

THIS IS AN IMPORTANT DOCUMENT WHICH YOU SHOULD READ CAREFULLY. IF YOU ARE IN ANY DOUBT AS TO HOW TO DEAL WITH IT, PLEASE CONSULT YOUR FINANCIAL OR OTHER PROFESSIONAL ADVISER.

# Bidder's Statement

in relation to a **RECOMMENDED TAKEOVER OFFER** by  
**Activistic Limited (ACN 007 701 715)** to acquire **ALL** of your  
ordinary shares in

**PLUS CONNECT LIMITED**  
**(ACN 164 388 783)**

The Directors of Plus Connect unanimously recommend  
you

# ACCEPT

the offer by Activistic of **3.126231 Activistic Shares** for every  
**1 Plus Connect Share** you own in the absence of a Superior  
Proposal.

The Takeover Offer is dated 22 November 2016 and will close at 5:00pm (WST) on 23 December 2016, unless extended or withdrawn.

**TO ACCEPT ACTIVISTIC'S OFFER, SIMPLY COMPLETE THE ENCLOSED  
ACCEPTANCE FORM AND RETURN IT IN THE ENVELOPE PROVIDED.**

Legal Adviser to Activistic

**STEINEPREIS PAGANIN**  
Lawyers & Consultants



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## IMPORTANT INFORMATION

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### **Bidder's Statement**

This document (**Bidder's Statement**), dated 17 November 2016, is issued by Activistic Limited (ACN 007 701 715) under Part 6.5 of the Corporations Act in relation to an off-market offer by Activistic to acquire Plus Connect Shares and sets out certain disclosures required by the Corporations Act.

A copy of this Bidder's Statement was lodged with ASIC on 17 November 2016. ASIC takes no responsibility for the contents of this Bidder's Statement.

### **Investments Risks**

There are a number of risks that may have a material impact on the value of the Takeover Offer, the future performance of the Merged Entity and the value of Activistic Shares. These are described in Section 8 of this Bidder's Statement.

### **Foreign Jurisdictions**

The distribution of this document and the making of the Takeover Offer may be restricted by the laws or regulations of foreign jurisdictions. Persons who come into possession of this Bidder's Statement should seek advice and observe these restrictions.

The Takeover Offer is not being made, directly or indirectly, in or into and will not be capable of acceptance from within any jurisdiction, if to do so would not be in compliance with the laws of that jurisdiction.

No action has been taken to register or qualify Activistic or to otherwise permit the offering of Activistic Shares outside Australia, its external territories and New Zealand.

This Bidder's Statement is not a New Zealand prospectus or an investment statement and has not been registered, filed with or approved by any New Zealand regulatory authority under or in accordance with the *Securities Act 1978 (New Zealand)* (or any other relevant New Zealand law). This Bidder's Statement may not contain all the information that a prospectus or an investment statement under the New Zealand law is required to contain.

The only members of the public in New Zealand to whom Activistic Shares are being offered under the Takeover Offer are Plus Connect Shareholders. The Takeover Offer is being made in New Zealand in reliance on the Securities Act (Overseas Companies) Exemption Notice 2013 (New Zealand).

### **Disclosure Regarding Forward Looking Statements**

This Bidder's Statement includes forward-looking statements that have been based on Activistic's current expectations and predictions about future events including Activistic's intentions (which include those set out in Section 6). These forward-looking statements are, however, subject to inherent risks, uncertainties and assumptions that could cause actual results, performance or achievements of Activistic, Plus Connect and the Merged Entity to differ materially from the expectations and predictions, expressed or implied, in such forward-looking statements. These factors include, among other things, those risks identified in Section 8.

None of Activistic, its officers, nor persons named in this Bidder's Statement with their consent or any person involved in the preparation of this Bidder's Statement makes any representation or warranty (express or implied) as to the accuracy or likelihood of any forward looking statements. You are cautioned not to place reliance on these statements in the event that the outcome is not achieved.

The forward looking statements in this Bidder's Statement reflect views held only at the date of this Bidder's Statement.

### **Value of Activistic Shares**

The implied value of the Takeover Offer will vary with the market price of Activistic Shares. Further information on the implied value of the Takeover Offer is contained in this document.

In addition, all references to the implied value of the Takeover Offer are subject to the effects of rounding.

### **Disclaimer as to Plus Connect information**

The information on Plus Connect and Plus Connect's securities contained in this Bidder's Statement has been prepared by Activistic using only publicly available information.

The information in this Bidder's Statement concerning Plus Connect and the assets and liabilities, financial position and performance, profits and losses and prospects of Plus Connect has not been independently verified by Activistic.

Accordingly Activistic does not, subject to the Corporations Act, make any representation or warranty, express or implied, as to the accuracy or completeness of such information.

