor in start-up ventures with a special interest in technology and data businesses.
- Previously sat on the Board of Quidd, a high-growth online marketplace backed by venture capital firm Sequoia, and currently sits on several boards including the Aperture Foundation and Campaign for Tobacco Free Kids.
- Appointed to the Board in March 2018.
- Current directorships of listed companies: none.
- Former directorships of listed companies in last three years: none.

ASX Representative

Under Delaware law, the Company is not required to have a Company Secretary. The Company appointed Emma Lawler as ASX Representative on 26 May 2017.

Report from Management

The following individuals serve on the Company's senior management team:

David Greenberg
Founder & CEO
Former corporate attorney at Cravath Swaine & More LLP

Ryan Hubbard
CTO & COO
Former CTO of Yellowhammer and eVariant

Raj Doshi
SVP, Strategy
Former Strategy Leader at Google and McKinsey

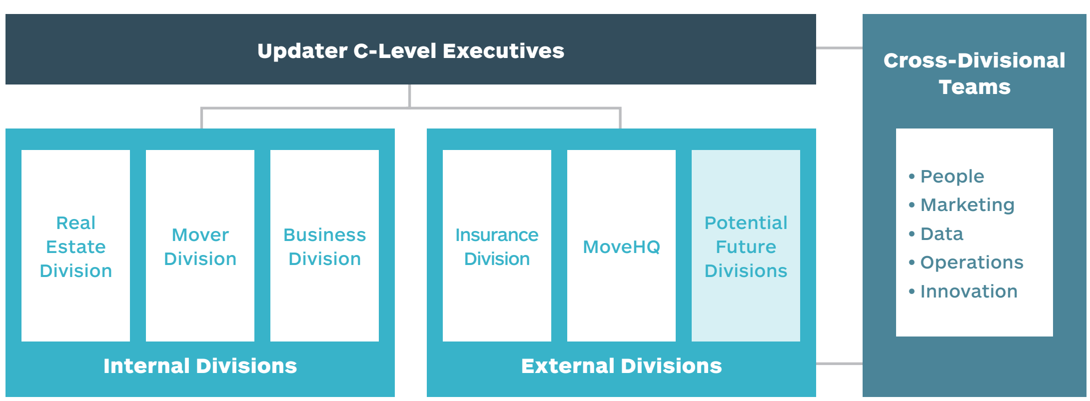
Lindsey Dole
VP, People
Former VP People at Tumblr and recruiting at Google

Zach Shalvarjian
VP, Data
Former Director of Analytics and Operations at Heroku (Salesforce)

Chad Horenfeldt
VP, Client Success
Former Success Leader at Eloqua and BlueCore

* As of March 2018, Stephen Dove is no longer a full time employee of the Company. Stephen will remain a close ally of the Company and may help in an advisory capacity. The Company thanks Stephen for his significant efforts during his tenure at Updater. The Company's CEO, David Greenberg, is currently leading all cross-divisional product initiatives.

The Company has begun organising its personnel into Divisions to optimise for the development of products for core stakeholders, such as Real Estate Partners, Business Partners and Movers. The new organisational structure enables the Company to more effectively service its diverse partners, operate lean and fast, and build products that exceed user expectations. Certain cross-divisional teams provide support for all Divisions.



Management is confident in the Company's ability to execute on its 2018 business objectives and achieve its stated 2018 goals, including its Paid Programs goals and revenue forecasts.

Corporate Structure

State of Incorporation

The Company is incorporated in the State of Delaware, United States of America. As a foreign company registered in Australia, the Company is subject to different reporting and regulatory regimes than Australian companies.

General Description of Capital Structure

- The Company is authorised to issue 110,000,000 Shares, 55,000,000 of which are designated Common Stock, par value US$0.001 per Share, and 55,000,000 of which are designated Common Prime Stock, par value US$0.001 per share.
- In the event of a breach of an applicable mandatory escrow agreement, Common Stock will automatically convert into Common Prime Stock for the duration of the breach. As at the date of this Annual Report, no shares of Common Prime Stock are issued or outstanding.
- The Company has reserved an aggregate of 11,500,000 Shares of Common Stock for stock options under its 2010 Stock Incentive Plan.
- 25 CDIs are transferrable for 1 Share of common stock.

Securities on Issue

The Company had the following securities on issue at year-end 2017:

Category	Common Stock	CDI Equivalent*
Shares	21,561,573	539,039,325
Options	5,038,821	129,970,525
Warrants	234,750	5,868,750

*Assumes all Shares are held in the form of CDIs.

Authorised but unissued shares:
Subject to the limitation on the issue of securities under the Listing Rules and DGCL, the Company's authorised but unissued Shares will be available for future issue without Shareholder approval. The Company may use additional Shares for a variety of purposes, including future capital raises, to fund acquisitions, and as employee compensation.

Voting Rights

At a meeting of the Company, every holder of Common Stock present in person or by proxy, is entitled to one vote for each Share of Common Stock held on the record date for the meeting on all matters submitted to a vote of the Shareholders. Holders of Shares do not have cumulative voting rights. Holders of Common Prime Stock do not have voting rights. Voting rights for CDI holders are set forth in the Additional Information section of this Annual Report.

Dividends

Holders of Common Stock are entitled to receive dividends on a pro rata basis, if any, as may be declared from time to time by the Board out of funds legally available for dividend payments. Holders of Common Prime Stock are not entitled to dividends.

Rights Attaching to Shares	Shareholders have no preferences or rights of conversion, exchange, pre-emption or other subscription rights. There are no redemption or sinking fund provisions applicable to the Shares. In the event of any liquidation, dissolution or winding-up of the Company's affairs, Shareholders will be entitled to share ratably in the Company's assets that are remaining after payment or provision for payment of all of the Company's debts and obligations and after any applicable liquidation payments to former holders of preferred stock as described below. The Company's Common Stock is not currently listed on any exchange. Only the Company's CDIs are listed on ASX. 25 CDIs are transferable for 1 share of Common Stock. The Company provides no guarantee that the Company's Common Stock will be listed on a US exchange in the future.
Delaware Law, Certificate of Incorporation and Bylaws	As a foreign company registered in Australia, the Company will not be subject to Chapters 6A, 6B and 6C of the Corporations Act dealing with the acquisition of shares (i.e. substantial holders and takeovers). Provisions of DGCL, the Company's Certificate of Incorporation and the Company's Bylaws could make it more difficult to acquire the Company by means of a tender offer (takeover), a proxy contest or otherwise, or to remove incumbent officers and Directors of the Company. These provisions (summarised in section 9.2 of the Prospectus) could discourage certain types of coercive takeover practices and takeover bids that the Board may consider inadequate and encourage persons seeking to acquire control of the Company to first negotiate with the Board. The Board believes that the benefits of increased protection of its ability to negotiate with the proponent of an unfriendly or unsolicited proposal to acquire or restructure the Company outweigh the disadvantages of discouraging takeover or acquisition proposals because, among other things, negotiation of these proposals could result in an improvement of their terms.
ASX Listing	The Company's CDIs are listed on ASX. 25 CDIs are transferable for 1 share of Common Stock. As set forth in the Company's Prospectus, Updater's long-term vision is to remain an independent company listed on one or more public markets. In the future, Updater may seek to list on a US stock exchange. The Company may seek to either (a) dual-list CDIs on ASX along with Common Stock on a US exchange, or (b) delist from ASX in connection with an existing or potential future listing of its Common Stock on a US exchange. As such, in the future, each CDI may convert to a certain holding equivalent to 1/25th of a share of Common Stock.
Liquidation Covenant For Venture Capital Investors	The Company has provided its US Venture Capital Investors with a Liquidation Covenant. The Liquidation Covenant provides that in the event of a sale or liquidation of the Company (and only in such event), the Company shall pay to the US Venture Capital Investors the greater of (a) US$0, or (b) an amount equal to US$7.2M, less any proceeds received by the US Venture Capital Investors

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from any sale of their applicable Shares, less any proceeds to be received by the US Venture Capital Investors from the liquidation or sale of the Company. This Liquidation Covenant was provided as part of a recapitalisation (which was implemented in part to facilitate the ASX listing) and in recognition that the US Venture Capital Investors relinquished their preference shares and converted their holdings into Common Stock in order to facilitate the ASX listing. Each Share of Common Stock will have the right to receive a pro rata portion of assets remaining for distribution upon a liquidation of the Company after any applicable payments pursuant to the Liquidation Covenant.

Other Key Details

Significant Events Post-Period End

Except as otherwise set out in this Annual Report, the Directors are unaware of any significant changes in the state of affairs or principal activities of the consolidated entity that occurred during the period under review.

Use of Funds

The Company has used the proceeds of the ASX IPO and all subsequent placements of Shares, and all other available assets, in a manner generally consistent with the business objectives described in the Prospectus and the 2016 Annual Report.

Indemnification and Insurance of Directors

The Company has entered into Deeds of Indemnity with the Directors, indemnifying them against certain liabilities and costs to the extent permitted by law.

The Company has also agreed to pay a premium in respect of a contract insuring the Directors and officers of the Company against certain liabilities and costs to the extent permitted by law. Full details of the coverage and premium are not disclosed as the insurance policy prohibits the disclosure.

Indemnification of Auditors

To the extent permitted by law, the Company has agreed to indemnify its auditors, WithumSmith + Brown, as part of the terms of its audit engagement agreement, against claims by third parties (for an unspecified amount) arising from or relating to the Company's knowing misrepresentations or false or incomplete information provided to the auditors. No payment has been made to indemnify WithumSmith + Brown during or since the financial year.

Corporate Governance

In recognising the need for the highest standards of corporate behaviour and accountability, the Directors of the Company adhere to strict principles of corporate governance. The Company's corporate governance statement is included in this Annual Report.

Non-Audit Services

There were no non-audit services provided by the Company's auditors during the financial year, other than a brief review and analysis for the Board of both IGC and ACI's historical financial and tax status (prior to the acquisitions).

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Corporate Governance Statements

Corporate Governance Statement

In recognising the need for the highest standards of ethical corporate behaviour and accountability, the Directors of the Company adhere to strict principles of corporate governance.

