Thred Releases Details of its Enterprise Model – Agent Reality

- **Agent Reality facilitates several market positions for Thred**
- **Agent Reality delivers revenue opportunities using existing technology owned by Thred**

Further to previous guidance, **Thred Ltd** (**ASX: THD, Thred** or the **Company**) is pleased to provide Shareholders with a market update regarding details of its enterprise business, Agent Reality.

The Company has established 2 wholly owned subsidiaries, Agent Reality Pty Ltd and Sweep App Pty Ltd. Thred's core IP will be provided to Sweep App Pty Ltd, which is focused on a specific and tech savvy demographic.

Agent Reality Pty Ltd is a specialised subsidiary of Thred that delivers out of the box custom technology and content solutions for brands. Sweep and Agent Reality will share a common technology platform.

Last week Thred launched 2 new websites that reflect this structural change.

The attached shareholder update is intended to provide details of our Agent Reality model and go-to-market plans, in addition to further insights into how the global AR market is rapidly evolving from a structural and investment perspective.

From a market positioning perspective, Thred is the first and only ASX listed AR company. Thred provides shareholders and investors with an opportunity to invest in a pioneering start-up, with the liquidity and governance of a listed company.

With the delivery of our AR technology on-track, management's attention has switched to partner acquisition and commercialisation.

We appreciate continuing shareholder support and look forward to keeping the market informed surround the pace of change at Thred.

About Thred: Thred Limited (ASX: THD) is a technology company with particular expertise in geo-location and Augmented Reality and new communication technologies which yield big data. Thred has developed an in-market version of its core messaging platform that aims to provide social messaging, along with content creation and sharing, in one simple app.

Thred intends to continually innovate features in the near-term to leverage important new technologies such as, but not limited to, Augmented Reality and geo-location. Thred plans to progressively integrate these new features over the coming months to increase its user audience and drive revenue growth via a new and effective business model. Some of the existing features of the Thred platform will be removed as Thred rebrands its app to a new brand called 'Sweep'.

Thred has launched an 'in market' testing phase through iTunes & Play Store. All of the downloads and marketing effort in the existing platform will be leveraged to increase user base as it makes the evolution to the Sweep app, allowing us to increase user engagement and sentiment. Following a period of user feedback around Sweep features, Thred will periodically release a schedule of features and improvements to increase its user uptake.

Forward Looking Statements
The material in this document has been prepared by Thred & 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.

While Thred has taken all reasonable care in compiling & producing the material, the material has not been verified; is given in summary form & any forecasts & hypothetical examples may be subject to uncertainty & contingencies outside Thred's control.

Sweep and Agent Reality are Thred Innovations

Agent Reality

A Thred Innovation

Business and Go to Market Models

Shareholder Update

25th of October 2017, vfnl

Thred Limited

Important Information

Forward Looking Statements

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While Thred has taken all reasonable care in compiling and producing the Material, the Material has not been verified; is given in summary form and any forecasts and hypothetical examples are subject to uncertainty and contingencies outside Thred's control.

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What is Agent Reality?

Leveraging geo-location and
augmented reality for enterprise

Agent Reality is a specialised subsidiary of Thred that delivers out of the box and custom solutions for brands.

- We utilise the core IP of Sweep's technology platform and provide it to brands.

- Our technology is delivered with a content management system (CMS) and framework which allows novel solutions to be tailored to problems.

- The technology aims to be honed and flexible, reducing the time, risk and cost from traditional software development projects.

- The Agent Reality model will deliver near-term revenues for Thred while providing an important user and feature feedback loop for the Sweep app.
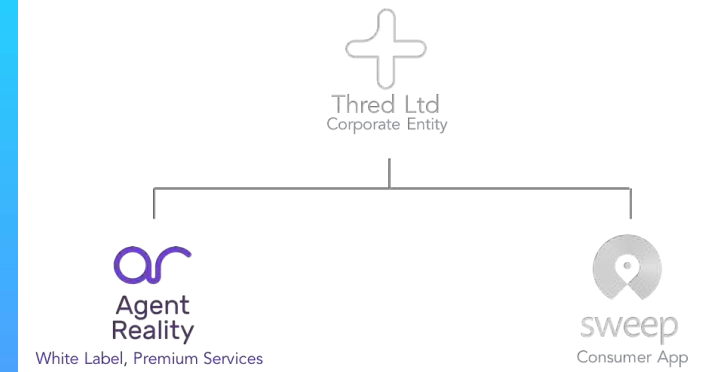
The Agent Reality – Sweep Relationship

Agent Reality and Sweep are symbiotic

Sweep and Agent Reality share a common technology platform.

Advancing one results in significant benefits for the other

Agent Reality provides a channel for revenue using existing technology owned by Thred

How are Sweep and Agent Reality mutually beneficial?

- Sweep delivers new technology to create engaging experiences for consumers.

- AR is a multiple billion dollar market which brands are competing to use.

- Brands are investing in new technologies to create a competitive advantage in their markets.

- Agent Reality leverages proven technology from Sweep to solve business problems, mitigating time and risk.

Chat with people nearby

Geochats are location-based chatrooms that connect you with others in your location.

swannie   5 secs ago
It should be illegal to stand still on cityrail escalators in peak hour

Thred is now Sweep

Sweep uses geo-location and messaging to provide you with contextually relevant and engaging experiences.

