

## CORPORATE UPDATE

### ACQUISITION OF THRED

Promesa is pleased to provide an update on progress with the proposed acquisition of **thred (Acquisition)**, a next-generation meta-social and media sharing application which overlays more than 140 global social media platforms, allowing instant access to all social media friends, followers and contacts in a simple unified way, with the potential to connect billions of social media users.

#### General meeting

A Notice of Meeting convening a general meeting of shareholders (General Meeting) to approve the Acquisition (and other matters) has been finalised for review and is currently undergoing regulatory approval with ASX and ASIC.

Approval will also be sought at the General Meeting for the issue of fully paid ordinary shares (**Shares**) upon conversion of \$1 million in outstanding convertible notes (plus accrued interest) issued by Promesa earlier this year (**Convertible Notes**).

Once approved, the Notice will be dispatched to shareholders, with the general meeting anticipated to occur in early October 2015.

#### Outstanding Acquisition conditions

The principal outstanding conditions precedent to completion of the Acquisition are:

- shareholders passing the requisite approvals at the General Meeting;
- Promesa raising a minimum of \$5 million under a prospectus (**Prospectus**);
- Promesa undertaking a consolidation of its issued capital on a ratio of 1 for 5 (**Consolidation**); and
- ASX granting conditional approval to reinstate Promesa's securities to trading on ASX (after Promesa re-complies with chapters 1 and 2 of the ASX Listing Rules).

#### ASX waiver applications granted

ASX has granted Promesa's application for waivers of:

- ASX Listing Rule 2.1 (condition 2) to allow the issue price of all securities for which Promesa will seek quotation (including Shares to be issued under the Prospectus in connection with the Acquisition) to be less than \$0.20 each (namely \$0.05 each); and
- ASX Listing Rule 1.1 (condition 11), to allow Promesa to have convertible securities on issue with an exercise price of less than \$0.20 each.

The grant of these waivers is an important step towards progressing the Acquisition in accordance with its terms.

## Escrow of securities

To assist with funding the costs of the Prospectus and providing working capital for Thredit Ltd (**Thredit**), Thredit has entered into two series of loan agreements with third party lenders under which the loans are convertible into Shares at \$0.025 per Share (**Series A Convertible Loans**) and \$0.04 per Share (**Series B Convertible Loans**) respectively.

Given the nature of **thred**, all of the securities to be issued in consideration for the Acquisition will be restricted securities and will be escrowed for a period of 24 months from the date of quotation.

ASX has also indicated that 50% of the shares to be issued to unrelated parties upon conversion of Series A Convertible Loans and 90% of shares to be issued to unrelated parties upon conversion of Convertible Notes are likely to be escrowed for a period of 12 months from their issue date (after the application of cash formula relief under Appendix 9B of the ASX Listing Rules). Securities to be issued to related parties upon conversion of Series A Convertible Loans and Convertible Notes are likely to be escrowed for 24 months from their issue date.

Further details of the anticipated number of securities to be escrowed will be included in the Prospectus.

## Pro forma capital structure

Subject to the receipt of all necessary approvals at the General Meeting and completion of the Consolidation and the Acquisition, Promesa's capital structure on a pro forma basis will be as set out in Annexure A.

### **About **thred****

**thred** is a first mover meta-social & media sharing application that overlays 140+ social media platforms globally allowing instant access to all social media friends, followers and contacts in a single unified way. With the potential to connect billions of social media users.

**thred** is a private access messaging and sharing platform allowing individual and group consolidation across all social media remaking the messaging experience and building bridges between social groups.

**thred** is a web based messaging platform and mobile app specialising in cross platform communication systems. **thred** has developed several proprietary engines and systems that unify and centralise user contacts and social groups whilst simultaneously providing a centralised communication hub.

**thred** has also developed machine learning engines and a neural network that learns user's preferences, providing a more targeted and satisfying messaging and sharing experience.

thred's platform is the core of a suite of products that are being developed for the mobile market. The core suite of products are expected to be officially launched in mid-2015 with additional features and modules released throughout the year.