The information on Activistic contained in this Bidder's Statement, to the extent that it incorporates or reflects information on Plus Connect, has also been prepared using publicly available information. Accordingly, information in relation to Plus Connect is subject to the foregoing disclaimer to that extent. Further information relating to Plus Connect's business may be included in Plus Connect's Target's Statement which Plus Connect must provide to its shareholders in response to this Bidder's Statement.

### **Investment Advice**

This Bidder's Statement does not take into account the individual investment objectives, financial situation or particular needs of each Plus Connect Shareholder (or any other person). You may wish to seek independent financial and taxation advice before making a decision as to whether or not to accept the Takeover Offer.

### **Privacy**

Activistic has collected your information from the registers of Plus Connect for the purposes of making the Takeover Offer and administering your acceptance over your Plus Connect Shares. Activistic and its share registry may use your personal information in the course of making and implementing the Takeover Offer. Activistic and its share registry may also disclose your personal information to their related bodies corporate and external service providers and may be required to disclose such information to regulators, such as ASIC. If you would like details of information about you held by Activistic, please contact Activistic at the address set out in the Key Contacts Section.

### **Defined Terms**

A number of defined terms are used in this Bidder's Statement. Unless expressly specified otherwise, defined terms have the meaning given in Section 11.

### **Internet Sites**

Activistic and Plus Connect each maintain internet sites. The URL location for Activistic is [www.activisticgroup.com](http://www.activisticgroup.com) and for Plus Connect is [www.plusconnect.com.au](http://www.plusconnect.com.au). Information contained in or otherwise accessible through these internet sites is not part of this Bidder's Statement. All references to these sites in this Bidder's Statement is for information purposes only.

## **Estimates and Assumptions**

Unless otherwise indicated, all references to estimates, assumptions and derivations of the same in this Bidder's Statement are references to estimates, assumptions and derivations of the same by Activistic's management. Management estimates reflect and are based on views as at the date of this Bidder's Statement, and actual facts or outcomes may materially differ from those estimates or assumptions.

## **Effect of Rounding**

Figures, amounts, percentages, prices, estimates, calculations of value and fractions in this Bidder's Statement may be subject to the effect of rounding. Accordingly, the actual figures may vary from those included in this Bidder's Statement.

## **Currencies**

In this Bidder's Statement, references to "Australian dollars", "AUD", "\$" or "cents" are to the lawful currency of Australia.

This Bidder's Statement may contain conversions of relevant currencies to other currencies for convenience. These conversions should not be construed as representations that the relevant currency could be converted into the other currency at the rate used or at any other rate. Conversions that have been calculated at the date of this Bidder's Statement (or any other relevant date) may not correspond to the amounts shown in the historic or future financial statements of Activistic or Plus Connect in respect of which different exchange rates may have been, or may be, used.

## **Maps and diagrams**

Any diagrams and maps appearing in this Bidder's Statement are illustrative only and may not be drawn to scale. Unless stated otherwise, all data contained in charts, maps, graphs and tables is based on information available at the date of this Bidder's Statement.

## **Queries**

You should contact your legal, financial or professional advisor if you are unsure about how to deal with this Bidder's Statement.

If you have any enquires about the Takeover Offer, please contact Activistic on + 61 8 6244 0302 or your professional financial advisor.

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## CHAIRMAN'S LETTER

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17 November 2016

Dear Plus Connect Shareholders,

### **RECOMMENDED OFF-MARKET TAKEOVER BID FOR PLUS CONNECT LIMITED**

On 22 September 2016, Activistic Limited (**Activistic** or the **Company**) announced its intention to make an off-market takeover offer for all the shares in Plus Connect Limited (**Plus Connect**). On behalf of the Directors of Activistic, I am pleased to provide you with this Bidder's Statement detailing Activistic's offer to acquire your Plus Connect Shares.

By accepting Activistic's offer you will, subject to the terms and conditions of the offer, receive 3.126231 Activistic Shares for every 1 Plus Connect Share held by you on the Record Date (**Takeover Offer** or **Offer**).

These terms and conditions of the Offer are explained further in Annexure A to this Bidder's Statement.

Plus Connect's Board of Directors unanimously recommends that Plus Connect Shareholders **ACCEPT** the Takeover Offer in the absence, amongst other things, of a Superior Proposal.

Based on Activistic's last closing share price of \$0.03 on the ASX on 21 September 2016, the Takeover Offer values Plus Connect at approximately \$5.4 million or \$0.094 per Plus Connect Share<sup>1</sup>.

Based on Activistic's last closing share price of \$0.039 on the ASX on 16 November 2016, the last trading date of Activistic before the date of this Bidder's Statement, the Takeover Offer values Plus Connect at approximately \$7.02 million, or \$0.1219 per Plus Connect Share.

In addition to this attractive value, you will enjoy ASX trading liquidity and you may also be entitled to full or partial Australian capital gains tax rollover relief.