Swipe to see what's new
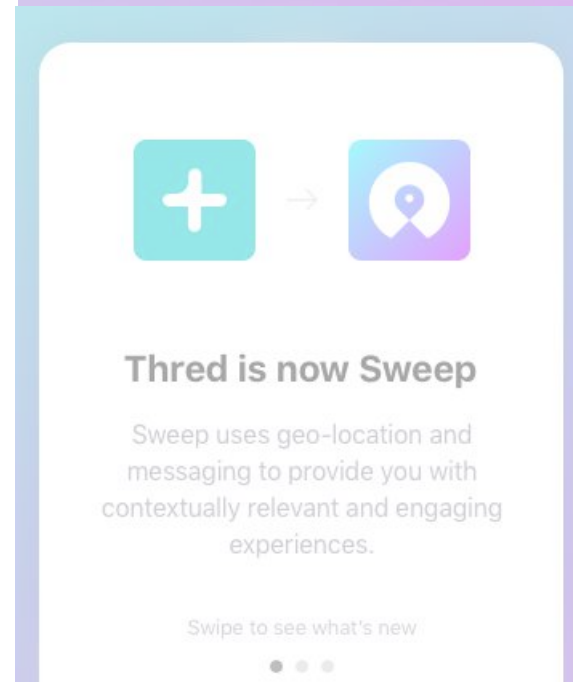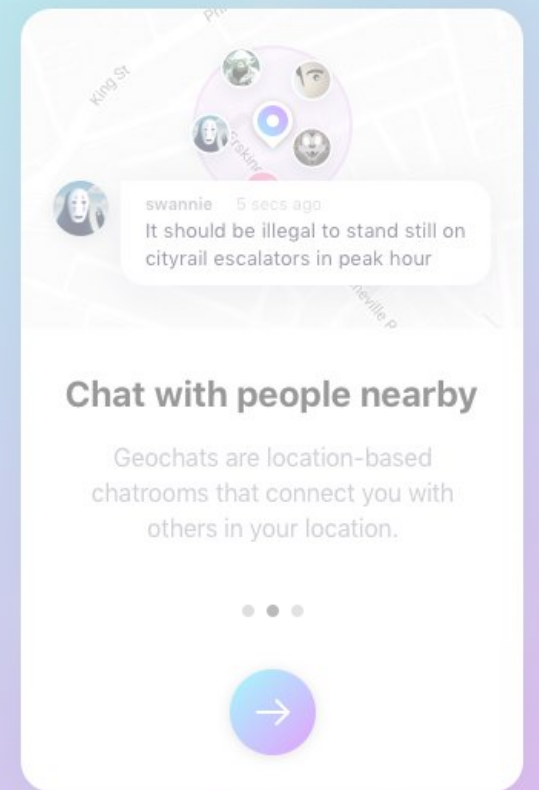
How are AR & VR Delivered to Market?

Augmented Reality

Virtual Reality

Via Mobile

Focus of Sweep & Agent Reality

Via Headset

AR & VR are often confused – Sweep & Agent Reality will initially leverage the proliferation of Mobile devices in AR
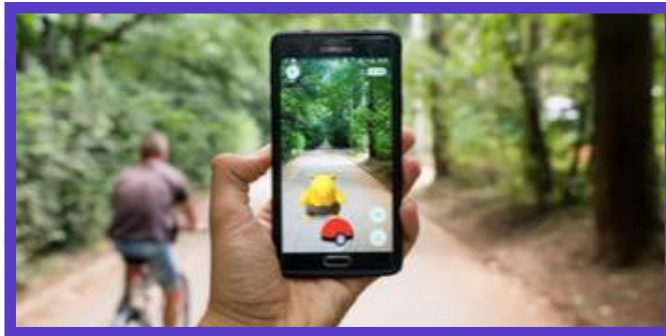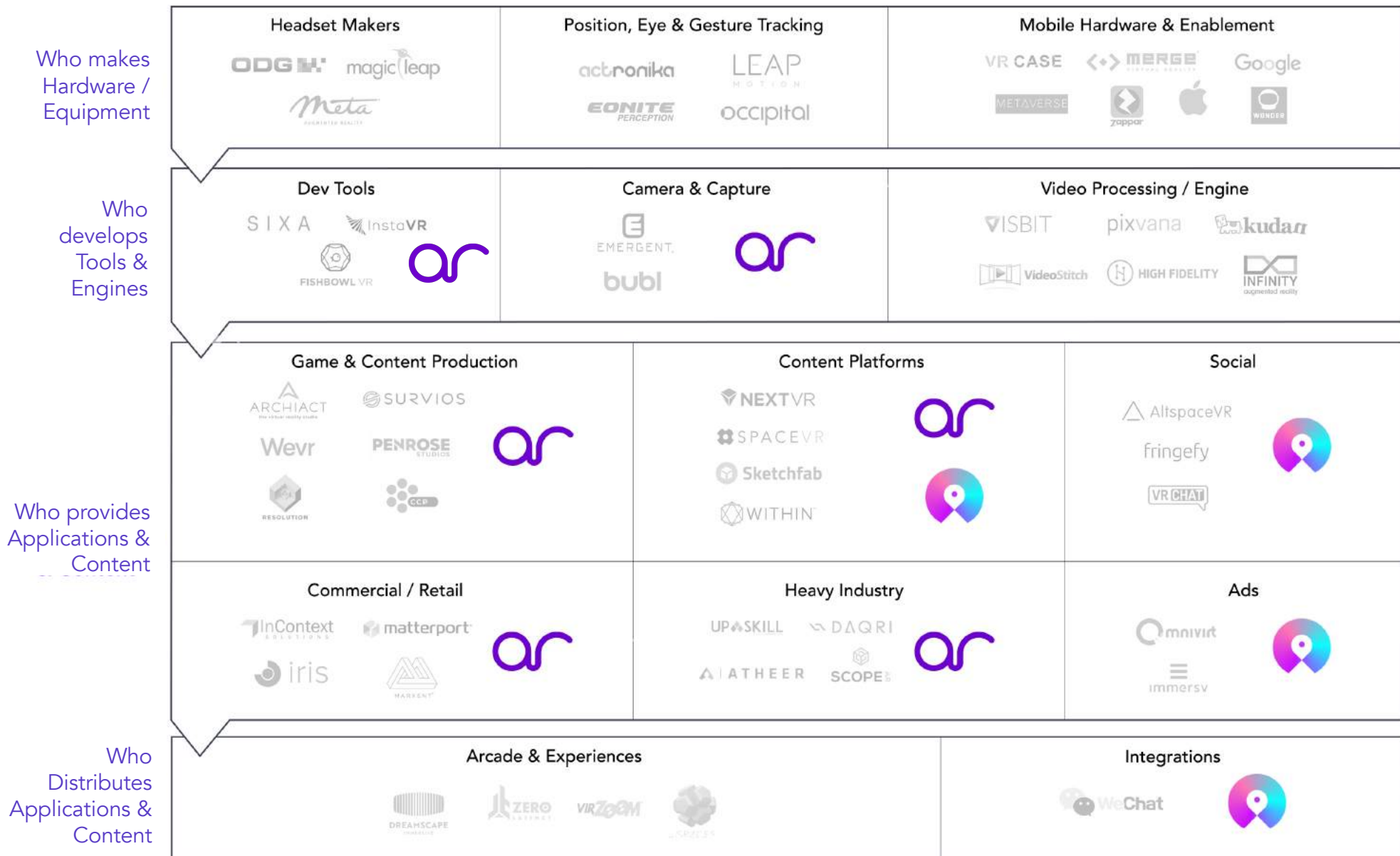
Where Thred Sits in the AR/VR Market Structure