The thred app is not just a new messaging app or a new form of social media, rather it is the solution to the challenges we all face in today's connected and information-rich world. These challenges include:

- How we manage the range of our diverse profiles and groups across multiple social platforms
- How to easily create and monitor a private group discussion with friends from networks such as Twitter, Facebook, Weibo and LinkedIn at the same time as using SMS and email addresses – uniquely allowing a two way communication stream between them all – allowing the creation of a private messaging group made up of people across multiple platforms and social media.

By developing and marketing the thred platform, the goal is not to compete with existing messaging apps or social networks but instead to reshape the way we all use the range of services available to create more meaningful and valuable connections between people.

“Building bridges not walls”.

thred will be launched as a platform and there are several 3rd party applications and content partnerships which are supporting the platform preparing to enter the market shortly after launch.

thred is unified social messaging.

For further information, please contact Promesa on +61 8 9389 5885

On behalf of the Board  
Damon Sweeny  
Company Secretary

## Annexure A – Pro forma capital structure

<b>Shares</b>	<b>Number<sup>1</sup></b>
Shares currently on issue	96,103,117
Consideration Shares to be issued to Key Idea in consideration for the Acquisition	250,000,000
Minimum number of Shares to be issued pursuant to the Prospectus at \$0.05 each	100,000,000
Oversubscriptions under the Prospectus at \$0.05 each	100,000,000
Shares to be issued at a deemed issue price of \$0.025 each upon conversion of Series A Convertible Loans <sup>4</sup>	20,000,000
Shares to be issued at a deemed issue price of \$0.04 each upon conversion of Series B Convertible Loans <sup>4</sup>	12,500,000
Maximum number of Shares to be issued to promoter at a deemed issue price of \$0.05 each in satisfaction of a 5% success fee in connection with the Acquisition <sup>3</sup>	12,500,000
Maximum number of Shares to be issued to promoter at a deemed issue price of \$0.05 each in satisfaction of a 2.5% success fee in connection with the Acquisition <sup>3</sup>	6,250,000
<b>Total Shares on completion of the Acquisition and the Prospectus offer</b>	<b>597,353,117</b>
<b>Convertible Notes</b>	<b>Number<sup>1</sup></b>
Convertible Notes convertible into Shares at \$0.005 each	200,000,000
<b>Total Convertible Notes on completion of the Acquisition</b>	<b>200,000,000</b>
<b>Performance Shares</b>	<b>Number<sup>1</sup></b>
Performance Shares to be issued to Key Idea in consideration for the Acquisition	140,000,000
Performance Shares to be issued to promoter in satisfaction of a 5% success fee in connection with the Acquisition <sup>3</sup>	7,000,000
<b>Total Performance Shares on completion of the Acquisition</b>	<b>147,000,000</b>
<b>Options</b>	<b>Number<sup>1</sup></b>
Unquoted Options exercisable at \$0.25 each on or before 10 December 2015 <sup>2</sup>	5,412,500
Unquoted Options exercisable at \$0.25 each on or before 27 February 2016 <sup>2</sup>	6,833,334
Unquoted Options to be issued to promoter exercisable at \$0.0625 each on or before 30 May 2017	100,000,000
<b>Total Options on completion of the Acquisition</b>	<b>112,245,834</b>
<b>Total issued Shares</b>	<b>Number<sup>1</sup></b>
<b>Total issued Shares on re-instatement to ASX (undiluted)<sup>2</sup></b>	<b>597,353,117</b>
<b>Total issued Shares on re-instatement to ASX assuming all of the current issued Options are exercised before reinstatement<sup>2</sup></b>	<b>609,598,951</b>

### Notes:

1. All numbers and amounts in the above table are stated on a post-Consolidation basis, ignoring the treatment of fractional entitlements under the Consolidation.
2. As the last sale on the ASX trading day immediately preceding the date of this announcement was \$0.015, the Options are not "in the money" (taking account of the Consolidation) and it is therefore unlikely that they will be exercised before the Company's reinstatement to trading on ASX. Assumes no Convertible Notes are converted prior to reinstatement. If all of the Convertible Notes are converted by the noteholders, an additional 200 million Shares will be issued (disregarding Shares which may be issued in satisfaction of accrued interest).
3. Calculated by reference to the number of Shares and Performance Shares to be issued as consideration for the Acquisition.
4. Disregarding Shares to be issued in satisfaction of accrued interest.