Plus Connect Shareholders together holding 19.3% of Plus Connect Shares have agreed to accept the Offer, subject to certain termination rights, within 2 business days of the date that is 10 business days after the open of the Offer for acceptance. In addition, Plus Connect Shareholders holding in aggregate 45.5% of Plus Connect Shares have indicated their intention to accept the Offer, in the absence of a Superior Proposal, not earlier than 21 days after the open of the Offer.

Once completed (and assuming Activistic holds a Relevant Interest in at least 90% of all Plus Connect Shares on issue and moves to compulsory acquisition), merging Plus Connect and Activistic will:

- enable Activistic to engage with several charities in Australia. The Company has relationships with reputable Australian charities but has been unable to implement its existing fundraising technology into the Australian market;

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<sup>1</sup> The Directors note that the implied value of Plus Connect based on the Offer will fluctuate depending on the prevailing trading price of Activistic Shares. The Merged Entity's share price may rise or fall based on market conditions and the Merged Entity's financial and operational performance. If the Merged Entity's share price falls, the value of the Activistic Shares received by Plus Connect Shareholders that accept the Offer will decline in value.

- provide the Company with an extra revenue stream. The Merged Entity will benefit from short and long term revenue cycles;
- enable Plus Connect to provide lottery products overseas through Activistic's existing international structure;
- provide synergies through the removal of duplicated corporate, compliance and head office administrative functions; and
- enhance financing options and broader equity markets appeal from improved operational, liquidity and increased ability to source development financing.

If Activistic acquires at least 90% of all Plus Connect Shares, it intends to proceed with compulsory acquisition of the remaining Plus Connect Shares.

I encourage you to read this important document carefully, including the risk factors set out in Section 8. If Activistic acquires all of the issued shares in Plus Connect, Plus Connect Shareholders will then hold approximately 32.56% (undiluted) of Activistic Shares.

As a new Activistic Shareholder, you will be able to participate on the same basis as an existing Activistic Shareholder in the benefits and potential value arising from the combination of Activistic and Plus Connect.

The Takeover Offer is open for your acceptance until 5:00pm (WST) on 23 December 2016, unless extended. If you wish to accept the Takeover Offer, you should follow the instructions on the relevant Acceptance Form enclosed.

If you have any questions about the recommended Takeover Offer, please contact Activistic on +61 8 6244 0302, or your professional financial advisor.

Yours sincerely

**Mr Peter Wall**  
**Chairman**  
**ACTIVISTIC LIMITED**

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## KEY DATES\*

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Announcement of Takeover Offer	22 September 2016
Date of this Bidder's Statement	17 November 2016
Date this Bidder's Statement is lodged with ASIC	17 November 2016
Date of Takeover Offer	22 November 2016
Takeover Offer Closes (unless otherwise extended)	5:00pm (WST) on 23 December 2016

\*All dates and times are subject to change and obtaining certain regulatory approvals.

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## KEY CONTACTS

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### Activistic Limited

Suite 5  
71-73 South Perth Esplanade  
South Perth, WA 6151

Phone: +61 8 6244 0333

### Current Directors

Peter Wall – Non-Executive Chairman  
Nigel Lee – Non-Executive Director  
Evan Cross – Non-Executive Director  
Michael Hughes – Non-Executive Director

### Proposed Director\*

Paul Crossin – Proposed Director

### Joint Company Secretaries

Evan Cross  
Ramon Soares

**ASX Code:** ACU

**Website:** [www.activisticgroup.com](http://www.activisticgroup.com)

### Australian Solicitors to Activistic

Steinepreis Paganin  
Lawyers and Consultants  
Level 4, The Read Buildings  
16 Milligan Street  
Perth WA 6000

### Share registry for the Takeover Offer\*

Security Transfer Australia Pty Ltd  
770 Canning Highway  
Applecross, WA 6153

### Auditor\*

HLB Mann Judd  
Level 4  
130 Stirling Street  
Perth WA 6000

\* This entity has not been involved in the preparation of this Bidder's Statement and has not consented to being named in this Bidder's Statement. Its name is included for information purposes only.

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## 1. INVESTMENT OVERVIEW

The information in this Section is intended to provide an overview of Activistic, the Takeover Offer that Activistic is making for your Plus Connect Shares and the risks you should consider.

**The information in this Section 1 is not intended to be comprehensive and should be read in conjunction with the detailed information contained in this Bidder's Statement.**

You should read this Bidder's Statement in its entirety and the separate target's statement from Plus Connect before deciding how to deal with your Plus Connect Shares. The detailed terms of the Takeover Offer are set out in Annexure A.

The information in this Section 1 is set out by way of response to a series of questions. Activistic believes this is the clearest way to provide the information. Each answer has, where appropriate, cross-references to other questions in this Investment Overview and other parts of this Bidder's Statement, including the Annexures that contain more information that you might find useful or relevant.