Who makes Hardware / Equipment

Headset Makers
ODG | magic leap
Meta

Position, Eye & Gesture Tracking
actronika | LEAP MOTION
EONITE PERCEPTION | occipital

Mobile Hardware & Enablement
VR CASE | MERGE | Google
METAVERSE | zappar | Apple | WONDER

Who develops Tools & Engines

Dev Tools
SIXA | InstaVR
FISHBOWL VR

Camera & Capture
EMERGENT.
bubl

Video Processing / Engine
VISBIT | pixvana | kudan
VideoStitch | HIGH FIDELITY | INFINITY augmented reality

Who provides Applications & Content

Game & Content Production
ARCHIACT | SURVIOS
Wevr | PENROSE STUDIOS
RESOLUTION | CCP

Content Platforms
NEXTVR
SPACEVR
Sketchfab
WITHIN

Social
AltspaceVR
fringefy
VR CHAT

Commercial / Retail
InContext SOLUTIONS | matterport
iris | MARXENT

Heavy Industry
UPSKILL | DAQRI
ATHEER | SCOPE

Ads
mnivirt
immersv

Who Distributes Applications & Content

Arcade & Experiences
DREAMSCAPE | ZERO LATENCY | VIRZOOM | SPACES

Integrations
WeChat

= Agent Reality   = Sweep App

Global Funding of AR/VR Tech Co's

276
(Full-Year Run Rate)

$2797
(Full-Year Run Rate)

199

162

117

67

42

| $278 | $825 | $945 | $2,061 | $1,187 |
| 2013 | 2014 | 2015 | 2016 | 2017 YTD |

■ Disclosed Funding ($M) — Deals
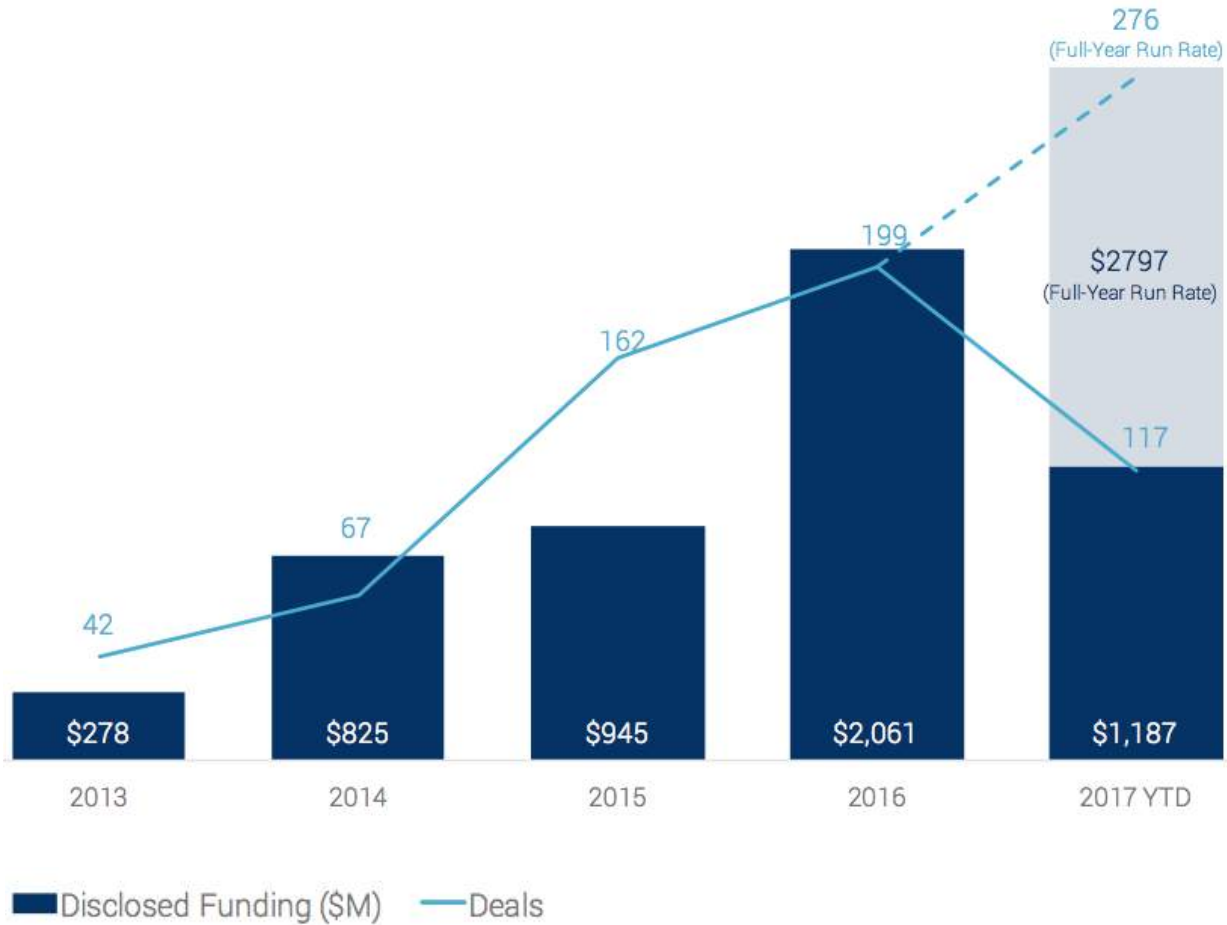
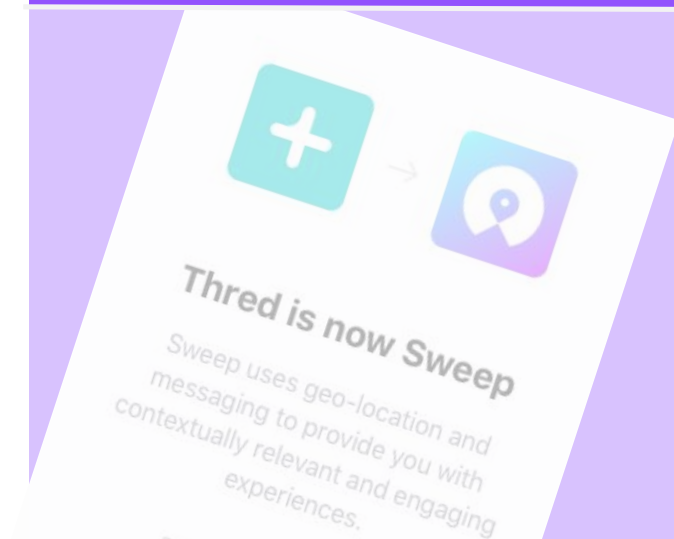Source – CB Insights Aug 2017

