# thred

THD.ASX

*Unified Social Messaging*

Integrating with;

Office 365

thred

THD.ASX

March 2016

# DISCLAIMER

This presentation contains summary information about Thredit Ltd (Thredit) and is current as at 10th March, 2016. The information in this presentation is of general background and does not purport to be complete. This presentation is not investment or financial product advice (nor tax, accounting or legal advice) and is not intended to be used for the basis of making an investment decision. The information contained in this presentation has been prepared without taking into account the objectives, financial situation or needs of individuals. Investors should obtain their own advice before making any investment decision. Thredit has prepared this document based on information available to it at the time of preparation. No representation or warranty, express or implied, is made as to the fairness, accuracy or completeness of the information, opinions and conclusions contained in this presentation.

This presentation contains certain "forward-looking statements". Forward looking statements can generally be identified by the use of forward looking words such as, "expect", "should", "could", "may", "predict", "plan", "will", "believe", "forecast", "estimate", "target" and other similar expressions. Indications of, and guidance on, future earnings and financial position and performance are also forward-looking statements. Forward-looking statements, opinions and estimates provided in this presentation are based on assumptions and contingencies which are subject to change without notice, as are statements about market and industry trends, which are based on interpretations of current market conditions. Forward-looking statements including projections, guidance on future earnings and estimates are provided as a general guide only and should not be relied upon as an indication or guarantee of future performance.

This presentation contains statements that are subject to risk factors associated with Thredit. It is believed that the expectations reflected in these statements are reasonable, but they may be affected by a range of variables which could cause actual results or trends to differ materially. Thredit disclaim any intent or obligation to publicly update any forward looking statements, whether as a result of new information, future events or results or otherwise. To the maximum extent permitted by law, Thredit, their related bodies corporate (as that term is defined in the Corporations Act 2001 (Cth)) and the officers, directors, employees, advisers and agents of those entities do not accept any responsibility or liability including, without limitation, any liability arising from fault or negligence on the part of any person, for any loss arising from the use of the presentation or its contents or otherwise arising in connection with it.

# INTRODUCTION

Thred comes at an extraordinary time; a time when there are **more mobile handsets than people**, almost half of those people are on social media and messaging apps and the numbers are growing. Yet amongst all this connectivity, we believe life has become **too cluttered, too noisy, too disorganised**. Too many apps, too many contacts and too many connections means that social media has become quite unsocial.

Enter **Thred**. A unified social messaging platform that **solves the universal problem** of contextual communications by empowering anyone, anywhere to easily connect with anyone else or any group across social networks, contact databases, email and more to create, manage and archive communications (Threds) around relevant content.  In this way, Thred lives in the space of many household names like Facebook, Twitter, WhatsApp, Vine, Instagram and more. **Yet Thred doesn't stop there**. Encompassing multi-platform APIs and an Artificial Intelligence engine, Thred enables users to communicate and transact seamlessly and powerfully, generating multiple revenue streams and massive benefit to users.

Whether it's inviting friends to an event complete with page links, videos, sound files, maps, ticket purchases, transport and accommodation bookings (taking clips at every stage), sending a document to colleagues for review, **connecting them all via contact databases and social networks** in just a few taps (whilst serving ads generated by user profile data to ensure relevance) or hosting a company database for internal messaging with a monthly subscription model (i.e. Yammer or Slack); Thred is the one platform that ties everything everyone needs together.

It's no wonder **we believe Thred to be a Unicorn** in the making. Thred embraces the entire world - East and West, going global from day one. And with a management team and Board that has worked with the likes of Facebook, Microsoft, Amazon, Virgin Mobile, Boost Mobile, HSBC, Goldman Sachs and many others, we've run with Unicorns before.  And now with our **partnership with Microsoft**, we are empowered to take on the global B2B market as we integrate ourselves into Office365 products and, with their support,  become a part of everyone's business.

Welcome to Thred; where you will never communicate the same way again.