**Part A** of this Investment Overview deals with the Takeover Offer. **Part B** deals with Activistic, its business and assets and Activistic securities. **Part C** deals with risks relating to Activistic, Plus Connect, the Takeover Offer and the Merged Entity. **Part D** deals with other relevant questions.

If you have any questions about the Takeover Offer, please contact Activistic on +61 8 6244 0302, or your professional financial advisor.

### PART A – OVERVIEW OF THE OFFER

No.	Question	Answer	Further Information
1.	<b>What is Activistic offering to buy?</b>	Activistic is offering to buy all Plus Connect Shares on the terms set out in this Bidder's Statement. You may only accept the Takeover Offer in respect of all the Plus Connect Shares held by you.	Annexure A contains the full terms of the Takeover Offer and the Conditions. The answers to questions 2 to 4 in Part A and in Parts C and D explain other aspects of the Takeover Offer.
2.	<b>How long will the offer remain open?</b>	The Takeover Offer opens on <b>22 November 2016</b> . Unless withdrawn or extended in accordance with the Corporations Act, the Takeover Offer is scheduled to close at 5:00pm (WST) on <b>23 December 2016</b> .	
3.	<b>What will you receive if you accept the Takeover Offer?</b>	If you accept the Takeover Offer, subject to satisfaction of the Conditions of the Takeover Offer, you will be issued <b>3.126231 Activistic Shares</b>	Annexure A contains full terms of the Takeover Offer and the Conditions. The answer to question 9 in Part D summarises the Conditions.

No.	Question	Answer	Further Information
		<b>for every 1 Plus Connect Share</b> held by you.	
4.	<b>What is the value of the Takeover Offer?</b>	<p>The implied value of Plus Connect under the Takeover Offer as at the Announcement Date was approximately \$5.4 million or \$0.094 per Plus Connect Share (based on the closing share price of Activistic Shares of \$0.03 on 21 September 2016, the last trading day prior to the Announcement Date).</p> <p>Based on Activistic's last closing share price of \$0.039 on the ASX on 16 November 2016, the last trading date of Activistic before the date of this Bidder's Statement, the Takeover Offer values Plus Connect at approximately \$7.02 million, or \$0.1219 per Plus Connect Share.</p> <p>The value of the Takeover Offer may change as a consequence of changes in the market price of Activistic Shares.</p>	<p>Section 9.14.2 of this Bidder's Statement provides further information in respect of the implied value of the Takeover Offer.</p> <p>The answers to Parts A, B and C of this Bidder's Statement contain more information about Activistic, its business and assets and the risks that may apply to Activistic.</p> <p>Section 2 of this Bidder's Statement contains the view of Activistic as to why they think you should accept the Takeover Offer.</p>

#### **PART B – OVERVIEW OF Activistic**

No.	Question	Answer	Further Information
1.	<b>Who is Activistic?</b>	Activistic is an Australian incorporated company listed on the Official List of the ASX (ASX Code: ACU).	Sections 3, 6, 8 and 9 of this Bidder's Statement contain more information about Activistic's assets, financial position, details of Activistic securities currently on issue and the risks that may apply to Activistic.
2.	<b>Will my new Activistic Shares be listed on ASX?</b>	Within 7 days of the date of this Bidder's Statement, Activistic will apply to the ASX for quotation of the new Activistic Shares on the ASX. Quotation of the new Activistic Shares depends on ASX exercising its discretion to admit them to quotation on ASX. Activistic is already admitted to the	Section 3.11 of this Bidder's Statement contains more information in relation to the admission of the Activistic Shares to the Official List of ASX.

No.	Question	Answer	Further Information
		Official List of ASX and Activistic Shares in the same class as the new Activistic Shares are already quoted.	
3.	<b>What rights and liabilities will attach to my new Activistic Shares?</b>	The new Activistic Shares issued under the Takeover Offer will be issued fully paid and will from the time of issue rank equally with existing Activistic Shares.	Section 3.12 of this Bidder's Statement contains more information about the rights and liabilities attaching to Activistic Shares.
4.	<b>Who are the Activistic Directors and Proposed Director and what experience do they have?</b>	<p>The Directors of Activistic are:</p> <ul style="list-style-type: none"> <li>(a) Peter Wall – Non-Executive Chairman;</li> <li>(b) Nigel Lee – Non-Executive Director</li> <li>(c) Evan Cross – Non-Executive Director</li> <li>(d) Michael Hughes – Non-Executive Director.</li> </ul> <p>If Activistic acquires a relevant interest in more than 90% of Plus Connect and the Offer becomes unconditional, it is intended that Paul Crossin will be appointed as an Executive Director of Activistic.</p>	Section 3.3 of this Bidder's Statement contains further information in relation to the expertise of the Activistic Directors and Proposed Director.
5.	<b>Do the current Directors and Proposed Director of Activistic have any potential conflicts of interest in relation to the Takeover Offer or Plus Connect?</b>	<p>None of the current Activistic Directors have an interest in Plus Connect securities.</p> <p>Paul Crossin and his associates have relevant interests in 31.06% of Plus Connect Shares. In addition, Paul Crossin will be offered employment with Activistic if the Takeover Offer becomes unconditional and Activistic acquires a Relevant Interest in more than 90% of Plus Connect Shares.</p>	Sections 9.14 and 9.15 of this Bidder's Statement contain further information in relation to the Takeover Offer and the shareholdings Activistic Directors and Proposed Director have in Plus Connect.