The new reality: Rapid and large AR/VR funding will drive market growth

AR/VR funding is a pertinent indicator of sector potential and valuations.

If funding continues at the current run rate, 2017 will see a 40% jump in deals and a 37% increase in funding.
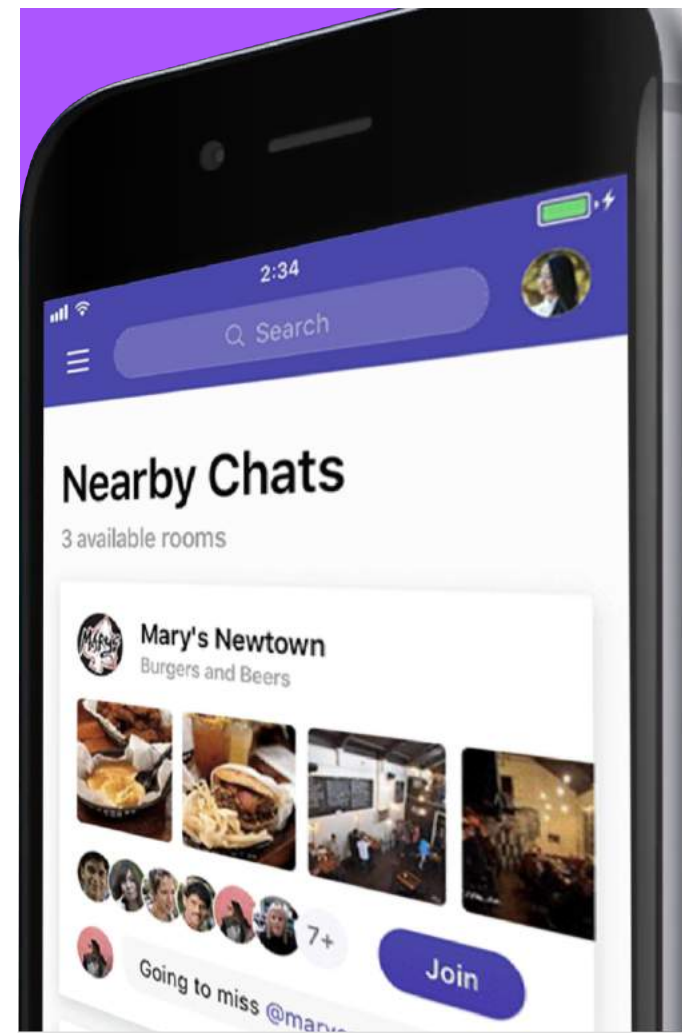
Thred is now Sweep