Chris ADAMS,
Chief Advisor to the Board,
Thredit Ltd

## *Unified Social Messaging*

THD.ASX

# Billions of users spread across social media

**1.49 Billion**
MONTHLY ACTIVE USERS

**1 Billion**
MONTHLY ACTIVE USERS

**1 Billion**
MONTHLY ACTIVE USERS

**540 Million**
MONTHLY ACTIVE USERS

**800 Million**
MONTHLY ACTIVE USERS

**300 Million**
MONTHLY ACTIVE USERS

**302 Million**
MONTHLY ACTIVE USERS

**187 Million**
MONTHLY ACTIVE USERS

**40 Million**
REGISTERED USERS

**70 Million**
REGISTERED USERS

thred

THD.ASX

Source: Statista 2016 Projection

3

# THE PROBLEM:

Communicating across the growing number of social media platforms is *nearly impossible*



■ The **fragmentation within social media** creates barriers to communication

■ Most social media has evolved to be more about **broadcasting information** than sharing and communication

■ **No single platform** makes it easy to communicate with friends across platforms

■ **Privacy** is almost **non-existent** in social media today

This means: *Conversations are stuck within siloed platforms as consumers add more platforms*

# AND THE PROBLEM GETS WORSE EACH YEAR:
## 140+ Social Media and Messaging Apps Globally - 2016

- **Concurrent conversations** through different apps create confusion and are difficult to manage

- Consumers are frustrated that they need to use **multiple apps** in order to communicate with their friends[1]

- Searching through social media and messaging apps for specific content is **extremely difficult**[2]

- Accidental public postings often have **negative** outcomes.

- Creating & accessing the history of content that you have shared (images, documents, etc.) is **difficult with social media tools today**[2]

1. Symplicit Online Communities Research 2015
2. Symplicit Context Research 2015

thred

THD.ASX

# THE SOLUTION: thred

*Unifies Your Communications
on a Single Platform*



# The Unified Social Messaging Platform

**Cross Platform** - Communicate across social networks.

**Fast & Easy** - Share content, create groups, search for content and more, all without leaving thred.

**Private** - Every message you send is private between you and the recipients so no more worrying about who sees your posts.

**Innovative** – thred combines the best of instant messaging with the best of email to create a better communications experience for users, potentially replacing both.

**Viral** - Inherent virality creates a powerful growth engine for Thred that drives our K factor beyond that of other apps.
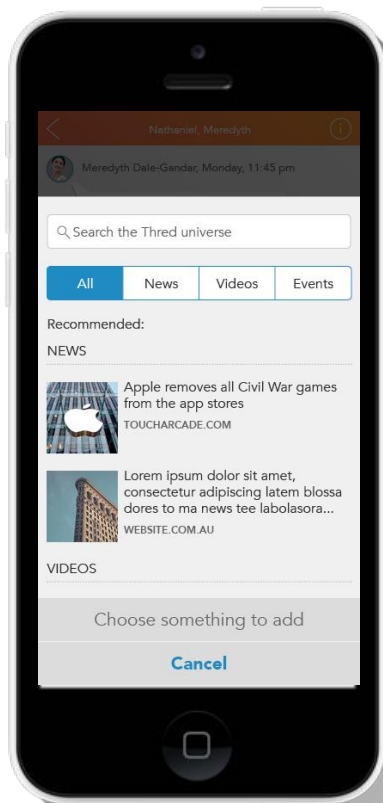
thred

**Organise** your contacts across all of your Social Networks

*Create and manage your conversations <u>from a single platform</u>*
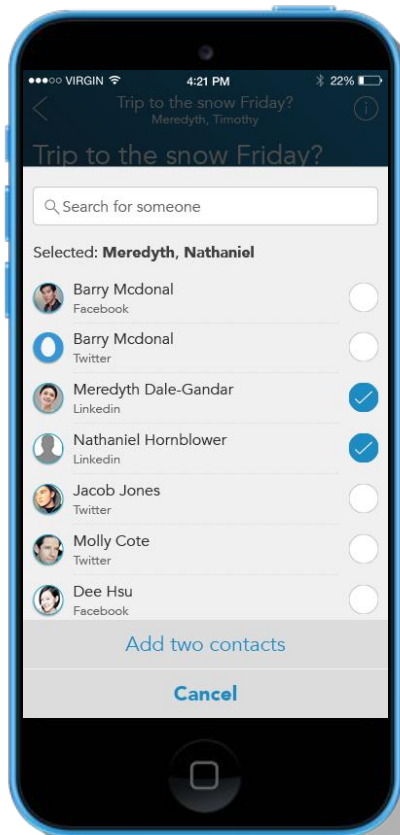
thred