The Board of Directors of the Company is responsible for the overall corporate governance of the Company, and guiding and monitoring the business and affairs of the Company on behalf of the Shareholders, to whom they are accountable.

The Company's corporate governance principles and policies are structured with reference to the Corporate Governance Council's best practice recommendations, which are as follows:

Principles:

1. **Lay solid foundations** for management and oversight
2. **Structure the Board** to add value
3. **Act ethically** and responsibly
4. **Safeguard integrity** in corporate reporting
5. **Make timely and balanced** disclosure
6. **Respect the rights** of shareholders
7. **Recognise and manage** risk
8. **Remunerate fairly** and responsibly

The Company currently has in place corporate governance policies and charters which have been posted in a dedicated corporate governance information section on the Company's website at www.updater.com. The Board's corporate governance policies and charters include procedures for compliance with the ASX Listing Rules continuous disclosure requirements, trading in the Company's securities, the management of risk, as well as a Code of Conduct.

Board of Directors

Role of the Board

In general, the Board is responsible for, and has the authority to determine, all matters relating to the policies, practices, management and operations of the Company. The Board is required to do all things that may be necessary to carry out the objectives of the Company.

Without intending to limit this general role of the Board, the principal functions and responsibilities of the Board include the following:

- Set the strategic direction for the Company and monitor progress of those strategies;
- Establish policies appropriate for the Company;
- Monitor the performance of the Company, the Board and Senior Management;
- Approve business plans and budgets;
- Authorise and monitor investment and strategic commitments;
- Review and ratify systems for workplace safety, risk and internal control, codes of conduct, and regulatory compliance;
- Report to Shareholders, including, but not limited to, the financial statements of the Company; and
- Take responsibility for corporate governance.

Further detail on the role of the Board is provided in the Board Charter which is available on the Company's website.

Management is conducted by, or under the supervision of, the Executive Chairman and Chief Executive Officer who is responsible for:

- The executive management of the Company's operations;
- The efficient and effective operation of the Company; and
- Ensuring all material matters affecting the Company are brought to the Board's attention.

Composition of the Board

To add value to the Company, the Board has been formed so that it has effective composition, size and commitment to adequately discharge its responsibilities and duties given the current size of the Company and scale of its operations.

The Company's Bylaws provide that the number of Directors on the Board is to be fixed exclusively by the Board. Newly created directorships resulting from any increase in the Company's authorised number of Directors or any vacancies will be filled by a majority of the remaining Directors in office, unless otherwise required by law or by resolution of the Board. Currently, the Board has authorised a total of five (5) Directors.

The Board has adopted a skills matrix, with the preferred skills and experiences for a Director of the Company including:

- Financing of operations;
- Business development, entrepreneurial experience, and industry expertise; and
- Public company financial reporting and administration.

The Board has identified that the Board as a whole has all the required skills and experience to operate effectively. The Board will consider enhancing its skills and experience if required at an appropriate time in the Company's development.

Chairman of the Board

The Chairman of the Board should be a Non-Executive Director, and the Board of Directors will elect the Chairman. Mr. David Greenberg, however, is an Executive Chairman and is not Independent. Given his skills, experience and knowledge of the Company, the Board considers that it is appropriate for him to be Chairman.

Company Secretary

Under Delaware law, the Company is not required to have a Company Secretary. The Company appointed Emma Lawler as ASX Representative under ASX Listing Rule 12.6.

Independent Directors

The Board considers that a Director is 'Independent' if that Director complies with the following criteria which are also set out in the Board Charter:

- Must not have served in an executive capacity with the Company in the last 3 years;
- Must not have served in a material advisory capacity with the Company in the last 3 years;
- Must not be a material customer or supplier for the Company;
- Must not have a material contractual relationship with the Company;
- Must not be appointed through a special relationship with a Board member; and
- Must not be a Substantial Shareholder or a nominee of a Substantial Shareholder (as defined under section 9 of the Corporations Act).

Using the ASX Best Practice Recommendations on the assessment of the independence of Directors, the Board considers that, out of a total of five Directors, two are considered Independent.

Mr. David Greenberg is the CEO and Executive Chairman of the Company and is ***not*** considered to be Independent. His experience and knowledge of the Company and his contributions to the Board make it appropriate for him to remain on the Board and serve as Chairman.

Mr. Ryan Hubbard is the CTO/COO and Executive Director of the Company and is ***not*** considered to be Independent. His experience and knowledge of the Company and his contributions to the Board make it appropriate for him to remain on the Board.

Mr. Grant Schaffer is a Non-Executive Director of the Company. He is ***not*** considered Independent because he is a Substantial Shareholder of the Company. His experience makes his contribution to the Board important and significant.

Mr. Antony Catalano is an Independent Non-Executive Director of the Company. His experience and expertise makes his contribution to the Board important and significant.

Ms. Jessica Nagle is an Independent Non-Executive Director of the Company. Her experience and expertise makes her contribution to the Board important and significant.

Note: Ms. Nagle was appointed to the Board in March 2018.

Term and Removal of Directors

The Company's Bylaws provide that Directors shall hold office until his or her successor has been elected and qualified or, if earlier, his or her death, resignation, retirement, disqualification, or removal.

The Company's Bylaws provide that any Director may be removed either with or without cause at any special meeting of Shareholders duly called and held for such purpose.

Nomination of Directors

Nominations for Directors must be received by the Company no earlier than 120 calendar days and no later than 90 calendar days prior to the first anniversary of the preceding year's annual meeting (provided however, that in the event that the date of the annual meeting is more than 30 calendar days before or more than 70 calendar days after such anniversary date, nominations for the election of directors must be received by the Company no earlier than 120 calendar days and no later than 90 calendar days prior to the annual meeting); or if the first public announcement of the annual meeting is less than 100 days prior to the date of such annual meeting, nominations for the election of Directors must be received by the Company no later than 10 calendar days following the day on which the public announcement of the date of such meeting was made by the Company.

Vacancies on the Board of Directors

If any vacancy occurs on the Board of Directors is caused by death, resignation, retirement, disqualification, or removal from office of any Director, or otherwise, or if any new directorship is created by an increase in the authorised number of Directors, a majority of the Directors then in office, or the sole remaining Director, may choose a successor or fill the newly created directorship; and a Director so chosen shall hold office until the next election of Directors and until his or her successor has been duly elected and qualified or, if earlier, his or her death, resignation, retirement, disqualification or removal.

At commencement of the Director selection process, the Company will undertake appropriate checks on potential candidates to consider their suitability to fill a vacancy on the Board or for election as a Director. The Company will provide Shareholders with all material information in its possession relevant for a decision on whether or not to elect or re-elect a Director. The Company enters into a written agreement with each Director and senior executive setting out the terms of their appointment. An induction process is in place for any new Directors to orient them to the Company and ensure that they are able to contribute to the Board as quickly as possible. Ms. Nagle was recently appointed as a Director and this process was followed. Continuing education is offered to Directors through briefings at Board meetings on the Company's business, competitors, and market.

Independent Professional Advice

Each Director has the right to seek independent professional advice at the Company's expense after consultation with the Chairman. Once received, the advice is to be made immediately available to all Board members.

Access to Employees

Directors have the right of access to any employee. Any employee may report any breach of corporate governance principles or Company policies to any Director or senior manager, who shall in turn work to remedy the breach. If the breach is not rectified to the satisfaction of the employee, such employee shall have the right to report any breach to an Independent Director without further reference to senior managers of the Company.

Insurance

The Directors review the requirements for insurance coverage for the risks associated with the Company's business operations. The Board will maintain insurance as it considers appropriate, however, the Company will not be insured against all risks, either because appropriate coverage is not available or because the Directors consider the applicable premiums to be excessive in relation to the perceived benefits that would accrue.

The Company maintains insurance policies that indemnify its Directors and officers against various liabilities that might be incurred by any Director or officer in his or her capacity as such.

Share Ownership

Directors are encouraged to own Shares in the Company. All current Directors are shareholders in the Company.

Board Meetings

The following points identify the frequency of Board meetings and the extent of reporting from Senior Management at the meetings:

- A minimum of four meetings are to be held per year;
- Other meetings will be held as required; meetings can be held by telephone; and
- Information provided to the Board shall include all material information on: operations, budgets, strategy, cash flows, funding requirements, Shareholder movements, broker activity in the Company's securities, assets and liabilities, disposals, financial accounts, external audits, internal controls, risk assessment, and strategy proposals.

Board Performance Review and Senior Management Performance Review

The Board has a process for reviewing the performance of the Board, its Committees (if any established) and Directors as set out in the Board Charter and Board Performance Evaluation Policy. The Company confirms that process was conducted during 2017.

The performance of senior management is conducted annually by the CEO to assess whether each senior manager has met key performance indicators set forth during the preceding year. The Company confirms that the performance reviews were conducted for all senior managers during 2017.

Other Areas for Board Review

The Board oversees reporting to Shareholders and the market to ensure trading in the Company securities takes place in an efficient, competitive, and informed market. This responsibility is set out in the Continuous Disclosure Policy on the website to ensure compliance with the requirements and the spirit and intent of the Company's disclosure obligations under the ASX Listing Rules.

Board Committees

Audit Committee

The Company has established an audit committee with a charter which is available on the Company's website, but it has not constituted the committee. At this time the Board is of the opinion that, due to the size of the Company, the functions performed by the audit committee will be handled by the full Board.

The CEO declares in writing to the Board that the Company's financial statements for the year present a true and fair view, in all material aspects, of the Company's financial condition and operational results and are in accordance with relevant accounting standards. This representation is made by the CEO prior to the Board's approval of the release of the annual and half-year accounts. This representation is made after enquiry of, and representation by, appropriate levels of management. A declaration is not made by the CFO as at this time as the Company does not have a CFO or person in an equivalent position.

The Company has requested that the external auditors be available to answer Shareholder questions regarding the audit at the Company's annual meeting and/or at a designated time within 10 days after the meeting.

Nomination and Remuneration Committee

The Company has established a nomination and remuneration committee with a charter which is available on the Company's website, but it has not constituted the committee. The Board is of the opinion that, due to the size of the Company, the functions performed by the nomination and remuneration committee will be handled by the full Board.