Sweep uses geo-location and messaging to provide you with contextually relevant and engaging experiences.
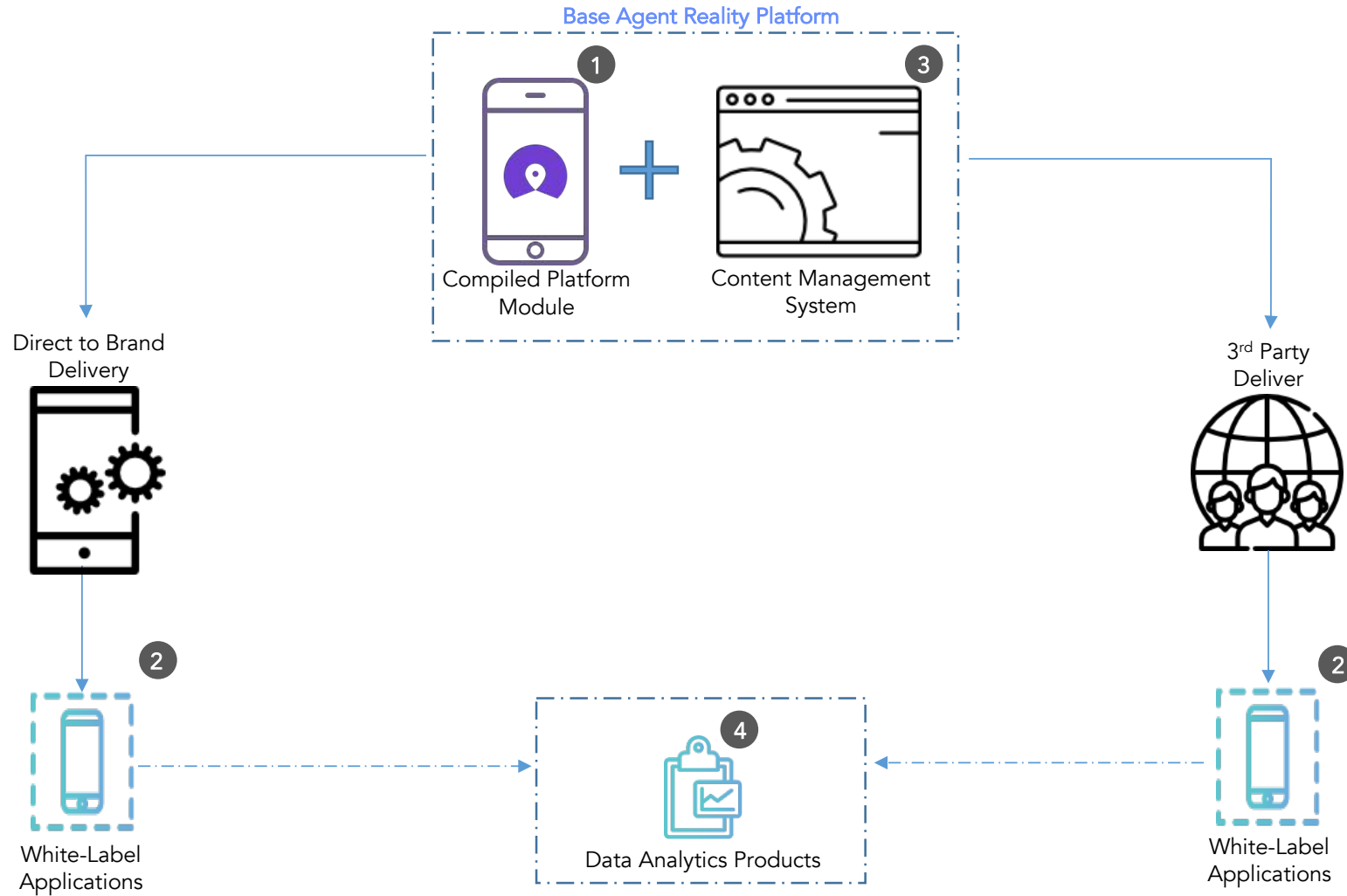
Thred Market Positioning Summary

A strategy designed to
deliver multiple opportunities

- Thred is the **first** and **only ASX** listed AR company.

- Thred provides shareholders with the **rare opportunity** to invest in **a ground-breaking start-up**, with the **liquidity** and **governance** of a **listed entity**.

- Thred is **uniquely** positioned as a **technology developer**, **applications and content provider**, as well as a **distributor** in a global market.

- The business strategy leverages our core technology across both **enterprise** and **consumer** contexts.

- We estimate all of Thred's early potential competitors are **SME's**.

- The **growing investment** in the AR/VR space reinforces Thred's market positioning.
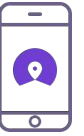
Agent Reality Service Architecture

1 Compiled Platform Module

+

3 Content Management System

Direct to Brand Delivery

3rd Party Deliver

2 White-Label Applications

4 Data Analytics Products

2 White-Label Applications

Compiled Module ①

Providing the tools to solve problems

Agent Reality's compiled module provides the tools for the client to quickly and easily add AR to existing apps, using their own developers.

The module is a collection of software libraries licensed to a business. The libraries allow their own developers to integrate AR without requiring input from Agent Reality.

Agent Reality can also provide support services to deliver advice on best practices and assist with technical challenges or questions.

White-Label Build ②

End-to-end solution

The white-label build provides an end-to-end solution for organisations who do not have an existing app or development team.

Our compiled module can be configured by our team to provide all the components of a normal app such as notifications, settings, user accounts and logins, on top of AR abilities.

Clients can choose from a list of features to be in the build including AR, messaging and geo-locked chats, plus organisational branding.

The app can be licensed to the business while allowing the business to take control and manage the app using the CMS.

Our CMS ③

Empowering & enabling enterprise

The Agent Reality Content Management System (CMS) is a portal provided to businesses using our technology.

When a client logs into the CMS they are provided with a range of tools allowing them to quickly upload new AR content to their app, communicate with users as well as monitor campaign performance.

In turn this reduces the management overhead for the Agent Reality team as well as the turn around time for businesses to update and refresh the experience their app provides.
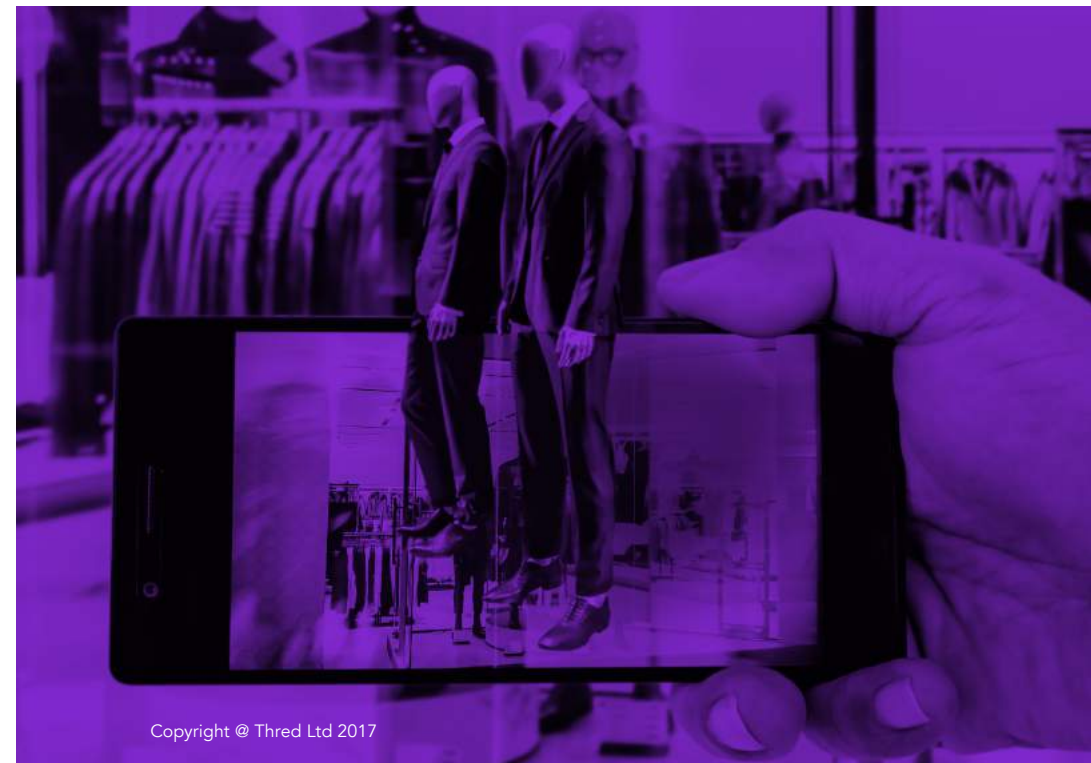
Data & Analytics ④