No.	Question	Answer	Further Information
6.	<b>Do the Activistic Directors and Proposed Director have any interest in Activistic securities?</b>	<p>The current Activistic Directors and Proposed Director currently have the following interests in Activistic securities:</p> <p>(a) Peter Wall: 1,523,004 Activistic Shares and 1,750,000 Activistic Options;</p> <p>(b) Nigel Lee: 2,363,067 Activistic Shares, 8,750,000 Activistic Performance Rights;</p> <p>(c) Evan Cross: 10,634,334 Activistic Shares, 3,000,000 Activistic Options and 11,025,000 Activistic Performance Shares;</p> <p>(d) Michael Hughes: 850,000 Activistic Shares and 750,000 Activistic Options; and</p> <p>(e) Paul Crossin: As at the date of this Bidder's Statement, Paul Crossin holds no Activistic securities.</p>	See Section 9.15 of this Bidder's Statement for further information.

## PART C – OVERVIEW OF RISKS

No.	Question	Answer	Further information
1.	<b>Are there risks if I accept the Takeover Offer?</b>	<p>Yes, if you accept the Takeover Offer, and it becomes unconditional, you will be issued new Activistic Shares and Activistic will acquire your interest in Plus Connect. There are risks in holding Activistic Shares.</p> <p>The financial and operational performance of Activistic's business, and the value and trading prices for Activistic Shares will be influenced by a range of risks. Many of these risks are beyond the control of Activistic's Board and management.</p>	See Section 8 of this Bidder's Statement which contains further details in respect of each of the risks.

No.	Question	Answer	Further information
		<p>Section 8 of this Bidder's Statement provides a detailed explanation of these risks. Specifically it deals with:</p> <p>(a) risks relating to the Takeover Offer; and</p> <p>(b) risks that relate to Activistic and Plus Connect as the Merged Entity.</p>	
2.	<p><b>Are there any risks in respect of the Takeover Offer not proceeding?</b></p>	<p>In the event that the Takeover Offer does not proceed for reasons including due to a Superior Proposal, Plus Connect being in material breach of the Bid Implementation Agreement, change in recommendation in response to a Competing Transaction or breach of exclusivity obligations (among others) Plus Connect may be required to pay Activistic a sum of \$100,000 as a compensating amount for the costs incurred by Activistic in respect of the Takeover Offer.</p>	<p>See Section 9.13 for further details in respect of reimbursement payable in respect of termination of the Bid Implementation Agreement.</p>

**PART D – OTHER RELEVANT QUESTIONS**

No.	Question	Answer	Further information
1.	<p><b>Can the Offer Period be extended?</b></p>	<p>The Offer Period can be extended at Activistic's election, up to a maximum Offer Period of 12 months. Plus Connect Shareholders will be sent written notice in the mail of any extension, and the extension will be announced to ASX.</p>	<p>Annexure A of this Bidder's Statement contains more information as to the circumstances in which the Offer Period can be extended.</p>
2.	<p><b>What choices do I have as a Plus Connect Shareholder?</b></p>	<p>As a Plus Connect Shareholder, you have the following choices in respect of your Plus Connect Shares:</p> <p>(a) accept the Takeover Offer;</p>	

No.	Question	Answer	Further information
		(b) sell your Plus Connect Shares; or (c) do nothing.	
3.	<b>How do I accept the Takeover Offer?</b>	To accept the Takeover Offer, you should follow the instructions set out in this Bidder's Statement and in the enclosed Acceptance Form.	See your Acceptance Form <b>enclosed</b> with this Bidder's Statement and Annexure A for further information.
4.	<b>Can I accept the Takeover Offer for part of my holding?</b>	No, you must accept the Takeover Offer for all of your holding.	
5.	<b>If I accept the Takeover Offer can I withdraw my acceptance?</b>	You cannot withdraw or revoke your acceptance unless a withdrawal right arises under the Corporations Act. A withdrawal right will arise if, after you have accepted the Takeover Offer, Activistic varies the Takeover Offer in a way that postpones for more than 1 month the time that Activistic has to meet its obligations under the Takeover Offer (for example, if Activistic extends the Takeover Offer for more than 1 month while the Takeover Offer remains subject to any of the Conditions).	Annexure A of this Bidder's Statement contains more information as to the limited circumstances in which you may be able to withdraw your acceptance.
6.	<b>When will you receive your consideration?</b>	If you accept the Takeover Offer and the Takeover Offer is declared unconditional, Activistic will issue you Activistic Shares as consideration for your Plus Connect Shares on or before the earlier of: (a) 1 month after you have validly accepted the Takeover Offer or the contract resulting from its acceptance becomes unconditional (whichever is later); and	Annexure A of this Bidder's Statement contains more information as to when your new Activistic Shares will be issued to you.