Remuneration levels for Directors and senior managers of the Company are competitively set to attract and retain appropriately qualified and experienced Directors and senior managers. The structure of Non-Executive Directors' remuneration and that of executives is clearly distinguished.

Non Executive Directors are not employees of the Company. Executive Directors are full-time employees of the Company and sit on the Company's Senior Management team.

The remuneration structures explained below are designed to attract suitably qualified candidates, reward the achievement of strategic objectives, and achieve the broader outcome of creation of value for Shareholders. The remuneration structures take into account:

- The capability and experience of the Director and/or senior manager;
- The Director's and/or senior manager's ability to control the relevant department's performance;
- The Company's performance including (a) the Company's progress on stated business objectives, and (b) the growth in share price; and
- The amount of incentives within the Director's and/or senior manager's remuneration package.

The Company has a Stock Incentive Plan in place which was described in the Company's Prospectus. Under the Stock Incentive Plan, the Company may grant incentive stock options, non-qualified stock options, restricted and unrestricted stock awards and other stock-based awards to employees, officers, Directors, consultants, and advisors ("Participants"). The Company's Security Trading Policy, available on the Company's website, states that Participants are not permitted to enter into transactions (whether through the use of derivatives or otherwise) that limit the economic risk of participating in the Plan.

Risk Management

The Board of Directors regularly monitors all risks and exposures, including financial and reputational, associated with running the Company and the specific uncertainties for the Company's businesses. The Audit Committee charter includes responsibility for risk, however at this time, due to the size of the Board, the full Board will undertake these functions. The full Board meets on an annual basis to formally review all such risks. All proposals reviewed by the Board include a consideration of all material risks and issues associated with the proposal. The Board considers that it does not have any current material exposure to economic, environmental, and reputational risks.

Additionally, it is the responsibility of the Board to assess the adequacy of the Company's internal control systems and ensure that its financial affairs comply with applicable laws and regulations and professional practices. The Board reviews annually the Company's risk management framework, as detailed in the Risk Management Policy available on the Company's website, to ensure that it continues to be sound. A review of the framework took place in 2017 .

The CEO declares to the Board that the financial reporting, risk management, and associated compliance controls have been assessed and found to be operating efficiently and effectively. This representation is made by the CEO prior to the Board's approval of the release of the annual and half year accounts. This representation is made after enquiry of, and representation by, appropriate levels of senior management and relevant external service providers. A declaration is not made by the CFO as at this time as the Company does not have a CFO or person in an equivalent position.

Due to the size and current stage of development of the Company, the Company does not have an independent internal audit function. Oversight of the effectiveness of the Company's risk management and internal control processes currently form part of the responsibilities of the CEO for financial risks and controls. As the Company continues to develop, the Board (as part of its Audit Committee functions) will consider establishing an independent internal audit function and/or hiring a senior manager to take primary responsibility for these functions.

Promotion of Ethical and Responsible Decision-Making

Code of Conduct

The Company desires to remain a good corporate citizen and appropriately balance, protect and preserve all stakeholders' interests. The Company is also guided by its core values of honesty, integrity, common sense, and respect.

The Board has adopted a Code of Conduct for Directors and employees of the Company that reflects the Company's principals and core values. The Company's actions aimed at achieving above average wealth creation for its Shareholders should at all times comply with this Code of Conduct, which provides principles to which Directors and employees should be familiar and to which they are expected to adhere and advocate.

It is the responsibility of the Board to ensure that the Company performs in line with its Code of Conduct, and regularly reviews the Code of Conduct.

Diversity

The Board has adopted a diversity policy. The Company is committed to workplace diversity and recognises the benefits arising from recruitment, development and retention of a talented, diverse, and motivated workforce. Whilst the Board is committed to diversity across the Company, during the year it did not establish measurable objectives for achieving diversity. Set out below is the **percentage of female employees** within the following groups, as at 31 December 2017.

Percentage of female employees

Group	31 Dec. 2017	31 Dec. 2016
Board*	0%	0%
Senior Management**	14%	25%
Entire Company	29%	40%

*The statistics do not include Jessica Nagle, as she was appointed after 31 December 2017.

**Senior Management means an employee who sits on the Company's Executive Team and reports directly to the Company's CEO or COO.

Trading in Company Securities by Directors, Officers, and Employees

Trading of Company securities is covered by, amongst other things, the Corporations Act and the ASX Listing Rules. The Board has established a Securities Trading Policy that implements strict guidelines as to when a Director, officer, or an employee can deal in Company securities. The policy prohibits trading in the Company's securities whilst a Director, senior manager, or employee is in the possession of price sensitive information.

The Company requires all Directors, senior managers, and employees to consult with the CEO before dealing in Company securities to ensure that Company policies are not violated. The majority of employees and all senior managers of the Company have signed a "Sales Opportunity and Restriction Agreement" that includes certain limitations, for a five-year period, on the ability of such senior manager and employee to freely trade securities in the Company without facilitation and approval by the Company.

Shareholder Communication

The Board aims to ensure that Shareholders and the general investing community have equal access to material information about the Company.

The Company has policies and procedures that are designed to ensure compliance with the ASX Listing Rules disclosure requirements and to ensure accountability of the Board and senior managers with compliance. This disclosure policy includes processes for the identification of matters that are material to the Company's stated business objectives and/or which may have a material effect on the price of the Company's securities, and then disclosing such matters to ASX and posting them on the Company's website.

The Company also has a strategy to promote effective communication with Shareholders and encourage effective participation at general meetings through a policy of open disclosure to Shareholders, regulatory authorities, and the broader community of all material information with respect to the Company's affairs including, but not limited to:

- The Company's activities and analysis of performance relative to stated goals and objectives;
- Conflicts of interest and related party transactions;
- The grants of options and details of stock option plans;
- Corporate governance policies; and
- The use of clear and concise text in all communications.

The following information is communicated to Shareholders via filing on the ASX and available on the Company's website (www.updater.com):

- The most recent Annual Report;
- Notices of Shareholder meetings;
- Half yearly and quarterly reports reviewing the operations, activities, and financial position of the Company; and
- All material information that is required to be disclosed pursuant to the ASX Listing Rules.

Electronic Communication

The Company's contact details are available on the Updater website www.updater.com/contact-us.

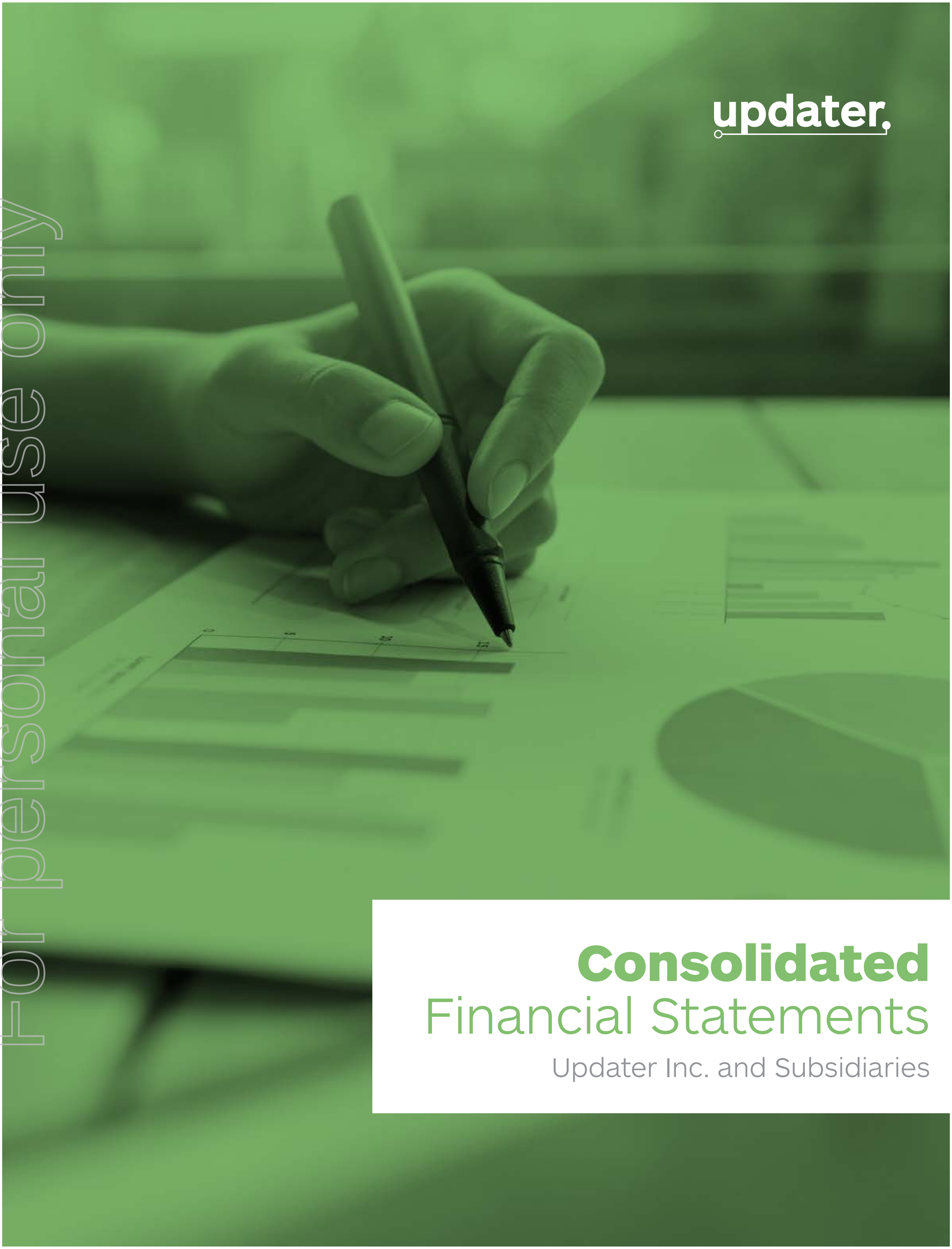
Shareholders can submit an email to the Company at investors@updater.com or contact its Share Registry, Computershare Investor Services at www.computershare.com/us/investor-inquiries (*for common stockholders*) or www-au.computershare.com/Investor/contact (*for CDI holders*).