# Native Content Monetization in ᵗhred

By offering better experiences for our users like **in-app search** we create new revenue streams

# Monetisation Opportunities

| AFFILIATE & REFERRAL COMMISSIONS | ADVERTISING STRATEGY | IN APP PURCHASES | DATA SOURCE | CONTENT PARTNERSHIPS | ENTERPRISE VERSION |
|---|---|---|---|---|---|
| Taxi Booking (e.g. UBER @ $5/user) | In-App Search | Games | Trending Analysis | xVenture | Byod |
| Event Tickets (e.g. TICKETMASTER up to 7%) | Social Job Referral | Custom Content (emojis, stickers, etc.) | Subscription | Media Companies (e.g. Fairfax Media) | Private Social Networking |
| Hotel Booking (e.g. ZUMATA @ 25%) | Hotels & Flights | Encryption | Marketing Data | Game Networks | Workplace Collaboration Tools |
| Money Transfer (e.g. FIRST GLOBAL DATA @60% of fee revenue) | | Music | | Lifestyle Networks | |

## CASE STUDY

When Users do an **IN-APP SEARCH,** THRED will show **SPONSORED LINKS** as the top search results.

## SPONSORED LINKS EXAMPLE

Microsoft® Office 365™ - office.com
Ad microsoft.office.com/
Your Small Business Just Got Bigger with **Office 365™**. Subscribe Today!
Free Mobile Apps · Online Collaboration

## REVENUE MODELS

THRED derives income from SPONSORED LINKS in 2 ways;

**1] Click-through revenue** - we are paid each time a user clicks on the link that we present to them
**2] Campaign-based revenue** - we are paid to run specific campaigns by global brands for specific product campaigns such as launches or updates.

thred

THD.ASX

9

# Dev, Production & Launch
## Timetable 2016 - 2017 - Consumer App

**Phase 03**
*Viral Growth*

## 5M

*downloads*

2017
*Scale:*

- Scale User Base
- Refine & Enhance Features
- New Partnerships Integrated

**Phase 02**
*Product Launched Target*

## 500k
**DOWNLOADS**

2016
*Iterate:*

- Acquire Initial Users
- Iterative Development Cycles
- Additional Social Networks Added
- Product Market Fit

*Ready for Launch: July 2016*

**Phase 01**
*MVP*

**Virality Coefficient 'K'** is the "*invite rate x acceptance rate*"
This means every time someone shares a thred, they automatically send an invitation to that person as a part of each IM giving thred the highest possible viral potential.

thred

# Go To Market

| | **1** beta Launch: July 2016 | **2** Global Launch: Q4 2016 | **3** Global Growth: 2017 |
|---|---|---|---|
| **GROWTH STAGE** | **Seed the Product** | **Invest In Growth** | **Viral Growth** |
| | Launch in a Limited # of Markets | Global Launch | Optimize in Key Markets |
| | Gather User Feedback | Influencer Marketing Campaign to Push to the Top of App Store chart | Focus on user engagement to drive virality (K Factor)[1] |
| | Facebook Marketing | Get Featured in App Stores | Partnership Marketing |
| | App Store Optimization | Facebook & Non-traditional Acquisition Channels | Monetisation Opportunities |
| **GOAL** | **Prep for Global Launch** | **Lift to top of App Store Charts** | **Scale User Volume & Drive Down Costs** |

1 A quantitative measure of virality calculated as invitation rate * acceptance rate

thred

# Competitive Landscape

thred is the only system that combines many platforms and eliminates all of the social media noise