Measuring the performance of enterprises

Our technology suite is measured and dash-boarded allowing businesses as well as Agent Reality to monitor the success of an app, while driving decisions for optimising outcomes.

Analytics derived from client engagements has two-fold benefits;

1. Enabling clients with deep insight into their audience and business performance, providing a tangible way of understanding users.

2. Providing learnings for Agent Reality to drive product improvements, ensure quality of service as well as understand how users engage with AR.

These analytics provide a highly granular view of the AR and app market place as well as improve our ability to advise business partners on winning strategies.

Applications & Distribution Target Sectors

The applications for AR & geo-location are vast

Retail
(Brick & Mortar)
- Food & Grocery
- White Goods
- Clothing

Media
- News
- Movies
- Real Estate

Entertainment
- Concerts & Events
- Bars and Clubs
- Games

Health and Safety
- Mining
- Health Care
- Construction

Travel
- Airlines
- Hotels
- Tours

Marketing and Advertising
- Agencies
- Outdoor Furniture
- Digital Advertising

Wagering
- E-Games
- Fantasy Sports
- Sports Betting

Revenue Generation Model

Products that enable enterprises to use Sweep technology

Separate business that sells AR services from Sweep
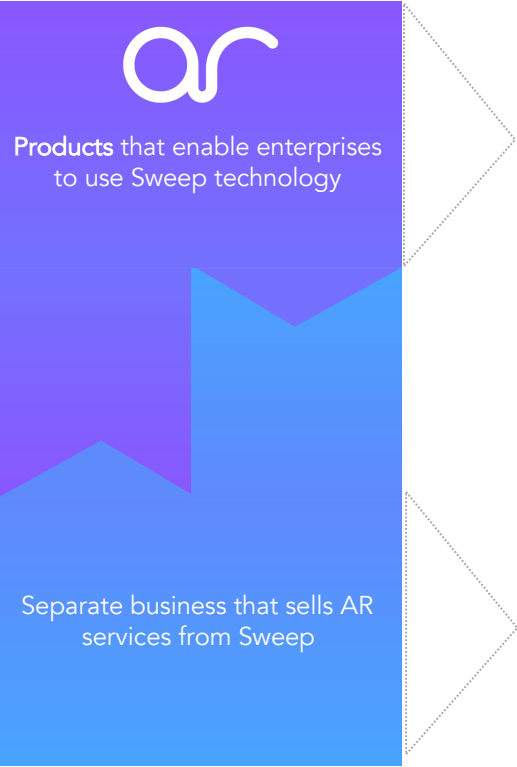
Product