Available to all Shareholders is the option to receive all shareholder communications (including notification that the Annual Report is available, notices of meetings, and other announcements) by email. Electronic communications have the added advantage of being more timely and cost-effective, which benefits all Shareholders.

ASX Corporate Governance Principles

Since listing on the ASX in December 2015, the Company has followed all of the recommendations of the ASX Corporate Governance Council, except for the following:

- The majority of the members of the Board are not Independent Directors, the Chairman is not an Independent Director, and the Chairman is the same person as the CEO. These are departures from Recommendations 2.4 and 2.5. In 2017, only one out of four members of the Board were Independent Directors. A new Independent Director has been appointed in 2018 and therefore two out of five members of the Board are currently Independent Directors. Considering the Company's stage of development and the collective experience and expertise of the Directors, the Board considers the current composition of the Board appropriate.
- The Board has not constituted an Audit or Nomination and Remuneration committee due to its size. The full Board carries out these functions. As such, the majority of the Directors on the Audit Committee and the Nomination and Remuneration Committee are not Independent Directors. These are departures from Recommendations 4.1 (audit), 7.1 (risk), 2.1 (nomination) and 8.1 (remuneration). The Remuneration and Nomination Committee is not chaired by an Independent Director as set forth in Recommendations 2.1 (nomination) and 8.1 (remuneration). The Audit Committee is not chaired by an Independent Director as set forth in Recommendations 4.1 (audit) and 7.1 (risk). The Company was unable to comply with all of the recommendations of the ASX Corporate Governance Council regarding the composition of these Board committees given that only one Director was considered to be Independent and the Chairman of the Board is not Independent. The Board may adjust the composition of its Board committees in the future if/when additional Independent Directors are appointed.
- Due to the Company's stage of development and number of employees, the Company may face certain issues in relation to setting, reviewing, assessing, and reporting on certain diversity measures. Consequently, the Company may not fully comply with Recommendation 1.5 (diversity).
- The Company does not have a Company Secretary as this is not required under Delaware law (Recommendation 1.4).
- The Company does not have an internal audit function (Recommendation 7.3).



updater.

Consolidated
Financial Statements

Updater Inc. and Subsidiaries

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AUDIT TAX ADVISORY

INDEPENDENT AUDITORS' REPORT

Board of Directors and Stockholders,
Updater, Inc. and Subsidiaries:

Report on the Financial Statements

We have audited the accompanying consolidated financial statements of Updater, Inc. and Subsidiaries, which comprise the consolidated balance sheets as of December 31, 2017 and 2016, and the related consolidated statements of operations, changes in stockholders' equity, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

WithumSmith+Brown, PC 200 Jefferson Park, Suite 400, Whippany, New Jersey 07981-1070 T (973) 898 9494 F (973) 898 0686 withum.com

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AUDIT TAX ADVISORY

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Updater, Inc. and Subsidiaries as of December 31, 2017 and 2016, and the results of their operations and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

WithumSmith+Brown, PC

February 26, 2018

Consolidated Financial Statements

Consolidated Balance Sheets

December 31, 2017 and 2016

Assets

		Dec. 31, 2017	Dec. 31, 2016
Current Assets	Cash and cash equivalents	$46,907,847	$32,251,581
	Restricted cash	2,765,580	100,426
	Accounts receivable	490,138	48,854
	Unbilled revenue	243,801	53,120
	Prepaid expenses and other current assets	258,789	188,970
	Total current assets	**50,666,155**	**32,642,951**
Property and equipment, net		1,024,678	457,188
Goodwill		16,321,817	-
Intangible assets, net		5,589,325	-
Other assets		141,603	699,891
		$73,743,578	**$33,800,030**

Liabilities and Stockholders' Equity

		Dec. 31, 2017	Dec. 31, 2016
Current liabilities	Accounts payable and accrued expenses	$393,660	$346,789
	Deferred revenue	361,722	30,105
	Total current liabilities	**755,382**	**376,894**
Long-term liabilities	Deferred rent	197,217	-
	Purchase consideration payable	2,000,000	-
	Other long-term liabilities	307,690	-
	Total long-term liabilities	**2,504,907**	-
Stockholders' equity	Common stock, $.001 par value	21,565	19,557
	Additional paid-in capital	107,214,068	56,479,524
	Accumulated deficit	(36,752,344)	(23,075,945)
	Total stockholders' equity	70,483,289	33,423,136
		$73,743,578	**$33,800,030**

The Notes to Consolidated Financial Statements are an integral part of these statements.

Consolidated Statements of Operations

Years ended December 31, 2017 and 2016

		Dec. 31, 2017	Dec. 31, 2016
Revenue and gross margin	Revenue, net	$2,235,405	$578,258
	Cost of revenue	90,164	37,388
	Gross margin	**2,145,241**	**540,870**
Operating expenses	Research and development expense	3,889,651	1,540,095
	Sales and marketing expense	4,415,776	2,648,416
	General and administrative expense	7,730,809	1,804,296
	Stock-based compensation	2,441,108	3,546,723
	Total operating expense	**18,477,344**	**9,539,530**
	Loss from operations	(16,332,103)	(8,998,660)
Other income / (expense)	Other expense	-	(29,463)
	Other income	144,772	5,698
	Interest income	348,955	47,087
	Change in fair value of warrants	-	115,186
	Total other income, net	**493,727**	**138,508**
	Loss before income tax benefit	($15,838,376)	($8,860,152)
Income tax benefit		2,161,977	-
Net loss		**($13,676,399)**	**($8,860,152)**

The Notes to Consolidated Financial Statements are an integral part of these statements.

Consolidated Statements of Changes in Stakeholders' Equity

Years ended December 31, 2017 and 2016

		Common Stock				
		No. of Shares	Amount	Additional Paid in Capital	Accumulated Deficit	Total Stakeholders' Equity
2016	**January 1**	17,079,487	$17,080	$29,885,371	($14,215,793)	$15,686,658
	Exercise of common stock options for cash, net of expense	77,291	77	203,807	-	203,884
	Issuance of common stock for cash, net of expense	2,400,000	2,400	21,999,120	-	22,001,520
	Reclassification of liability warrants	-	-	844,503	-	844,503
	Stock-based compensation expense	-	-	3,546,723	-	3,546,723
	Net loss	-	-	-	(8,860,152)	(8,860,152)
	December 31	**19,556,778**	**$19,557**	**$56,479,524**	**($23,075,945)**	**$33,423,136**
2017	Exercise of common stock options for cash, net of expense	39,188	39	98,452	-	98,491
	Issuance of common stock for cash, net of expense	1,800,000	1,800	44,063,825	-	44,065,625
	Issuance of common stock for the acquisition of subsidiary, net of expense	168,732	169	4,131,159	-	4,131,328
	Stock-based compensation expense	-	-	2,441,108	-	2,441,108
	Net loss	-	-	-	(13,676,399)	(13,676,399)
	December 31	**21,564,698**	**$21,565**	**$107,214,068**	**($36,752,344)**	**$70,483,289**

The Notes to Consolidated Financial Statements are an integral part of these statements.

Consolidated Statements of Cash Flows

Years ended December 31, 2017 and 2016

		Dec. 31, 2017	Dec. 31, 2016
Cash Flows from Operating Activities	Net loss	($13,676,399)	($8,860,152)
	Adjustments to reconcile net loss to net cash used by operating activities:		
	Depreciation and amortization expense	445,866	40,831
	Deferred income taxes	(2,161,977)	-
	Change in fair value of warrants	-	(115,186)
	Stock-based compensation expense	2,441,108	3,546,723
	Changes in operating assets and liabilities:		
	Accounts receivable	25,868	(20,972)
	Unbilled revenue	(190,681)	(53,120)
	Prepaid expenses and other current assets	822,504	(72,981)
	Deferred revenue	331,617	(4,666)
	Accounts payable and accrued expenses	(74,060)	92,929
	Other long-term liabilities	307,692	-
	Net cash used by operating activities	**(11,728,462)**	**(5,446,594)**
Cash Flows from Investing Activities	Purchases of property and equipment	(564,562)	(463,409)
	Increase in restricted cash	(2,665,154)	(201)
	Acquisition of business, net of cash acquired of $319,000	(14,549,672)	-
	Other assets	-	(649,010)
	Net cash used by investing activities	**(17,779,388)**	**(1,112,620)**
Cash flows from Financing Activities	Proceeds from issuance of common stock, net	44,065,625	22,001,520
	Proceeds from exercise of options	98,491	203,884
	Net cash provided by financing activities	**44,164,116**	**22,205,404**
Net Increase in Cash and Cash Equivalents		**14,656,266**	**15,646,190**
Cash and Cash Equivalents	Beginning of year	32,251,581	16,605,391
	End of year	**$46,907,847**	**$32,251,581**

Non-cash investing and financing activities

During 2017, 168,732 shares of common stock were issued in connection with an acquisition for consideration of $4,131,328, net of expenses of $68,672 (see Note 3).

During 2016, warrants valued at $844,503 were converted to an equity classification from a liability classification due to the removal of a contingent put option.

The Notes to Consolidated Financial Statements are an integral part of these statements.

Notes to Consolidated Financial Statements

Years ended December 31, 2017 and 2016

1. Summary of Significant Accounting Policies

Nature of Business

Updater Inc., a Delaware C-Corporation, including its subsidiaries (collectively, the "Company"), develops tools for relocating consumers to organize and complete their moving-related tasks. The Company partners with companies in the real estate industry such as real estate agents and brokers, property managers, and moving companies to provide a co-branded version of its product to clients/residents. The Company serves real estate partners throughout the United States.

Subsidiaries as of December 31, 2017:

Name of Entity	State of Incorporation
MoveHQ Inc	Delaware
Asset Controls, Inc.	Missouri
Integrity Group Consulting, Inc.	Ohio
WIRG LLC	Missouri
MovingSoftware, LLC	Ohio
VerticalOne Inc.	Delaware

All subsidiaries were acquired or created, and subsequently operated as MoveHQ (See Note 3 – Business Combinations), with the exception of VerticalOne Inc. which was formed in September 2017. All subsidiaries are wholly-owned.