MULTI PLATFORM

BROADCAST

DIRECT

SINGLE PLATFORM

thred
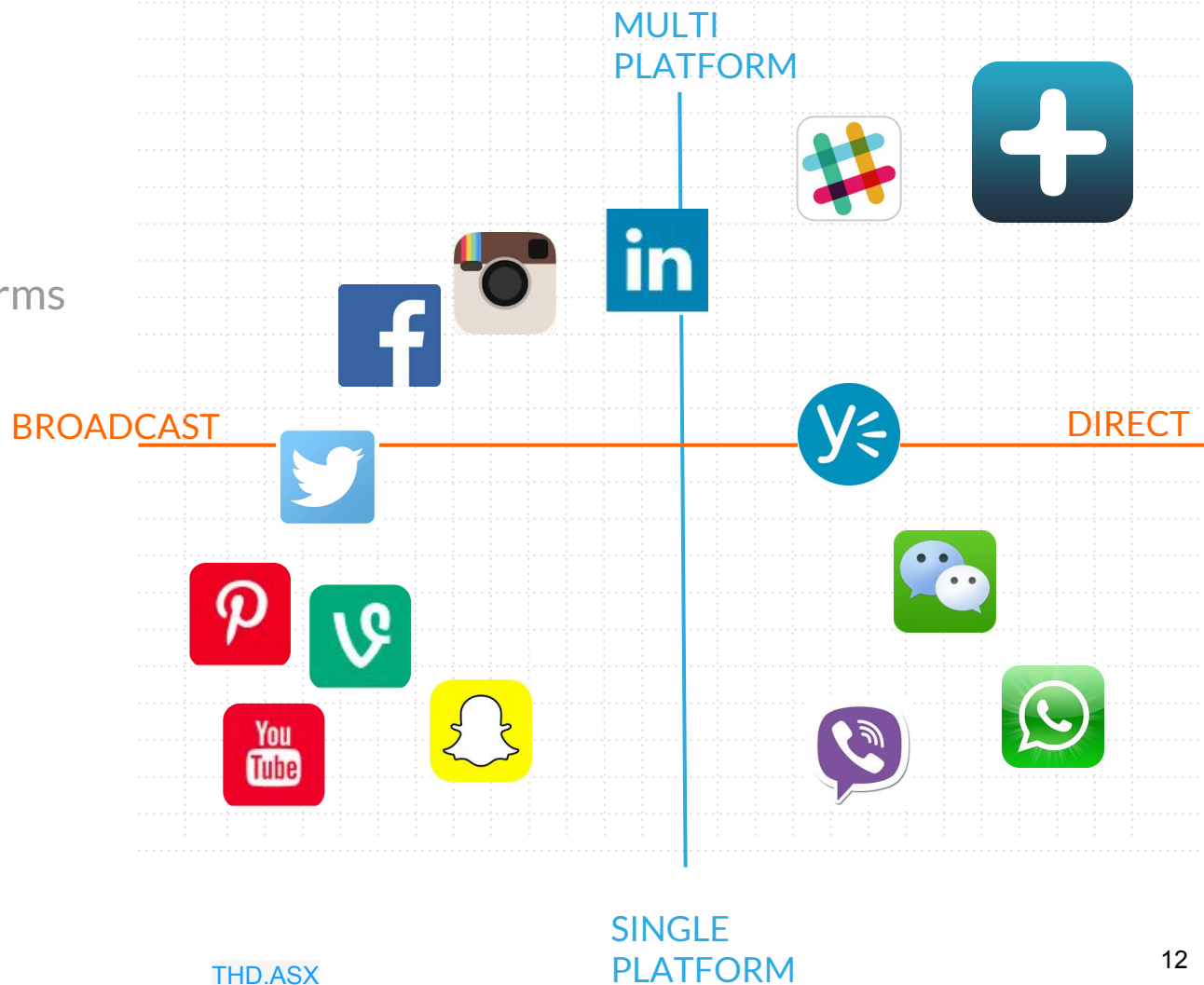
# Comparables
## *Equity Value/User*



*Messaging platforms at scale deliver strong returns to investors on a per user basis*

1 ReCode - "Why Slack Won't Reach $5B" http://recode.net/2016/03/03
2 How You Really Value Snapchat, Instagram, and other Big Consumer Apps, July 30, 2015
3 Business Insider Australia March 17,2015
4 Techcrunch - "With 1.2 million Yammer Buy Microsoft's Social Enterprise Strategy Takes Place June 25, 2012
5 DMR Digital Marketing Stats July 21, 2015

| | Active Users | Market Valuation | Value per Active User |
|---|---|---|---|
| SLACK | 2.5M (Daily Users) | $4 Billion[1] | $1,739 USD |
| WHATSAPP | 1Billion | $19 Billion[2] | $19 USD |
| SNAPCHAT | 120 M | $10 Billion[2] | $83 USD |
| INSTAGRAM | 400 M | $37 Billion[3] | $92 USD |
| YAMMER | 4 M (Registered Users) | $1.2 Billion[4] | $300 USD |
| KIK | 100M | $1 Billion[5] | $10 USD |