No.	Question	Answer	Further information
		(b) 21 days after the end of the Offer Period, provided that the Takeover Offer has become unconditional.	
7.	<b>Will I need to pay any transaction costs if I accept the Takeover Offer?</b>	If you deliver a duly executed Acceptance Form to Activistic, you will not incur any brokerage in connection with your acceptance of the Offer.	Annexure A of this Bidder's Statement contains the full terms of the Takeover Offer and Conditions. See also the instructions on the Acceptance Form <b>enclosed</b> with this Bidder's Statement.
8.	<b>What happens if I do not accept the Takeover Offer?</b>	<p>Subject to the explanation below, you will remain a shareholder of Plus Connect and will not receive the Takeover Offer Consideration.</p> <p>If you do not accept the Takeover Offer and Activistic acquires a Relevant Interest in at least 90% of Plus Connect Shares and the other conditions of the Takeover Offer are satisfied or waived, Activistic intends to proceed to compulsorily acquire the outstanding Plus Connect Shares. If this occurs, you will be paid or entitled to receive the Takeover Offer Consideration at the conclusion of the compulsory acquisition process. Therefore, accepting the Takeover Offer will result in you receiving your Takeover Offer Consideration sooner if you accept the Takeover Offer, rather than having your Plus Connect Shares compulsorily acquired.</p> <p>If the Takeover Offer becomes or is declared unconditional but Activistic does not become entitled to compulsorily acquire your Plus Connect Shares under the Corporations Act, unless you sell your Plus</p>	Section 6 of this Bidder's Statement provides more information regarding Activistic's intentions if it acquires a Relevant Interest in at least 90% of the Plus Connect Shares.

No.	Question	Answer	Further information
		<p>Connect Shares, you will remain a shareholder in Plus Connect.</p> <p>In these circumstances and, depending on the number of Plus Connect Shares acquired by Activistic, you may be a minority Plus Connect Shareholder.</p>	
9.	<p><b>Are there conditions to the Takeover Offer?</b></p>	<p>The Takeover Offer is subject to the Conditions set out in Annexure A and include:</p> <p>(a) Activistic acquiring an interest in at least 90% of all Plus Connect Shares on issue at the end of the Offer Period (at any time prior to Activistic obtaining a Relevant Interest in at least 80% of Plus Connect Shares this condition can only be waived with the consent of Plus Connect);</p> <p>(b) that no Plus Connect Prescribed Occurrence occurs; and</p> <p>(c) that no Plus Connect Material Adverse Change occurs.</p> <p>As at the date of this Bidder's Statement, Activistic is not aware of any act, omission, event or fact that would result in any of the Conditions to the Offer being triggered (or not being satisfied, as appropriate).</p>	<p>Annexure A to this Bidder's Statement sets out the Conditions in full.</p>



No.	Question	Answer	Further information
10.	<b>What if the Conditions are not satisfied or waived?</b>	If the Takeover Offer closes and the Conditions are not satisfied or waived, the Takeover Offer will lapse, and your acceptance will be void. In other words, you will continue to hold your Plus Connect Shares (unless you otherwise sell them). Activistic will announce whether the Conditions have been satisfied or waived during the Offer Period in accordance with its obligations under the Corporations Act.	Annexure A to this Bidder's Statement sets out further information.
11.	<b>What happens if Activistic improves the Takeover Offer Consideration?</b>	If Activistic improves the Takeover Offer Consideration, all the Plus Connect Shareholders who accept the Takeover Offer (whether or not they have accepted the Takeover Offer before or after such improvement) will be entitled to the benefit of the improved Takeover Offer Consideration, should the Takeover Offer become or be declared unconditional.	Annexure A to this Bidder's Statement sets out further information.
12.	<b>What are the tax implications of accepting the Takeover Offer?</b>	A general summary of the Australian tax consequences for Plus Connect Shareholders who accept the Takeover Offer is set out in Section 7 of this Bidder's Statement. This summary is expressed in general terms only and is not intended to provide taxation advice for your specific circumstances. Plus Connect Shareholders should seek their own taxation advice in relation to the Takeover Offer.	Section 7 of this Bidder's Statement sets out further information.