Principles of Consolidation

The consolidated financial statements include the accounts of the Company, and its wholly-owned subsidiaries. All significant intercompany transactions and balances have been eliminated in consolidation.

Use of Estimates

The preparation of consolidated financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and reported amounts of revenues and expenses during the reporting period. Significant estimates include stock-based compensation expense, warrant expense, revenue recognition, intangible asset valuation, depreciation expense, and warrant valuation. Actual results may differ from those estimates.

Cash and Cash Equivalents

The Company considers cash equivalents to be only those investments which are highly liquid, readily convertible to cash and have a maturity date within 90 days from the date of purchase.

Accounts Receivable and Credit Policies

Accounts receivable are uncollateralized, non-interest bearing customer obligations due under normal trade terms, usually within 30 days of services provided.

The Company applies collections of accounts receivable to specific invoices in accordance with customer specifications, or if unspecified, to the oldest outstanding invoices.

Management individually reviews all accounts receivable balances that exceed 90 days from the invoice date and based on an assessment of current creditworthiness, estimates the portion, if any, of the balance that will not be collected. Management may also utilize the direct write off method for specific balances that are deemed uncollectible between financial reporting periods. Management determined that no allowance for doubtful accounts was required as of December 31, 2017 and 2016.

Intangible Assets and Goodwill

Intangible assets that have finite lives are amortized over their useful lives and are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. During this review, the Company reevaluates the significant assumptions used in determining the original cost and estimated lives of long-lived assets. Although the assumptions may vary from asset to asset, they generally include operating results, changes in the use of the asset, cash flows and other indicators of value. Management then determines whether the remaining useful life continues to be appropriate or whether there has been an impairment of long-lived assets based primarily upon whether expected future undiscounted cash flows are sufficient to support the assets' recovery. If impairment exists, the Company would adjust the carrying value of the asset to fair value, generally determined by a discounted cash flow analysis.

Goodwill represents the excess of the purchase consideration over the net of the acquisition-date fair value of identifiable assets acquired, including identifiable intangible assets, and liabilities assumed in connection with business combinations. Goodwill is not amortized, but is assessed for impairment as of November 30 of each fiscal year.

Revenue Recognition

Revenue is recognized when (i) persuasive evidence of an arrangement exists, (ii) delivery has occurred or services have been rendered, (iii) the fee is fixed or determinable, and (iv) collectability is reasonably assured.

The Company's revenue is derived from the following revenue streams:

Subscription Revenue

To access the Company's business platforms, the Company typically enters into fixed fee contracts with its customers which dictate both revenue recognition and billing terms. These contracts are typically for a 1-year initial term, with annual renewals thereafter. Fees are due under the contracts in varying terms either monthly or annually. Revenue is recognized upon delivery of the service. The Company occasionally receives payment in advance of service, this payment is deferred and recognized as revenue upon delivery of the service.

The Company generally performs its services in one period with the billing occurring in the prior, current or subsequent period, depending on the contractual arrangement. When applicable, the Company accrues unbilled revenue at the end of the period, provided that the other revenue criteria have been met.

The Company occasionally enters into fee-sharing agreements with its enterprise and small business clients or other referral sources. The total amount paid out pursuant to these agreements has, to date, been de minimus.

Technical Support Revenue

To provide technical support for the Company's business platforms, the Company typically enters into annual contracts with its customers, which dictate both revenue recognition and billing terms. Fees are due under the contracts typically 30 to 60 days in advance of the period. Revenue is recognized upon delivery of the service over the length of the contract.

Professional Services Revenue

The Company provides development and customization work for a limited number of customers through a statement of work. The statement of work typically describes the nature of the project, duration and the timing of billing to its customers. Revenue is recognized as services are rendered.

Property and Equipment

Property and equipment are carried at cost less depreciation. Depreciation of property and equipment are provided using the straight-line method at the following rates:

Description	Estimated Life (years)
Computer equipment	5
Furniture	5
Leasehold improvements	*

*Shorter of lease term or useful life.

Leasehold improvements are amortized using the straight-line method over the shorter of the lease term or estimated useful life of the asset.

Expenditures for major renewals and betterments that extend the useful lives of equipment are capitalized. Expenditures for maintenance and repairs are charged to expense as incurred.

Concentration of Credit Risk

The Company periodically maintains cash balances in excess of the FDIC insurance limit of its financial institutions. The Company has had no losses related to these cash balances.

The Company, may at times, have a concentration of their net accounts receivables with specific customers. Seventeen customers accounted for a total of 45% and one customer accounted for 26% of the Company's accounts receivable as of December 31, 2017 and 2016, respectively.

Research and Development

Research and development costs consist primarily of salaries and benefits paid to engineers and other members of the product development team. Costs incurred for research and development are expensed as incurred. In addition, the Company recognizes research and development expenses in the period in which it becomes obligated to incur such costs.

Advertising

The Company expenses the cost of advertising as incurred. Total advertising costs for the years ended December 31, 2017 and 2016 were approximately $0 and $2,600, respectively.

Cost of Revenue

Cost of revenue consists primarily of payments for data authentication and other third-party services.

Sales and Marketing

Sales and marketing consists primarily of salaries, taxes and benefits, advertising expense, and travel, meals and entertainment.

General and Administrative

General and administrative consists primarily of salaries, taxes and benefits, facilities costs, depreciation and amortization, professional services, and other general overheads.

Stock-Based Compensation

Stock-based compensation cost is estimated at the grant date based on the fair value of the award and is recognized as expense, net of estimated pre-vesting forfeitures, ratably over the vesting period of the award. The pronouncement dealing with the stock-based compensation also requires additional accounting related to the income tax effects and disclosures regarding the cash flow effects resulting from stock-based payment arrangements.

Calculating stock-based compensation expense requires the input of highly subjective assumptions, including the expected term of the stock-based awards, volatility, dividend yield, risk free rates and prevesting forfeitures. The assumptions used in calculating the fair value of stock-based awards represent the Company's best estimates, but these estimates involve inherent uncertainties and the application of Management judgment. If factors change and the Company uses different assumptions, its stock-based compensation expense could be materially different in the future. In addition, the Company is required to estimate the expected pre-vesting forfeiture rate and only recognize expense for those shares expected to vest. If the actual forfeiture rate is materially different from its estimate, stock-based compensation expense could be significantly different from what the Company has recorded in the current period.

The Company elected to account for its graded vesting options on a straight-line basis over the requisite service period for the entire award.

Income Taxes

The Company accounts for its income taxes using the asset and liability method. Under the asset and liability method, deferred taxes are determined for differences between the carrying values of assets and liabilities for financial and tax reporting purposes. Deferred income taxes are recognized as assets for net operating loss carry forwards that are available to offset future taxable income. Valuation allowances are established when necessary to reduce deferred tax assets to the amount expected to be realized.

The Company follows the accounting pronouncement dealing with uncertain tax positions. The pronouncement clarifies the accounting for uncertainty in income taxes recognized in the Company's consolidated financial statements and prescribes a recognition threshold and measurement process for financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return.

The pronouncement also provides guidance on derecognition, classification, interest and penalties, accounting in interim periods, disclosure and transition. The Company had no uncertain tax positions at December 31, 2017 and 2016. In addition, the Company has no material income tax related penalties or interest for the periods reported in these consolidated financial statements.

The Company is required to file tax returns in the U.S. federal jurisdiction and various states/cities.

2. Restricted Cash

The restricted cash balance consists of amounts related to a certificate of deposit as collateral for the Company's credit card, a letter of credit issued in conjunction with the Company's lease for the New York office (See Note 7), and a holdback amount for the acquisition of MoveHQ (See Note 3), subject to certain conditions being satisfied post-acquisition. As of December 31, 2017 and 2016, $2,765,580 and $100,426, respectively, was maintained in restricted cash.

3. Business Combinations

During October 2017, the Company completed the purchases of the stock of Assets Controls, Inc. ("ACI") and Integrity Group Consulting, Inc. ("IGC"). The Company acquired ACI and IGC for combined initial consideration of $21,000,000, of which $14,800,000 was in exchange for cash and $4,200,000, inclusive of expense of $68,672, was in exchange for Updater common stock. Post-acquisition, both entities trade under the name MoveHQ and the Company is in the process of consolidating the operations of ACI and IGC into a newly formed legal entity, MoveHQ Inc., a Delaware corporation.

During the year ended December 31, 2017, the Company incurred acquisition-related costs of approximately $477,000, consisting primarily of legal fees associated with the acquisition. Such costs have been expensed.

All of the assets acquired, and liabilities assumed in the transactions have been recognized at their estimated acquisition date fair values as of October 2, 2017.

The initial allocation of the purchase price for MoveHQ:	Cash and cash equivalents	$319,000
	Accounts receivable	467,152
	Prepaid and other assets	136,817
	Property and equipment, net	154,619
	Intangible assets	5,883,500
	Goodwill	16,321,817
	Accounts payable and accrued expenses	(120,928)
	Deferred tax liability	(2,161,977)
	Net assets acquired	**$21,000,000**

		Amount	Useful Life (years)
The identifiable intangible assets acquired and their respective useful lives:	Trade names	$104,300	5
	Customer relationships	3,462,700	5
	Developed technology	2,316,500	5
	Total	**$5,883,500**	

In performing the purchase price allocation, the Company considered, among other factors, its anticipated future use of the acquired assets, analysis of historical financial performance, and estimates of future cash flows from MoveHQ's products and services. The allocation resulted in acquired intangible assets of $5,883,500. The acquired intangible assets consisted of developed technology, customer relationships and trade names and were valued using the cost, relief from royalty, and excess earnings approaches. Additionally, a non-compete agreement was identified, which is considered immaterial to the consolidated financial statements. The cash flows are based on estimates used to price the transaction, and the discount rates applied were benchmarked with reference to the implied rate of return from the transaction model as well as the weighted average cost of capital.

The estimated fair values of assets acquired and liabilities assumed are provisional and are based on the information that was available as of the acquisition date to estimate the fair value of assets acquired and liabilities assumed. The Company believes that information provides a reasonable basis for estimating the fair values of assets acquired and liabilities assumed, but the Company is waiting for additional information necessary to finalize those fair values. Therefore, the provisional measurements of fair value reflected are subject to change and such changes could be significant. The Company expects to finalize the valuation and complete the purchase price allocation but no later than one year from the acquisition date.