THD.ASX

13

# Management Team

## David Whitaker
### CEO & Director

A high tech entrepreneur with deep expertise in building high growth digital businesses. After 17 years in Global IT & Digital recruitment, David has founded and built businesses spanning mobile applications, group buying, and digital agencies. Working with worldwide companies David has provided services and resources throughout the Asia-Pac region.

## Chris Jones
### CMO & Director

One of Australia's leading experts in app marketing and user acquisition. Chris has held leadership roles with leading brands. He has consulted to hundreds of app marketers and developers driving user acquisition efforts for mobile app clients such as Microsoft and Cheetah Mobile.

## Sean Davidson
### Chief Technology Officer

Sean is a business technology professional with international experience, primarily in the Asia Pacific region – including starting, turning around and managing technology businesses in emerging markets. His specialties include agile and cloud applications development.

# Directors & Advisors

## *Chris Adams*
### *Board Director*

Chris is an internationally recognised new media pioneer, media, entertainment and technology executive with twenty+ years of experience in accelerating businesses and innovation. Currently Digital Strategist, Advisor and Board Director to a number of companies.

## *Eric Wise*
### *Advisory Board*

Eric is a Senior TV & digital media executive with over 17 years experience of successfully monetizing content businesses & leading commercial teams for both global media companies & start-ups. He has a deep understanding of the economics of the media industry & the evolving multi-platform, multi-device eco-system.

# Capital Structure

**Assumes Maximum Subscriptions**

| Shares | Number |
|---|---:|
| Shares on issue: Shareholders meeting October 16 and Re-quotation | 345,233,663 |
| Consideration Shares to be issued | 250,000,000 |
| Minimum number of Shares to be issued pursuant to the Public Offer at **5c** | 100,000,000 |
| Oversubscriptions to the Public Offer at 5c | 100,000,000 |
| Advisory fee issued to Armada Capital | 12,500,000 |
| Introductory fee | 6,250,000 |
| **Total:** | **813,983,663** |