White Label Sales

Data Analytics

Platform Integration

In App Purchases

Go to Market Model

Product	Channel	White Label Sales	Data Analytics	Platform Integration	In App Purchases
Products that enable enterprises to use Sweep technology	Direct Sales to Brands	✓	✓	✓	✓
Separate business that sells AR services from Sweep	Indirect Sales via 3rd Parties	✓	✓		
			Revenue Models		
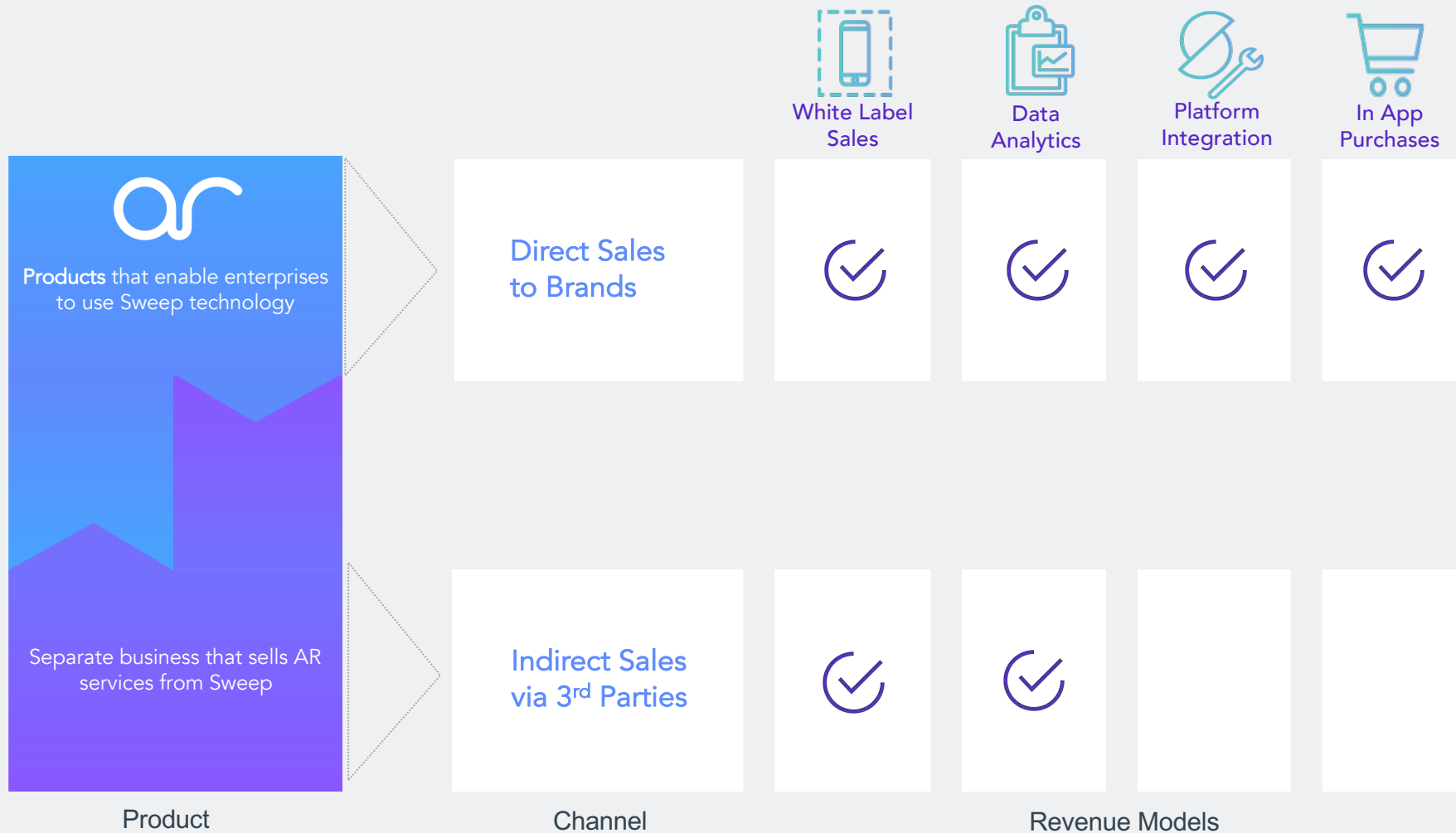
Pricing Models Summary (est.)
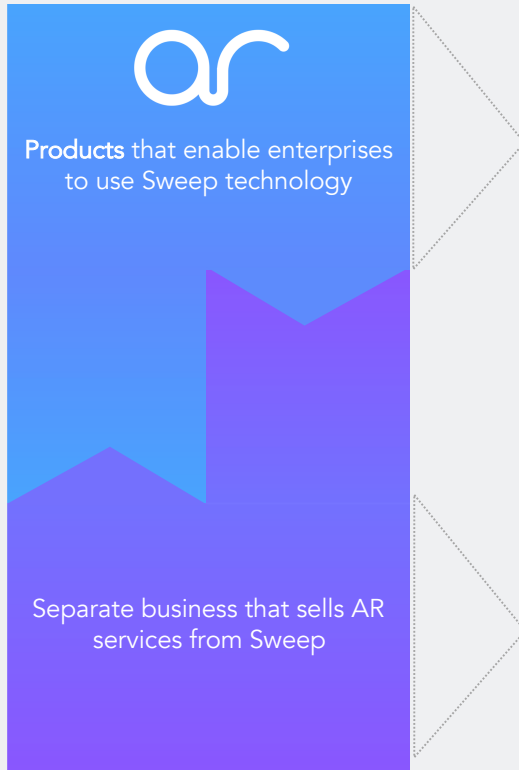
Products that enable enterprises to use Sweep technology

Separate business that sells AR services from Sweep

Product

Direct Sales to Brands

	White Label Sales	Data Analytics	Platform Integration	In-App Purchases
License Fee	$5 k - $50k	NA	NA	NA
Support Fee	$10k - $100k	NA	$10k - $150k	NA
Auxiliary Fee	Client Specific	More for premium	Client Specific	Client Specific
Infrastructure fee	Volume dependent	$0.02 - $0.10 / query	x cents per sever call	NA
Surcharge	NA	NA	x cents per sever call	$ % per transaction

Indirect Sales Via 3rd Parties

	White Label Sales	Data Analytics	Platform Integration	In-App Purchases
License Fee	$5 k - $50k	NA	NA	NA
Support Fee	$10k - $100k	NA	NA	NA
Auxiliary Fee	NA	NA	NA	NA
Infrastructure fee	Volume dependent	$0.02 - $0.10 / query	NA	NA
Clip of Purchase	NA	NA	NA	$ % per transaction

Go to Market Strategy

Products that enable enterprises to use Sweep technology

Separate business that sells AR services from Sweep
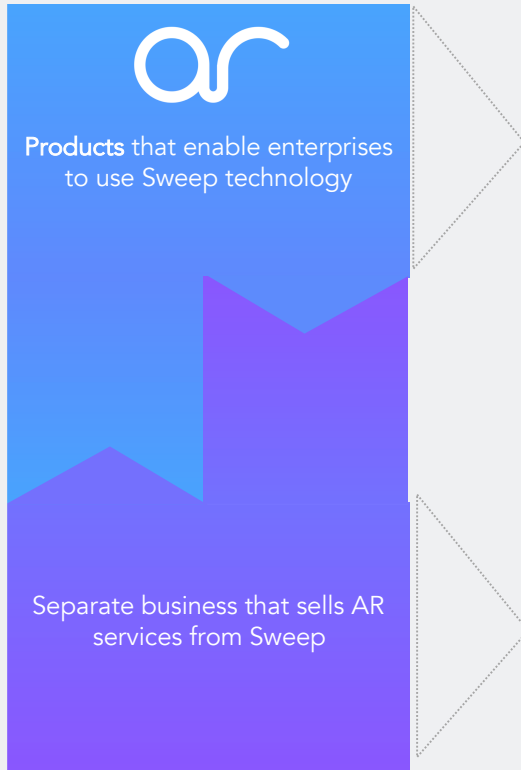
Product

