

## ASX Announcement

5 June 2017

# Thred Market Update

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### Platform Performance and Defect Rates

Thred is pleased to report that following its initial 'in market' release (Version 1) on the 10<sup>th</sup> of May, the core platform and its 3 presentation layers, the iOS, Android and Web Apps, are running effectively and within infrastructure capacity limits.

Thred is now in a period of 'in market' testing and User feedback, which is globally common for the release of new consumer to consumer (C<sub>2</sub>C) Apps. The Company is following industry-standard version release control and since the launch has methodically and regularly provided Users with version releases and updates which allow Thred to propagate code and feature enhancements through to Users.

The Company can report that 4 Apple, 4 Android and 3 Web App versions have been released to Users. Depending upon how Users have set up their phones, regular checks of App Stores may be required.

Typical defect rates for the launch of a new Platform or App range between from **1.5% to 5% of code base** (i.e. defects per 1,000 lines of Code). In Thred's case, this figure was reported by Thred's development team at 2.5%, **reducing to less than 1.0% within the first 5 days from launch**.

Our technology and product teams continue to confidently distil all User feedback, triaging further product refinements and progressing desired adjustments to UI/design and incumbent features.

### Looking Forward

Thred's plan over the short term is to focus on 4 key sequential steps.

1. [Refine Platform operations and hone effectiveness and reliability of current features.](#)
2. [Invest in 'Test & Learn' Marketing to increase Thred's User base.](#)
3. [Using data driven feedback from more Users, make informed Platform adjustments.](#)
4. [Reinvest in Marketing to drive further User growth and derive continuous feedback.](#)

Steps 3 and 4 will continually iterate to drive User growth and retention. The Company does not plan to significantly invest in marketing until it is assured that step 1 above, has been satisfied.

The quality of Thred's product and its unique value proposition (UVP) will ultimately underpin User adoption & retention; marketing is designed to reach our target Users and communicate our UVP.

All initial product refinement and marketing efforts will **focus on growth in Thred App downloads**. Subsequent to this, product refinement and marketing efforts will focus on User retention. Technology industry research highlights that "Within 90 days of a User downloading an App, on average, only 20% are still using the App"<sup>1</sup> This is our first goal. Once achieved, we will aim to exceed it.

Management is confident the process adopted during the launch period and steps moving forward will deliver the Company's vision and are consistent with best practice in the development and launch of complex consumer Platforms such as Thred.

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<sup>1</sup> Localytics Research, updated on the 21<sup>th</sup> of March 2017.

### Platform Performance Metrics and Reporting

The Thred Platform is successfully capturing a broad range of real-time and delayed performance metrics. These metrics range from macro measurements like, App downloads, to quite granular measures such as where or how often a User reviews which media through the Thred Channels feature.

Following a review of these measures by the board, the Company has decided to initially provide, 4 key metrics that it believes demonstrate User growth and adoption, which the Company believes are the core drivers of inherent value at this early stage. The Company expects these metrics to be initially provided monthly. New metrics will be added as it moves to different phases.

The following key metrics will be initially released 1 month from the launch date (on or about the 13<sup>th</sup> of June) and monthly thereafter:

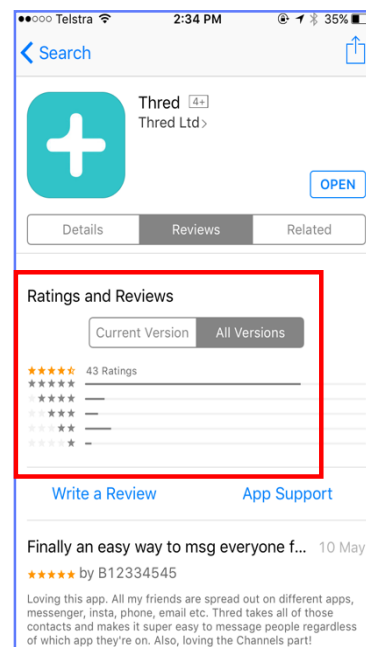
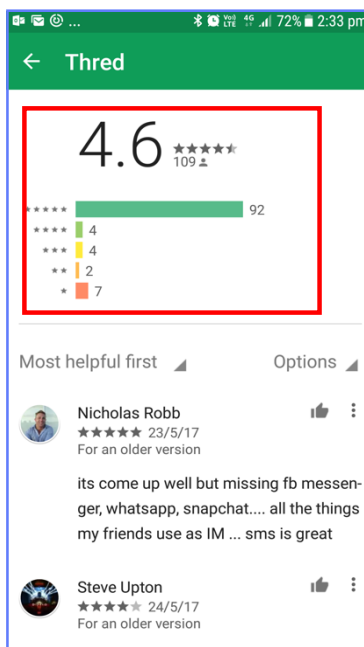
No	Measure	Definition	Business Inference
1.	Total cumulative downloads	Combined Apple & Android downloads in the period on a gross basis	Measure of growth and effectiveness of Marketing
2.	Session time per User	Average time each User spends 'threding' in Thred (Across Web & Native Apps)	Measure of usefulness and User retention
3.	Total Integrated Contacts per User	Avg No of Contacts each User Integrates through their connected accounts (before duplications)	Measure of growth potential and level of integration
4.	Total number of connected Contacts	Combined and cumulative number of Contacts derived from Users who have connected with Thred	Total # of Thred guest accounts in platform & therefore, User pipeline and potential

### Initial User Feedback

User feedback is being received from several sources, including but not limited to email via ([support@thred.im](mailto:support@thred.im) & [feedback@thred.im](mailto:feedback@thred.im)) plus reviews in the Google and Apple Stores.

On the whole, user feedback continues to be positive, with most Users taking the time to provide positive suggestions for updates and improvements.

Another source of User feedback at present is being derived from the Apple and Google App Stores. Opposite are 2 recent screen shots of the App ratings from the respective App Stores. They show an average rating out of 5 stars, across both App Stores, of 4.6.



It is worth noting that these are organic downloads derived without any marketing activity having been undertaken.

The Company expects these numbers to increase with the introduction of Marketing at an appropriate point. Thred is carefully monitoring this feedback to determine changes in sentiment as upgrades or releases are propagated.

### **Platform Architecture and Product Roadmap**

Thred has received feedback that its Platform development seems to have taken longer to deploy than was first expected. To address this perception, it is important to understand that Thred has built a comprehensive and highly scalable **Platform, not an App**. The Thred Platform is available to Users via 3 presentation layer Apps; iOS, Android and a Web App, the later able to be accessed via Web Browsers.

The architecture of the Thred Platform has been designed to allow the addition or integration of modules or instances of Thred that enable rapid delivery of new integrations, and assimilation with other platforms, such as Office 365. The development of Apple and Android Apps solely would not have enabled this goal. Once the objectives of the 4-step plan above have been achieved, Thred will provide the Market with a more detailed overview of its product Roadmap.

### **Building a Sustainable Business Model and IP and Around People**

In the period leading up to the launch, and since that time, Thred has been diligently devoting significant effort to building in-house capability by the establishment of a world-class executive team. Furthermore, the Company is instituting best-practice processes to support the Platforms ongoing development and delivery of User acquisition capabilities.

We understand that inherent shareholder value emanates from both great Products and great People. To this end, Thred is pleased to announce the appointment of several key and pivotal roles to the Company: Head of User Acquisition & Growth; Chief Technology Officer (CTO) and Head of Product.

**Ms Mez Gallifuoco - Head of User Acquisition & Growth.** Mez is a highly experienced digital marketer and Social Media expert with qualifications in Marketing, Psychology and Technology. She has deep and broad start-up experience and her accolades include the 'Startup Smart' Young Entrepreneur of the Year runner up award. Mez will be the 'voice' of the Thred User and responsible for Company's marketing and User Acquisition. This is a key role that will be pivotal to Thred's growth and value accretion.