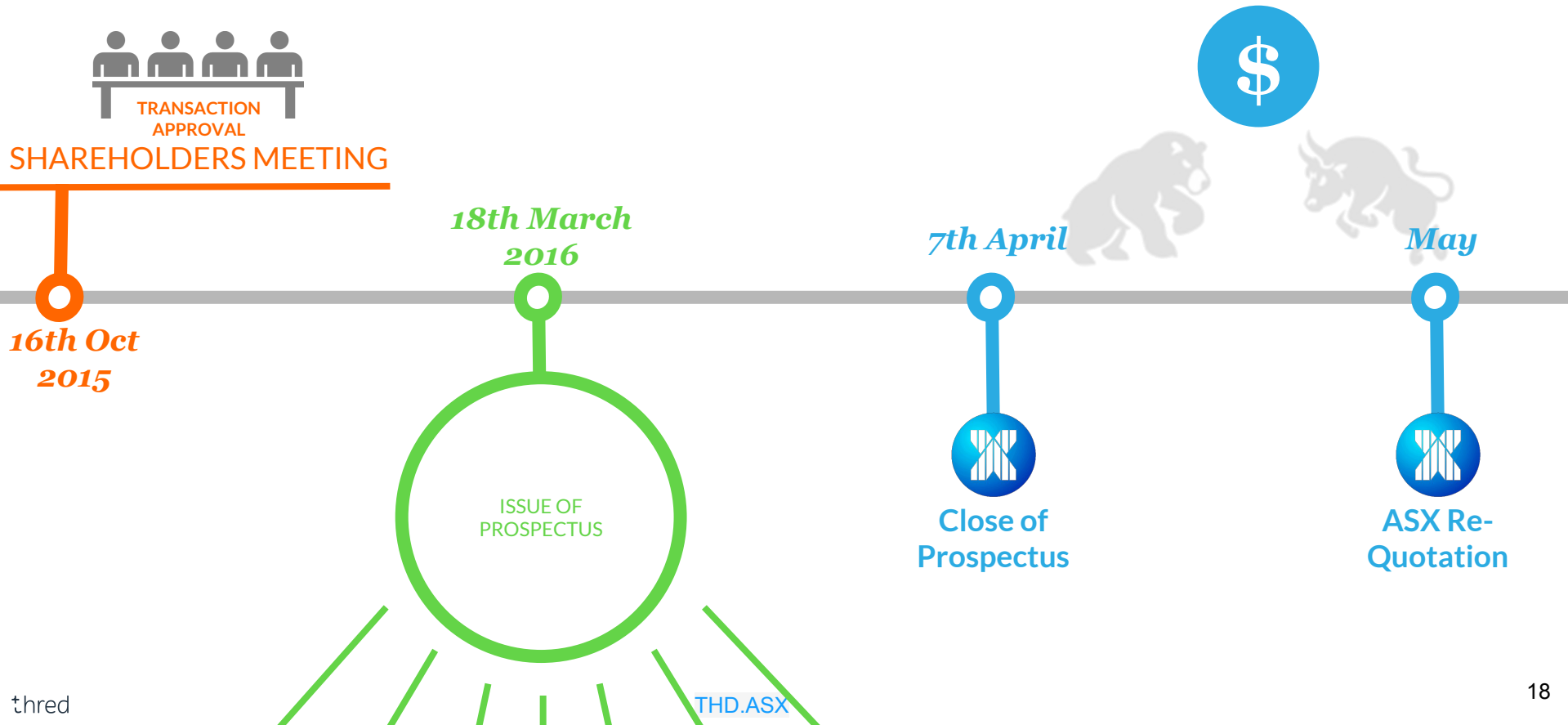| *Performance Shares* | *Number* |
|---|---:|
| Performance Shares to be issued to Key Idea Holdings Ltd in consideration for the Acquisition | 147,000,000 |

100,000,000 Options to be issued to Armada Capital exercisable at $0.0625 each on or before 30 May 2017

thred

* Post Consolidation

# Use Of Funds

| Amount Raised | $5,000,000 AUD | $10,000,000 AUD |
|---|---|---|
| Customer Acquisition | $1,170,000 | $5,041,000 |
| Development and Engineering | $1,176,000 | $2,000,000 |
| Working Capital/Overhead | $2,053,000 | $2,053,000 |
| Expenses of the Offer | $601,000 | $906,000 |
| **TOTAL** | **$5,000,000** | **$10,000,000** |

thred

# 2015/16 Corporate Timetable

TRANSACTION APPROVAL
SHAREHOLDERS MEETING

**16th Oct 2015**

**18th March 2016**

ISSUE OF PROSPECTUS

THD.ASX

**7th April**

Close of Prospectus

**May**

ASX Re-Quotation

thred

18

# Top Five Shareholders

| NUMBER | NAME | NUMBER OF SHARES | RELATIVE % |
|---|---|---|---|
| 1. | Key Idea Holdings Ltd | 250,000,000 | 35.2% |
| 2. | LSAF Holdings Pty Ltd<br><Owen Family A/c> | 28,870,620 | 4.1% |
| 3. | Celtic Capital Pty Ltd<br><The Celtic Capital A/c> | 23,580,688 | 3.3% |
| 4. | JDK Nominees Pty Ltd<br><Kenny Capital A/c> | 21,411,183 | 3.0% |
| 5. | Chifley Portfolios Pty Ltd<br><ATF The David Hannon Retirement Fund> | 19,990,069 | 2.8% |
| | Total | 343,852,560 | 48.4% |

| | |
|---|---|
| vwap | Range 0.03c to 1.9c |
| vOL | The last month 60M |
| | The last 6 months 1B |

thred

# thred

## Unified Social Messaging

**GET IN TOUCH**              **... WE ARE SOCIAL TOO :)**

David Whitaker and Chris Jones        Ananda Kathiravelu

Thredit Ltd        Armada Capital

+61 4 0455 9053 and +61 4 6655 5444        + 61 4 1203 6789

*More Sociable Social Media*

## THD.ASX