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## 2. WHY YOU SHOULD ACCEPT THE OFFER

Activistic believes you should ACCEPT the Takeover Offer for the following reasons:

1. **Plus Connect will have immediate access to funds through Activistic's existing resources**
2. **You will gain ASX share trading liquidity**
3. **You will become a shareholder in a larger capitalized company with improved access to capital**
4. **The Plus Connect Board unanimously recommends that you accept the Takeover Offer in the absence of a Superior Proposal**
5. **The Merged Entity will have a strong board and management team that can deliver the strategy and growth going forward**
6. **You may be eligible to receive capital gains tax relief in Australia if Activistic achieves ownership of more than 80% of the issued Plus Connect Shares**
7. **As at the date of this Bidder's Statement no Superior Proposal exists**
8. **Certain Plus Connect Shareholders representing ~65% of Plus Connect's Shares have committed, or indicated an intention, to accept the Takeover Offer in the absence of a Superior Proposal**
9. **No duty or brokerage will be payable by Plus Connect Shareholders**
10. **There are implications of remaining as a minority shareholder of Plus Connect if you do not accept the Takeover Offer**

The above is only a headline summary of some of the reasons why you should accept the Takeover Offer. Each of the reasons is explained below.

If you wish to accept this Takeover Offer, you must return the signed Acceptance Form by 5:00pm (Perth time) on 23 December 2016 (unless the Takeover Offer is extended or withdrawn).

### 2.1 **Plus Connect will have immediate access to funds through Activistic's existing resources**

Activistic announced on 8 August 2016 it had received firm commitments for a capital raising of \$3.56 million via a private placement of Activistic Shares to professional and sophisticated investors. The Activistic Shares the subject of the Placement were issued on 15 September 2016. The funds raised from the placement ensure the Company is in a strong financial position. Activistic has agreed to loan Plus Connect an amount of up to \$500,000 for working capital and marketing expenditure to grow its user base. As at the date of this Bidder's Statement, the Company has advanced \$320,000 to Plus Connect. A summary of the Loan Agreement is set out in Section 9.10.

### 2.2 **You will gain ASX share trading liquidity**

Since Activistic is ASX listed and Activistic is offering to issue Activistic Shares as consideration for your Plus Connect Shares, you will, if you accept the Offer, gain the ability to trade the Activistic Shares that you receive as Takeover Offer Consideration on ASX should the Takeover Offer be successful (subject to any trading restrictions that may apply to your Activistic Shares).

Gaining share trading liquidity on ASX provides shareholders with improved access to a publicly listed, transparent market to buy and sell Activistic Shares. This Takeover Offer provides you the opportunity to realise this objective and associated benefits.

### **2.3 You will become a shareholder in a larger capitalised company with improved access to capital**

By accepting the Takeover Offer and it becoming unconditional, you will become a shareholder of a company with an enhanced balance sheet and improved access to capital for funding growth given its ASX listing.

### **2.4 The Plus Connect Board unanimously recommends that you accept the Takeover Offer in the absence of a Superior Proposal**

The Plus Connect Board unanimously recommends that Plus Connect Shareholders accept the Takeover Offer in the absence of a Superior Proposal. This unanimous recommendation is contained in the Target's Statement enclosed with this Bidder's Statement.

The members of the Plus Connect Board have also indicated that they intend to accept and/or procure the acceptance of the Takeover Offer in respect to all of the Plus Connect Shares that they control in the absence of a Superior Proposal.

### **2.5 The Merged Entity will have a strong board and management team**

The merged Board and management team are highly credentialed and experienced with delivering operational excellence, and is proposed to be expanded with the appointment of Paul Crossin as an Executive Director. Further details on the current Activistic Directors and the Proposed Director are set out in Section 3.3.

By accepting the Offer, eligible Plus Connect Shareholders will become a shareholder in the Merged Entity which will benefit from this high quality management team and business model.

### **2.6 Potential eligibility for capital gains tax relief in Australia**

Provided Activistic achieves ownership of more than 80% of the issued Plus Connect Shares, eligible Plus Connect Shareholders may be entitled to rollover relief from capital gains tax on the consideration they receive under the Offer. However, Plus Connect Shareholders may be subject to capital gains tax as a result of a later taxable event (such as a disposal) happening to the Activistic Shares received as consideration under the Takeover Offer. Please refer to Section 7 of this Bidder's Statement for more information. You should consult a qualified tax adviser for further taxation advice.

### **2.7 No Superior Proposal**

The Takeover Offer is the only offer available for your Plus Connect Shares as at the date of this Bidder's Statement. Activistic is not aware of any other party intending to make an offer for Plus Connect Shares which is superior to the Takeover Offer.

## **2.8 Certain Plus Connect Shareholders have committed to, or indicated an intention, accept the Takeover Offer**

Activistic has entered into pre-bid acceptance agreements with Plus Connect Shareholders in respect of a total of 19.3% of Plus Connect Shares. A summary of the Pre-Bid Acceptance Agreement and a list of the Plus Connect Shareholders that have entered into those agreements are set out in Section 9.7.

