

ASX Announcement**4 November 2016****Market Update**

Thred Limited (ASX: THD, "the Company"), Australia's leading unified social messaging platform developer, provides the following market update.

Microsoft Partnership and Microsoft Teams Announcement Yesterday

Microsoft announced on the 2nd of November their intended launch of [Microsoft Teams](#). The Company is aware that this may have caused shareholders to be apprehensive about Microsoft's ongoing relationship with Thred. Thred has been informed by Microsoft that the Microsoft Teams launch and business plan has no bearing on our previously announced partnership.

The Thred platform is fundamentally different in scope and functionality to what Microsoft Teams intends. The Company provides the following points to explain and clarify the inherent differences and examples of Microsoft's past product strategies and forays:

- Thred is a social contacts unification tool, this is our core purpose and value proposition which is not replicated, to our knowledge, by any other Microsoft product, including Microsoft Skype. This is particularly evident when you factor in 3rd party content and the ability to begin a thred about something such as product, service, songs, photo, location and files etc.
- In the context of Office 365, our unique messaging and collaboration functionality is secondary to our core offering. Thred allows companies, for the first time, to bring in all common messaging platforms in use, by their employees, which cannot currently be managed or tracked, and integrate those social platforms under the administration of their existing Office 365 installation.

By assimilating Thred into Office365, we integrate messaging under existing Microsoft administration protocols, thereby boosting and enhancing security, risk and compliance.

Skype is not open to 3rd party services. Conversely, Thred is open to 3rd party services that allow integration to their API's.

- When it comes to messaging and collaboration, Enterprises care about risk and the mitigation of that risk. Thred's O365 plugin will provide Enterprise visibility into business conversations via connected social media.

- Microsoft is one of the most active Merger and Acquisition companies in the world. They average approximately 20 significant acquisitions a year of varying size with many more strategic investments. It is commonly observed that whilst they create internal teams that focus on new areas (for example Artificial Intelligence), they often purchase, collaborate with or acquire leaders in that same space.

To reinforce this point, many products within the Microsoft suite were bought and integrated at some point in time, including Skype and outlook and it is this strategy of working with the best of breed that has made Microsoft the market leader they are.

The Company remains on track to deliver the Core native and web based version in the third quarter of FY 2017, at which point it will further amplify its engagement with Microsoft

Strategy and Business Update

Thred's initial strategy was articulated to the market in April of this year. Since that time the Company has researched the market, created and progressed extensive relationships and discussions with potential partners and our target market in general. This has recently culminated in the completion of an enhanced market offering and "go to market" proposition. This is underpinned by four powerful strategic components that Thred will deliver;

1. **Core Thred Platform:** enables the aggregation of user contacts from multiple apps and tools into one single source; a Thred.
2. **Social e-commerce Platform:** Providing, through the core Thred platform, the ability to integrate a complex array of social e-commerce tools, enabling private and commercial users to interact and, importantly, commercially transact.
3. **Integrated Appliance & Technology Interfaces:** Via the intuitive application of 3rd party APIs, leverage the enormous growth the Internet controls devices and appliances, enabling users to control and integrate appliances technology with mobile messaging and social media mediums.
4. **Microsoft Office365 Platform:** Deliver integration within Microsoft Office 365 and leverage global Microsoft partnerships for accelerated growth

This illustrates that our intended Microsoft Office collaboration and integration is a component of Thred's strategy and it is not **the** Company's strategy.

Thred is pleased to report that its development remains on track to deliver the Beta version of the core Thred platform as previously envisaged. This important milestone enables the Company to progress discussions with Microsoft channel partners, which are currently ongoing. The purpose of securing a Microsoft plugin pilot program (via a Microsoft channel partner), is a key requirement for Microsoft to integrate Thred into the Office 365 suite of products.



The Company also reports that discussions are currently underway with several global brands in the connected devices space, with clear expressions of interest in incorporating the Thred platform to enable users to control and integrate appliances and technology with mobile messaging and social media mediums. These previously unidentified opportunities provide a large and unmet market opportunity which is complemented by the core Thred platform.

Thred has identified what it believes is first mover advantage in the social commerce space. Increasingly, people around the world are conducting business transactions, bookings, the buying and selling of goods and services, via social media, messaging and mobile. Utilising the core Thred platform, the aim is to bring a social connection to the digital selling and buying process. The Company is actively pursuing this exciting, revenue generating opportunity, through strategic discussion and partnerships which are ongoing.

Thred continues to aggressively pursue Microsoft Channel Partners, who Microsoft proactively introduces to Thred. This tactic is important to build market demand for both Core Thred, and enterprise versions, in advance of working product launch. It is important to note that all efforts are currently on the Beta launch of the Thred platform, which will enable commencement of Microsoft plugin programs to further the integration of Thred into the Office 365 suite.

To this end, Thred reports it continues to secure meaningful and commercial relationships which it intends to convert into contracts when its Core platform is completed. Our confidence in the delivery of Core Thred is such that we are seeking to build pent up market demand in advance of former product launch, which we remain confident of delivering.

About Thred: Thred Limited (ASX: THD) is a software developer working toward commercialisation of a unified social messaging platform and web and mobile app to enable cross platform communication. Based in Perth, the Company has developed systems that unify and centralise users' contacts while providing a centralised communication hub. Thred aims to empower 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 around relevant content.

For more information, please contact:

Chris Adams

Chief Executive Officer

chrisa@thred.im