Est. # of Direct Sales to Brands

	Free POC* phase	Paid trial phase	Full Bus Dev phase	Marketing phase
📱	4	8	20 +	100's
🔧		2	6 +	30 +
🛒			1+	10+
📋	4	10	30 +	100's

Est. # of Indirect Sales Via 3rd Parties

	Free POC* phase	Single license phase	Multiple license phase	IP license phase
📱	3	6	12 +	50's
🔧		1	4 +	20 +
🛒			1+	5+
📋	3	7	20 +	100's

Volume

Time

* = Proof of Concept

How do we Scale the Agent Reality Business?
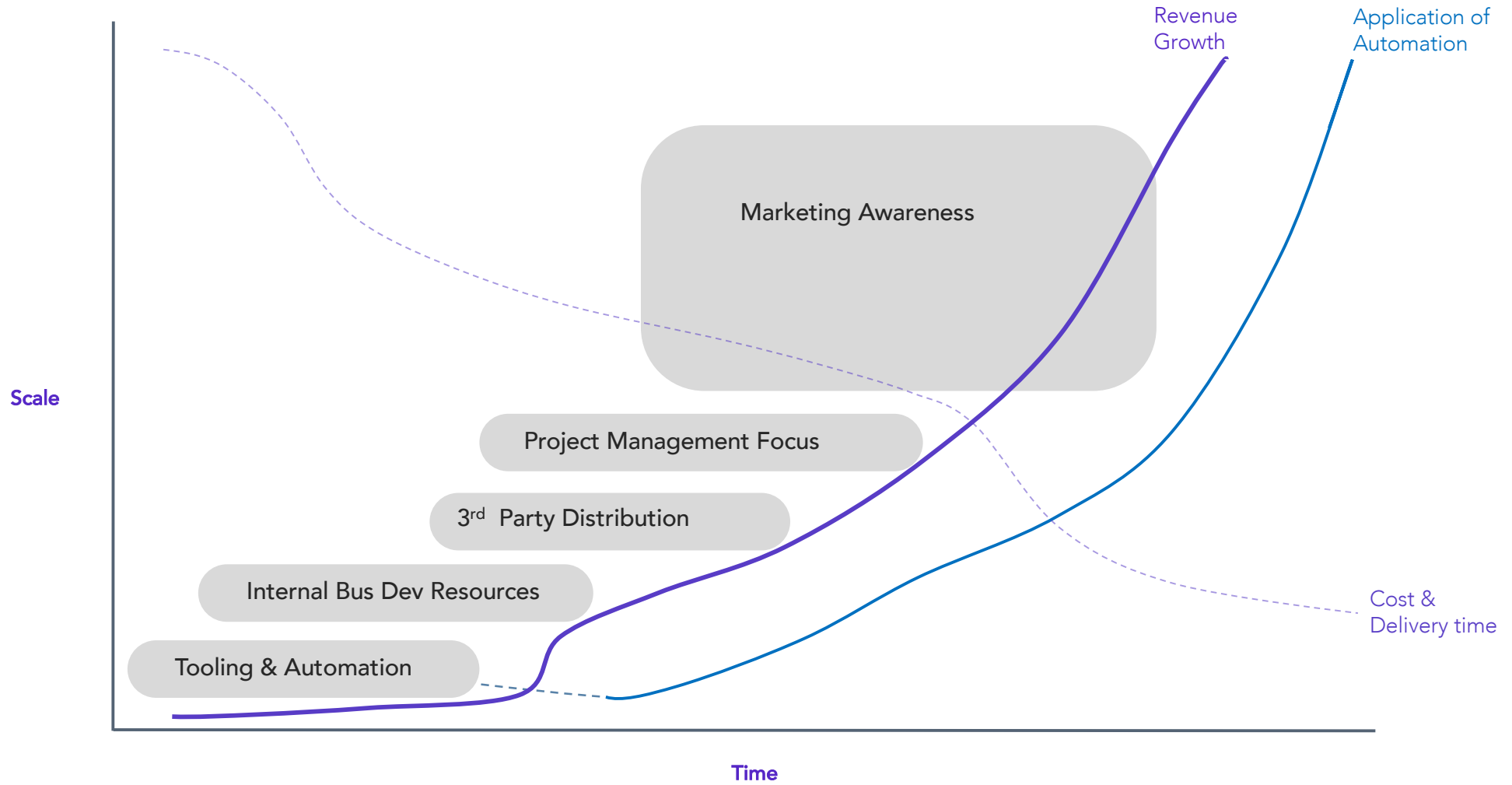
Agent Reality Target Milestones

CY 2017

Nov 17
- Marketing material complete
- CMS complete
- 1st trial partners recruited

Dec 17
- 1st phase project delivery automation
- Initial Revenue
- Digital marketing campaign

CY 2018

Q1 18
- Multiple trial partners
- 2nd phase project delivery automation
- Industry events

Q2 18
- Multiple paid partners
- Agent Reality R&D focus

Q3 18
- Agent Reality model licensing
- Agent Reality is cash neutral
- International sales focus

Q4 18
- First big data partnerships
- Large campaign deliverables
- International partners

Summary

- Agent Reality allows Thred to participate in **several market positions**, technology development & consumer engagement.

- This will facilitate **sustainable revenue** opportunities.

- Meanwhile, Sweep will focus on **consumer acquisition strategies** with the aim of creating **largescale user reach** and **engagement**.

- Your company is positioning itself at the cusp of a **global user engagement** and **technology evolution**.

- With the delivery of our technology on-track, management's attention has switched to partner acquisition and commercialisation.

- We appreciate shareholder support and look forward to keeping the market informed surrounding the pace of positive change at Thred.

Thank You

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Agent Reality

A Thred Innovation

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