Included in the $14,800,000 of cash consideration at the time of closing was $2,705,000 related to holdbacks from the initial purchase consideration to be paid at a future date subject to certain terms and conditions being fulfilled related to indemnity obligations. During 2017, $705,000 of this holdback was paid out once the holdback condition was met.

The purchase agreement also included a $4,000,000 earn-out clause that is conditional based on future events as well as the recipient's continued employment, and as a result was not included in the purchase price, but will be recognized as compensation and expensed as it is earned.

Goodwill of $16,321,817 represents the excess of the purchase price over the fair value of the underlying net tangible and identifiable intangible assets, and represents the expected synergistic benefits of the transaction, the knowledge and experience of MoveHQ's workforce in place, and the expectation that the combined company's complementary products will significantly broaden the Company's offerings, including being able to offer the Company's clients/residents full-service moves. The Company believes the combined company will benefit from a broader presence and, with the Company's direct sales force and marketing expertise, generate significant cross-selling opportunities.

4. Property and Equipment

		Dec. 31, 2017	**Dec. 31, 2016**
Property and equipment consists of the following at:	Leasehold improvements	$748,556	$272,708
	Computer equipment	341,854	158,214
	Furniture	192,489	132,796
		1,282,899	**563,718**
	Accumulated depreciation	(258,221)	(106,530)
	Property and equipment, net	**$1,024,678**	**$457,188**

Depreciation expense charged to operations was $151,691 and $40,831 for the years ended December 31, 2017 and 2016, respectively.

5. Intangible Assets

Intangible assets are related to the acquisition of MoveHQ and consist of the following at December 31, 2017:

	Dec. 31, 2017
Trade names	$104,300
Customer relationships	3,462,700
Developed technology	2,316,500
	5,883,500
Accumulated amortization	(294,175)
Intangible assets, net	**$5,589,325**

Amortization expense charged to operations was $294,175 for the year ended December 31, 2017.

6. Income Taxes

The provision for (benefit from) income taxes consists of the following for the years ended December 31:

		Dec. 31, 2017	Dec. 31, 2016
Current Expense	Federal	$ -	$ -
	State	-	-
Deferred Expense	Federal	(1,885,897)	-
	State	(276,080)	-
Benefit from Income Taxes		**($2,161,977)**	**$ -**

The main difference between the income tax benefit at the statutory rate and the Company's effective income tax expense for the year ended December 31, 2017 was primarily attributable to the reduction in the U.S. federal corporate income tax rate as a result of the Tax Cuts and Jobs Act and its impact on the carrying value of the Company's U.S. deferred tax assets and the increase the valuation allowance held against its U.S. deferred tax assets. The valuation allowance was also decreased as a result of the amortization of the intangible assets acquired, as disclosed in Note 3.

The Company's deferred income tax assets and liabilities consist of the following:

	Dec. 31, 2017	Dec. 31, 2016
Net operating loss carryforwards	$7,995,522	$8,206,645
R&D credit	130,359	-
Other	241,502	185,335
Intangible assets	(1,371,466)	-
Total Deferred Tax Assets, net	**6,995,917**	**8,391,980**
Valuation allowance	(6,995,917)	(8,391,980)
Net Deferred Tax Assets	**$ -**	**$ -**

The Company has provided for a 100% valuation allowance for all periods presented as the realization of sufficient future taxable income during the expiration period of the net operating loss carryforwards is uncertain. Beginning deferred tax assets prior to the enactment of the Tax Cuts and Jobs Act would not have changed. The decrease in the carrying value of the deferred tax assets as a result of the reduction in the U.S. federal corporate income tax rate would have been completely offset by a reduction in the valuation allowance that would have been previously established against those deferred tax assets. Accordingly, a valuation allowance of approximately $7.0 million has been established at December 31, 2017. The valuation allowance has decreased by approximately $1.4 million in 2017.

As of December 31, 2017, the Company has approximately $32 million in federal, and $42 million in state and city net operating loss carryforwards available to offset future taxable income. The majority of the federal and state net operating loss carryforwards will begin to expire in 2032.

7. Commitments

The Company had lease commitments for office space in New York City under a non-cancellable lease which expired in January 2017. In March of 2016, the Company entered into a 10-year lease for new office space in New York City. Rental payments for this lease initiated upon move-in, in January of 2017.

As part of the acquisition of MoveHQ, lease commitments were assumed for offices in Reynoldsburg, Ohio and Bridgeton, Missouri, ending in December 2020 and May 2040, respectively.

For the years ended December 31, 2017 and 2016, rent expense amounted to $761,381 and $131,756, respectively.

The future minimum rental payments due under the lease agreements are as follows:

Year Ending December 31:	2018	$707,000
	2019	790,000
	2020	790,000
	2021	761,000
	2022	788,000
	Thereafter	4,730,000
		$8,566,000

8. Stockholders' Equity

2017 Equity Overview

Authorized and Outstanding

At December 31, 2017, the authorized capital of the Company consisted of 55,000,000 shares of common stock and 55,000,000 shares of common prime stock. Furthermore, 21,564,698 shares of common stock were issued and outstanding and there were no shares of common prime stock issued and outstanding.

Sale of Stock

During 2017, the Company sold 1,800,000 shares of common stock (equivalent to 45,000,000 CHESS Depositary Interests) to new and existing stockholders for cash totaling US$44,065,625, net of expenses.

Exercise of Stock Options

During the year ended December 31, 2017, 39,188 shares of common stock (equivalent to 979,700 CHESS Depositary Interests) were issued upon the exercise of stock options for cash totaling $98,491.

Issuance of Common Stock for the Acquisition of MoveHQ

On October 2, 2017, the Company issued 168,732 shares of common stock (equivalent to 4,218,300 CHESS Depositary Interests) as consideration for the acquisition of MoveHQ in the amount of $4,200,000 inclusive of expenses of $68,672.

2016 Equity Overview

Authorized and Outstanding

At December 31, 2017, the authorized capital of the Company consisted of 55,000,000 shares of common stock and 55,000,000 shares of common prime stock. Furthermore, 19,556,778 shares of common stock were issued and outstanding and there were no shares of common prime stock issued and outstanding.

Sale of Stock

On September 28, 2016, the Company sold 2,400,000 shares of common stock (equivalent to 60,000,000 CHESS Depositary Interests) to new and existing stockholders for cash totaling US$22,001,520, net of expenses.

Exercise of Stock Options

During the year ended December 31, 2016, 77,291 shares of common stock were issued upon the exercise of stock options for cash totaling $203,884.

Common Stock and Common Stock Prime Provisions

Voting

The holders of the common stock were entitled to one vote for each share of common stock held at all meetings of stockholders (and written actions in lieu of meetings); There was no cumulative voting. The holders of common stock prime shall not be entitled to any voting rights.

Dividends

The holders of common stock shall be entitled to receive dividends, when and if declared, out of the assets legally available. The holders of common stock prime shall not be entitled to share in any dividends or other distributions of the Company.

Liquidation

In the event of any liquidation, dissolution or winding up of the Company, any assets of the Company available for distribution shall be distributed equally to the holders of the common stock and the common stock prime on a pro-rata basis.

9. Stock-Based Compensation Plan

The Company has a stock-based compensation plan for certain employees, Board members and consultants (as amended and restated, the "Plan"). The Plan provides for the granting of options and restricted stock at the discretion of the Board to employees, Board members and consultants. The Board determines the strike price of options at the date of grant based on the fair market value of the stock. Under the Plan, the total number of shares that may be optioned as of December 31, 2017 is 11,500,000 shares of common stock. Options with performance related vesting conditions generally become exercisable after achieving certain predetermined conditions that relate to company specific objectives. Options with service conditions become exercisable over terms ranging up to four years. Options with market-based conditions vest after the achieving of certain predetermined conditions related to the Company's share price on the Australian Securities Exchange ("ASX"). Option terms are generally 10 years. The fair value of market-based awards is estimated using a Monte Carlo simulation designed to calculate the probability of achieving the vesting condition. The fair value of options with performance or service conditions is estimated on the date of the grant using the Black-Scholes option valuation model based on the assumptions noted in the following table. The expected term of options represents the period that the Company's stock-based awards are expected to be outstanding. The risk-free interest rate for periods related to the expected life of the options is based on the U.S. Treasury yield curve in effect at the time of the grant. The expected volatility is based on historical ASX trading history. The expected dividend yield is zero, as the Company does not anticipate paying dividends in the near future.

Performance Based Options

In connection with the Company's ASX listing, the Company issued certain Directors and officers of the Company an aggregate of 575,000 options at a strike price of $3.61, which vest upon the Company surpassing 5% Estimated Market Share, as defined in the Company's Prospectus dated November 17, 2015, in any month in calendar year 2016.

During 2016, the Company announced that its Estimated Market Share of Monthly Moves Processed surpassed 5% and therefore all 575,000 shares were vested upon that date. As of December 31, 2016, the Company recognized $835,716 in stock-based compensation expense related to these options.

On April 28, 2016, the Company issued certain employees of the Company an aggregate of 475,000 options at a strike price of $3.50, which vest upon achievement of the following performance milestones:

- 75,000 vest upon the Company surpassing 5.00% Estimated Market Share in any month prior to December 31, 2016;
- 50,000 vest upon the Company surpassing 15% Estimated Market Share in any month prior to December 31, 2017;
- 150,000 vest upon the Company surpassing a discretionary performance milestone, to be determined by the Board of Directors, in any month prior to December 31, 2017; and
- 200,000 vest upon the Company surpassing a defined performance milestone, to be determined by the Board of Directors, in any month prior to December 31, 2018.

During 2017 and 2016, the Company announced that its Estimated Market Share of Monthly Moves Processed surpassed 5% and 15%, respectively, and therefore 75,000 and 50,000 shares were vested upon that date. In addition, the Board of Directors determined that half of the 2017 discretionary performance milestone had been satisfied, and 75,000 shares were vested accordingly. As of December 31, 2017 and 2016 the Company recognized $228,286 and $98,301 in stock-based compensation expense related to these options, respectively.