**Mr Michael Cerbara – Chief Technology Officer.** Michael joins Thred from KPMG Management Consulting, with prior roles as a developer at Splash Developments and as CTO of a Sydney based IoT start-up, Elanation. He also worked in Cyber Security and Digital Strategy at PricewaterhouseCoopers. Michael has Bachelor of Advanced Science, Computing; as well as Bachelor of Engineering, with Honours in Machine Learning. In addition to his coding and architectural knowledge, his past experience demonstrates his skills in solving complex challenges and effectively delivering complex digital projects. Michael will be responsible for the technology strategy and execution aspects of Thred.

**Mr Kieran Gray – Head of Product.** Kieran is a very experienced digital project and product manager, with relevant history in both start-ups and large enterprises, including Banks and Mobile App development companies. Kieran has very relevant qualifications in Electronic Commerce and Management Information, skilled in running large digital projects that delivered consumer based iOS and Android Apps. He will drive Thred's product development endeavours, working very closely with the Company's founder, David Whitaker, the CTO and Head of Acquisition & Growth.

**We are confident this team, along with others to follow, will build and grow strong intellectual capital for Shareholders, ensuring User needs are met by way of products that excite and delight, which leads to further growth.**

**In addition, the Company has progressively advanced its planning and specifications for several revenue and commercial models that it expects to roll out in the medium term.** Development of these commercial modules will require careful consideration to ensure they align with the core Thred features and goals whilst laying the foundation for commercial revenues. **We are strategically and tactically looking ahead at the next big steps.**

## Microsoft Integration

Further to previous announcements regarding the Microsoft O365 Word ‘Add-In’, Thred reports that progress, while positive, is still ongoing. Microsoft have taken appreciably longer than their quoted lead times, which we previously used to guide the market. We are proactively communicating with Microsoft on a regular basis about this and other Partner matters and remain confident that this important integration will progress with Microsoft as previously foreshadowed.

## Summary

**Our confidence in the potential for Thred remains rock solid. We are delighted to have launched the Platform which will now make it eminently easier for the Company to progressively release additional features and most importantly, speak directly with real Users to align their needs and desires with our Platform’s development.**

Version 1 of our Platform will have numerous updates to refine and improve both performance and usefulness. Following this, our next major update will be a Version 2, and so on and so forth. Thred will progressively market to Users and learn from the Platform feedback as to what they like and don’t like. Thred will then hone, add or delete features until it finds or hits the User ‘sweet spot’.

**Every successful C2C global App that Thred seeks to emulate has followed these steps.**



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**About Thred: Thred Limited (ASX: THD)** has developed a globally relevant software platform that aims to provide unified social messaging, along with content creation and sharing, in one simple and intuitive consumer App. Thred intends to uniquely deliver the ability for consumers to unite their messaging, mail, connections, SMS and more, into one simple **‘thred’** where they can connect, talk, transact, play, attach, watch, buy and listen with awesome simplicity and relevance. Thred plans to aggregate incumbent social, mail, content, media and 3<sup>rd</sup> party transactional platforms, empowering a universal, unified and amazingly simple place to connect with anyone, anywhere, anytime, regardless of what platform they’re on. Thred aims to facilitate cross platform communications with ease and steps this up a gear by putting all device and media tools in one unique and powerful **‘thred’**. Thred has launched an ‘in market’ testing phase through iTunes & Play Store. Following a period of User feedback and honing platform operations, Thred will gradually release a program of improvements and enhancements to increase its usefulness. Ultimately, Thred will compete on the world-stage, delivering integrations that include Facebook, Twitter, Instagram, LinkedIn, Uber, Microsoft, Google, Airbnb and more.

## FORWARD LOOKING STATEMENTS

*The material in this document has been prepared by Thred and is general background information about Thred’s activities. The material may contain forward looking statements including statements regarding Thred’s current situation, intent or current expectations with respect to Thred’s business.*

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