



1 February 2019

## COMPLETION OF SALE OF SWEEP BUSINESS

Thred Limited (ASX:THD) (**Thred**, or **Company**) advises that in accordance with the announcement dated 25 September 2018 (Thred to Dispose of Main Undertaking) and receiving shareholder approval at the AGM dated 28 November 2018 that it has completed the sale of the Sweep Business to its former subsidiary, AR Technologies Pty Ltd (**ARtech**), (now owned 80% by Project Savvy Pty Ltd (**Project Savvy**) with the Company retaining a 20% interest as previously disclosed).

There has been a variation to the key terms as previously announced following negotiations between the parties due to current unfavourable market conditions as follows:

### **Consideration**

- ARtech will pay Thred \$700,000 (exclusive of GST) for the Sweep Business (**Business**) in quarterly payments;
- the quarterly payments will comprise payments equal to 10% of quarterly trading revenues of the Business which have been received during the quarter (if any), payable within 5 business days of the end of each quarter, commencing with the March 2019 quarter.

### **Conditions Precedent**

Completion occurred following satisfaction of the conditions specified in the Heads of Agreement, as varied by negotiation, including:

- (a) (**capital raising**) Project Savvy and/or one or more third parties subscribing for at least A\$120,000 in the capital of ARtech;
- (b) (**intellectual property**) Thred agreeing, subject to Completion occurring, to assign to ARtech all of Thred's registered and unregistered intellectual property in respect of the Sweep Business as at the Completion Date;
- (c) (**employee agreements**) ARtech having entered into agreements with the continuing employees, subject to Completion occurring, and having assumed the liability for prescribed accrued entitlements.



Following the successful sale of the Sweep Business, the Board will continue to review opportunities with a view to entering into a significant acquisition during 2019.

**Joe Graziano**  
**Company Secretary**