On November 21, 2017, the Company issued certain employees of the Company an aggregate of 172,500 options at a strike price ranging between of $25.00-$50.00, which vest upon achievement of the following performance milestones:

- 34,500 vest in January 2019 upon one the Company's subsidiary undertakings surpassing a set revenue goal in any month prior to December 31, 2018;
- 43,125 vest in January 2020 upon one the Company's subsidiary undertakings surpassing a set revenue goal in any month prior to December 31, 2019;
- 43,125 vest in January 2021 upon one the Company's subsidiary undertakings surpassing a set revenue goal in any month prior to December 31, 2020; and
- 51,750 vest in January 2022 upon one the Company's subsidiary undertakings surpassing a set revenue goal in any month prior to December 31, 2021.

As of December 31, 2017 the Company recognized $185,032 in stock-based compensation expense related to these options.

On July 1, 2016, the Company issued a consultant of the Company 6,000 options at a strike price of $4.95, which vest upon achievement of specific marketing milestones in any month prior to December 31, 2016. On December 31, 2016 it was determined that these milestones were not met, and therefore all 6,000 of these shares were forfeited.

Market Based Options

In connection with the Company's ASX listing, the Company issued certain Directors and officers of the Company an aggregate of 575,000 shares of options at a strike price of $3.61, which vest upon achievement of certain market-based milestones. These options vest when the 20 day volume weighted average price ("VWAP") of the Company's CDIs quoted on the ASX equaling to or exceeding an amount that is two times the IPO offer price (AU$0.20) at any time within 18 months of the date of the Company's listing on the ASX.

During 2016, the Company announced that the 20 Day VWAP of the CDIs surpassed AU$0.40 per share and therefore all 575,000 shares were vested upon that date. As of December 31, 2017 and 2016, the Company recognized $137,361 and $329,667, respectively in stock based compensation expense related to these options.

Total stock-based compensation expense recognized during the years ended December 31, 2017 and 2016 was $2,441,108 and $3,546,723, respectively. As of December 31, 2017, the total unrecognized stock-based compensation balance for unvested options was $9,761,420 which is expected to be recognized ratably through December 2021.

The weighted average grant date fair value of options granted during the years ended December 31, 2017 and 2016 was $11.54 and $2.86, respectively.

The following assumptions were used to determine stock-based compensation:

	Year Ended Dec. 31, 2017	Year Ended Dec. 31, 2016
Expected Term (in Years)	7.00	7.00
Volatility	76.33–89.06%	59.42–65.03%
Risk-free Interest Rate	1.76–2.23%	1.42–1.60%
Dividend Yield	0.00%	0.00%

The following describes changes in the outstanding stock-based compensation for the year ended December 31, 2017:

	Options Outstanding	Weighted Average Exercise Price
Balance at December 31, 2016	4,122,500	$3.44
Options Granted	994,134	$19.34
Options Forfeited	(45,875)	$6.11
Options Exercised	(39,188)	$3.15
Balance at December 31, 2017	**5,031,571**	$6.53
Exercisable at December 31, 2017	**3,822,873**	$3.07

The aggregate intrinsic value of stock options outstanding at December 31, 2017 is $104,526,508. The aggregate intrinsic value of stock options exercised during the year ended December 31, 2017 was $946,638. A stock option has intrinsic value, at any given time, if and to the extent that the exercise price of such stock option is less than the market price of the underlying common stock at such time. The weighted-average remaining contractual life of options outstanding is 9.0 years.

Warrants

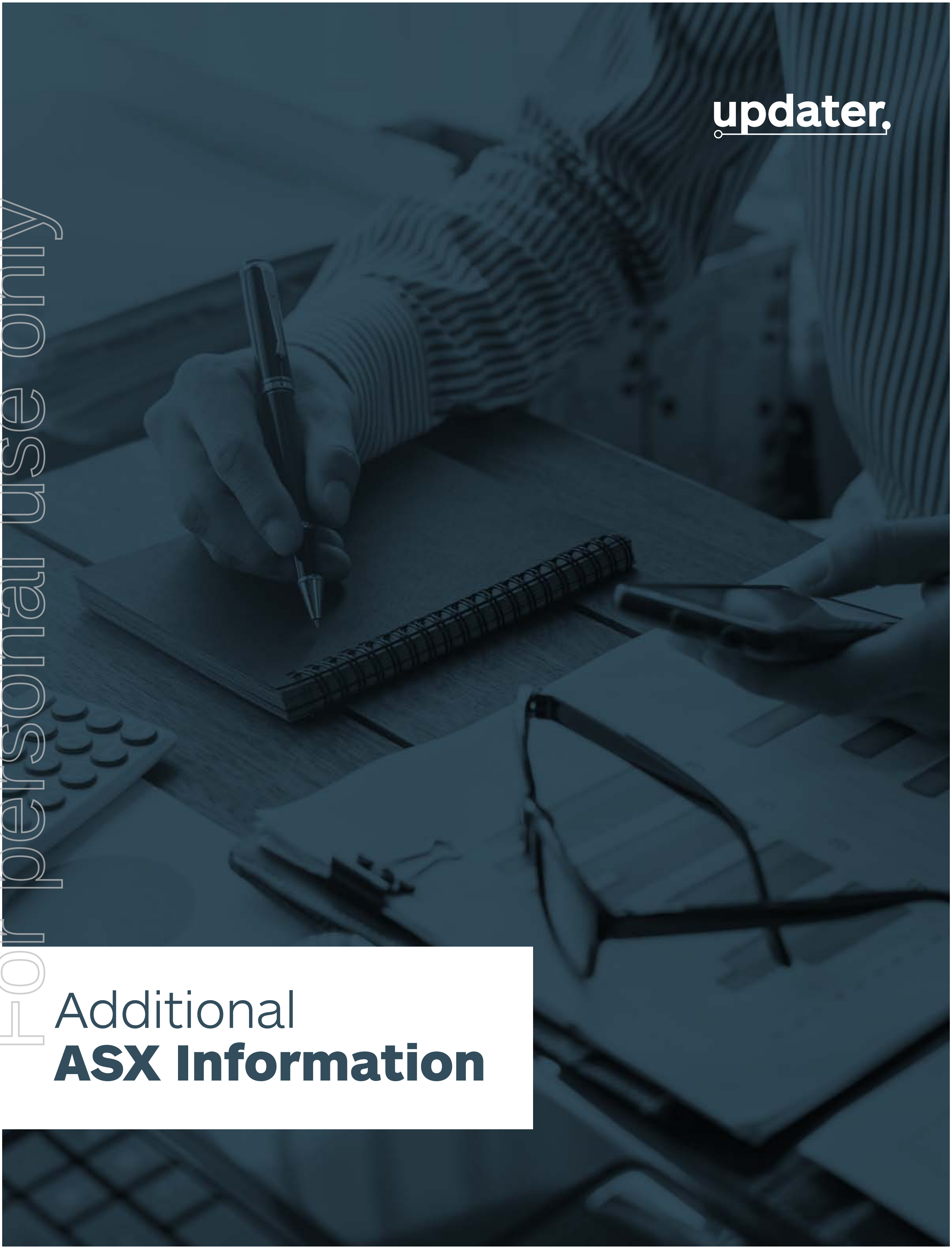
As of December 31, 2017 and 2016, the Company had an outstanding warrant for 212,750 shares of common stock with an exercise price of $0.27 per share in exchange for participation in a mentorship and marketing program (the NAR REach program). On the date of issuance, the warrants were fully vested, exercisable at the option of the holder, in whole or in part, and expire 10 years from the date of issuance. The warrant contained a contingent put provision that could allow the holder to require the Company to settle the warrant in cash. The Company determined that the warrant qualified as a derivative instrument. Accordingly, this instrument was classified as a liability on the accompanying balance sheets. The warrant liability was recorded at fair value, using the Black-Scholes Pricing Model, with the change in fair value being recorded in the consolidated statements of operations.

On June 24, 2016, the warrants were amended and the contingent put option was removed. Accordingly, the warrants were revalued as of the amendment date and then reclassified into equity. The value of the warrants as of December 31, 2016 was $844,503. The warrants were revalued using the Black-Scholes option-pricing model. Key assumptions used in the model include the following:

	Year Ended December 31, 2016
Expected Term (in Years)	6.71
Volatility	59.42%
Risk-free Interest Rate	1.35%
Dividend Yield	0.00%

Subsequent Events

The Company has evaluated subsequent events through February 26, 2018, which is the date these consolidated financial statements were available to be issued, and has determined that there are no events that require recognition or disclosure in these consolidated financial statements.



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Additional **ASX Information**

Additional ASX Information

Shareholder Information

Overview

The Company's securities are listed for quotation in the form of CHESS Depositary Interests ("CDIs") on the Australian Securities Exchange ("ASX") and trade under the symbol "UPD". Each Share of Common Stock is equivalent to 25 CDIs.

All information in this section is current as at 28 February 2018.

The Company had the following securities on issue as of 28 February 2018:

Category	Common Stock	CDI Equivalent*
Shares	21,609,698	540,242,450
Options	5,229,671	130,741,775
Warrants	234,750	5,868,750

*Assumes all securities are held in the form of CDIs.

Options (not listed on ASX)

There are 5,229,671 options on issue to purchase Shares of Common Stock under the Company's 2010 Stock Incentive Plan.

Warrants (not listed on ASX)

There are 234,750 warrants on issue to purchase Shares of Common Stock.

Substantial Shareholders as notified to the ASX

Name of holders	Number and class of equity securities in which holder, together with associates, has relevant interest	Percentage of total voting shares
David Greenberg	4,860,000 Shares of common stock (equivalent to 121,500,000 CDIs)	22.54%
Ryan Hubbard	1,736,098 Shares of common stock (equivalent to 43,402,450 CDIs)	8.9%
Grant Schaffer	31,111,800 CDIs (equivalent of 1,244,472 Shares of common stock)	6.4%
Thorney Investment Group and Tiga Trading Pty Ltd	27,600,000 CDIs (equivalent of 1,104,000 Shares of common stock)	5.65%

Distribution of Holdings

Category	Total Shareholders	Units (in CDIs)
1–1,000	264	138,416
1,001–5,000	607	1,743,494
5,001–10,000	357	2,786,587
10,001–100,000	696	25,620,924
100,001 and over	220	509,953,029
Total	**2,144**	**540,242,450**

Note: 25 CDIs equate to 1 Share of Common Stock

Holding of Company Securities

The Company has issued a total of 21,609,698 Shares of Common Stock, which equates to 540,242,450 CDIs. There are 2,095 Shareholders that hold their securities in the form of CDIs; and they hold, in the aggregate, 310,177,925 CDIs. The remaining 49 Shareholders hold Shares of Common Stock.

Unmarketable Parcels

Based on the market price on 28 February 2018 ($1.19), there were 107 Shareholders holding less than a marketable parcel (a parcel of securities of less than AU$500).

Top 20 Holders

Name of Holders	Number of Shares	CDI Equivalent	% of Issued Capital
David Greenberg	4,860,000	121,500,000	22.49%
HSBC Custody Nominees (Australia) Limited	2,374,180	59,354,503	10.99%
Ryan Hubbard	1,736,098	43,402,450	8.03%
UBS Nominees Pty Ltd	1,249,464	31,236,596	5.78%
J P Morgan Nominees Australia Limited	1,066,063	26,651,568	4.93%
Second Century Ventures	631,334	15,783,350	2.92%
SCE Superannuation Pty Ltd	553,000	13,825,000	2.56%
Grant Schaffer	552,764	13,819,100	2.56%
Softbank Capital Fund 10 LP	552,417	13,810,425	2.56%
IA Venture Strategies Fund II LP	419,129	10,478,225	1.94%
National Nominees Limited	415,095	10,377,386	1.92%
Hoperidge Enterprises Pty Ltd <Jones Family A/C>	368,074	9,201,850	1.70%
Hoperidge Enterprises Pty Ltd <The Jones Family A/C>	320,000	8,000,000	1.48%
Citicorp Nominees Pty Limited	276,719	6,917,965	1.28%
BNP Paribas Noms Pty Ltd <DRP>	248,680	6,217,003	1.15%
Buttonwood Nominees Pty Ltd	212,678	5,316,953	0.98%
HSBC Custody Nominees (Australia) Limited - A/C 2	206,031	5,150,772	0.95%
IA Venture Strategies Fund I LP	203,063	5,076,575	0.94%
Merrill Lynch (Australia) Nominees Pty Limited	181,528	4,538,202	0.84%
Hoperidge Enterprises Pty Ltd <Jones Family A/C>	168,926	4,223,150	0.78%
Total held by top 20 holders	**16,595,243**	**414,881,073**	**76.80%**
Total held by other holders	**5,014,455**	**125,361,377**	**23.20%**

ASX and Voluntary Restrictions

There are no shares, options or warrants subject to ASX restriction or voluntary escrow.

Note: The Company asks all new employees to sign a Sales Opportunity and Restriction Agreement (SORA) prior to receiving stock options under the Company's Stock Incentive Plan. The SORA restricts those who exercise their stock options from selling their purchased stock for a period of five years, unless the Company enables a 'sales opportunity' (such as a controlled opportunity for all employees and ex-employees to sell a small percentage of stock in a single transaction).

Voting Rights for Common Stockholders

At a meeting of the Company, every holder of Common Stock present in person or by proxy, is entitled to one vote for each Share of Common Stock held on the record date for the meeting on all matters submitted to a vote of the Shareholders. Holders of Shares do not have cumulative voting rights. Holders of Common Prime Stock do not have voting rights.

Holders of issued but unexercised options and warrants are not entitled to vote.

Voting Rights for CDI Holders

If holders of CDIs wish to attend and vote at the Company's general meetings, they may do so. Under the ASX Listing Rules and the ASX Settlement Operating Rules, the Company, as an issuer of CDIs, must allow CDI holders to attend any meeting of the Shareholders unless relevant US law at the time of the meeting prevents CDI holders from attending those meetings.

CDI holders may not vote in person at meetings of the Company, but they may vote in advance by proxy via CDN. Or, CDI holders can convert their holding to Common Stock in advance of the meeting and vote in person at the meeting.

In order to vote at Shareholder meetings, CDI holders have the following options:

a) Instructing CDN, as the legal owner, to vote the Shares underlying their CDIs in a particular manner. A voting instruction form will be sent to CDI holders with the notice of meeting or proxy statement for the meeting and this must be completed and returned to the Company's Share Registry prior to the meeting; or

b) Informing the Company that they wish to nominate themselves or another person to be appointed as CDN's proxy with respect to their Shares underlying the CDIs for the purposes of attending and voting at the general meeting; or

c) Converting their CDIs into a holding of Shares of Common Stock and voting these at the meeting (however, if thereafter the former CDI holder wishes to sell their investment on ASX it would be necessary to convert the Shares of Common Stock back to CDIs). In order to vote in person, the conversion must be completed prior to the record date for the meeting. Please contact the Share Registry for information regarding the conversion process.

As holders of CDIs will not appear on the Company's share register as the legal holders of the Shares, they will not be entitled to vote at Shareholder meetings unless one of the above steps is undertaken.

As each CDI represents 1/25 of a Share of Common Stock, a CDI Holder will be entitled to one vote for every 25 CDIs that they hold.

Required Statements

a) There is no current on-market buy-back of the Company's securities.

b) The Company is incorporated in the state of Delaware in the United States of America.

c) The Company is not subject to Chapters 6, 6A, 6B and 6C of the Corporations Act 2001 (Cth), dealing with the acquisition of shares (i.e., substantial holdings and takeovers).

d) The Company's securities are not quoted on any exchange other than the ASX.

e) Under the Delaware General Corporation Law ("DGCL"), Shares are generally freely transferable subject to restrictions imposed by US federal or state securities laws, by the Company's Certificate of Incorporation or Bylaws, or by an agreement signed with the holders of the Shares. The Company's Amended and Restated Certificate of Incorporation and Bylaws do not impose any specific restrictions on transfer.

f) The name of the Company's ASX representative is Emma Lawler. DGCL does not require the Company to have a Company Secretary.

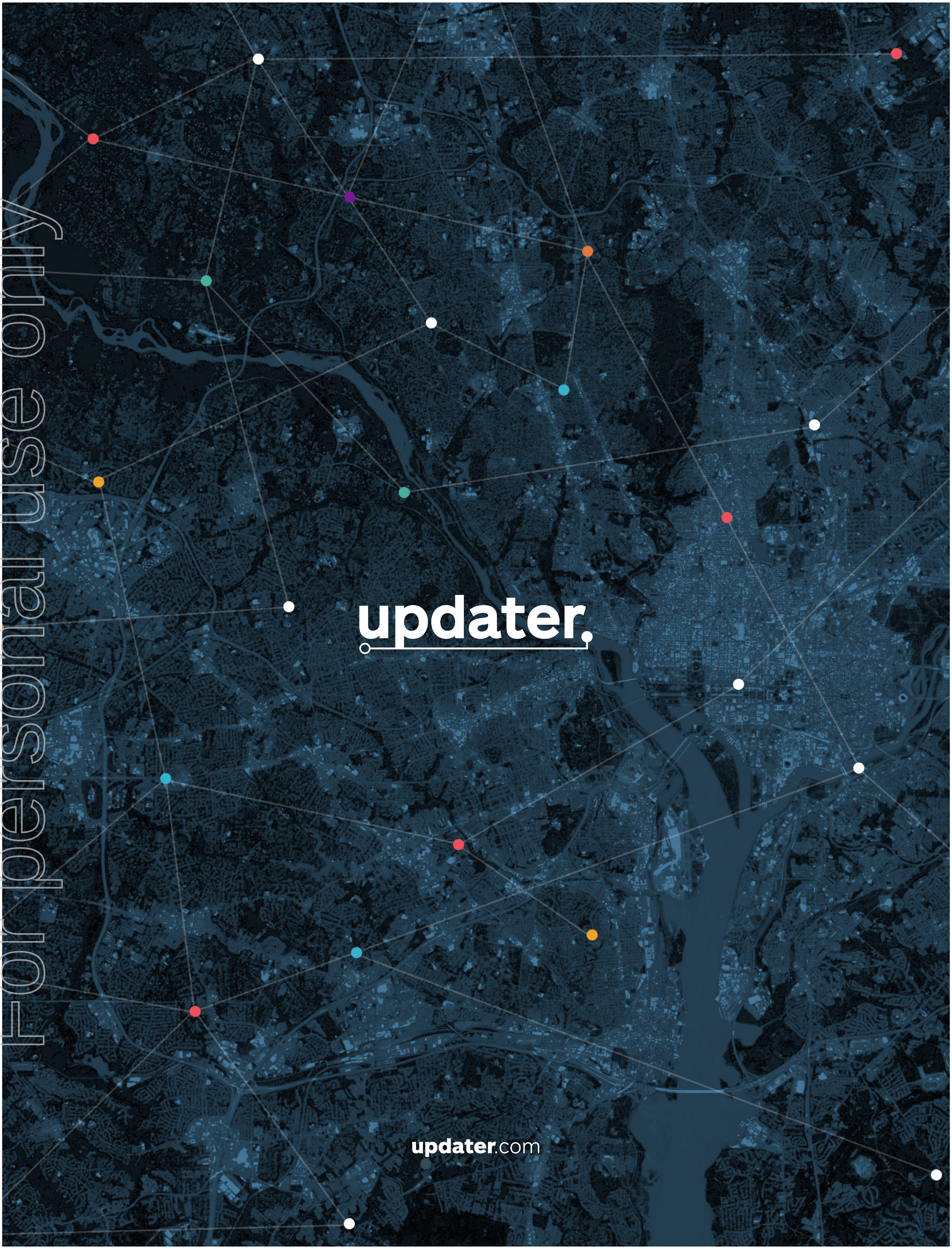
g) The address and telephone number of the Company's principal registered office in Australia is:

Level 12
680 George Street
Sydney NSW 2000
+61 2 8280 7355

h) The Share Registry is:

Computershare Investor Services Pty Ltd
Level 11, 172 St. George's Terrace
Perth WA 6000

Phone	1300 557 010 (AUS)
	+61 8 9323 2000 (Int'l)
Fax	+61 8 9323 2033
Website	computershare.com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