Under the terms of the Pre-Bid Acceptance Agreements, each of those Plus Connect Shareholders must accept the Takeover Offer in respect of their Plus Connect Shares subject to those arrangements, subject to certain termination rights, within 2 business days of the date that is 10 business days after the Takeover Offer opens, unless the Pre-Bid Acceptance Agreements are terminated.

The commitment by the Plus Connect Shareholders that have entered into Pre-Bid Acceptance Agreements clearly supports the view of the Plus Connect Directors as to the merits of a merger with Activistic. These commitments also improve the prospects of the merger between Plus Connect and Activistic being consummated in a timely manner.

As a result of Activistic's entry into the Pre-Bid Acceptance Agreements, Activistic has a Relevant Interest in 19.3% of Activistic Shares as at the date of this Bidder's Statement.

In addition, several Plus Connect Shareholders holding in aggregate approximately 45.5% of Plus Connect Shares have indicated that they intend to accept the Offer on a date that is not earlier than 21 days after the Offer opens, in the absence of a Superior Proposal. A list of the Plus Connect Shareholders that have indicated that they intend to accept the Offer, in the absence of a Superior Proposal, is set out in Section 9.8.

## **2.9 No duty or brokerage**

There will be no brokerage or Australian duty payable by you in respect of the sale of your Plus Connect Shares to Activistic.

## **2.10 Implications of remaining as a minority shareholder of Plus Connect**

You will be/remain a minority shareholder in Plus Connect, in circumstances where:

- (a) Activistic receives acceptances under the Takeover Offer for some but not all Plus Connect Shares on issue at the end of the Offer Period resulting in Activistic holding less than a 90% relevant interest in the voting shares of Plus Connect. However, a condition of the Offer is that the level of acceptance must result in Activistic obtaining a Relevant Interest in at least 90% of all Plus Connect Shares. Activistic reserves the right to free the Takeover Offer from the 90% minimum acceptance Condition save that, under the Bid Implementation Agreement, this Condition cannot be waived by Activistic, where Activistic has a Relevant Interest of less than 80% of Plus Connect Shares, without the prior written consent of Plus Connect;
- (b) the Offer Period closes and the Takeover Offer is unconditional at the time; and
- (c) you do not accept the Takeover Offer in respect of your Plus Connect Shares.

In the above circumstances, the market for Plus Connect Shares may become less liquid or active affecting your ability to dispose of your Plus Connect Shares should you wish to do so.

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### **3. PROFILE OF ACTIVISTIC LIMITED**

#### **3.1 Overview of Activistic**

Activistic has developed a micro-donation technology that seamlessly connects and engages the world's smartphone consumers with charities and causes.

Activistic's technology ensures the lowest possible cost to both the donor and the industry via an efficient collection technology that enables regular payments or contributions utilising a mobile phone network.

Activistic allows subscribers to donate with ease and simplicity to any cause in any region, with no need for credit cards or bank information. It provides significant cost savings to beneficiaries, with the nominated charity receiving 85% of the donated amount. Activistic solves issues that often hinder donation collection through its low cost, secure and streamlined payment technology.

In addition, Activistic's platform is equipped with a powerful engagement tool, providing a highly efficient and impactful way of distributing key events and results of fund raisings to build traction and increase transparency with a group's donor base.

#### **3.2 Corporate Information**

The Company is a public company limited by shares and was registered on 15 April 1970 in South Australia. It was admitted to the Official List on 25 August 1971 (ASX:ACU).

#### **3.3 Directors and Proposed Director of Activistic**

Details of the responsibilities and experience of the Directors (as at the date of this Bidder's Statement) are set out in Activistic's 2016 Annual Financial Report, a copy of which is available on request or from Activistic's website [www.activisticgroup.com](http://www.activisticgroup.com).

A summary of the Activistic Board, as at the date of this Bidder's Statement, and the Proposed Director, Paul Crossin, is set out below.

##### ***Peter Wall – Non-Executive Chairman***

Mr Wall is a partner at Steinepreis Paganin, specialising in mergers and acquisitions, corporate reconstruction and recapitalisations of listed entities. Mr Wall has advised on numerous successful IPOs and backdoor listings.

Mr Wall graduated from the University of Western Australia in 1998 with a Bachelor of Laws and Bachelor of Commerce (Finance). He has also completed a Masters of Applied Finance and Investment with FINSIA.

Mr Wall is the non-executive chairman of Minbos Resources Ltd, MyFiziq Limited, MMJ Phytotech, Transcendence Technologies Limited, Zyber Holdings Ltd and Sky and Space Global. He is also a non-executive director of Burrabulla Corporation and Ookami Limited.

As at the date of this Bidder's Statement, Mr Wall holds approximately a 0.42% undiluted interest in the Company.

### ***Nigel Lee – Non-Executive Director***

Based in Singapore, Mr Lee began working with American Express in January 2012. He was responsible for strategy, management and growth of new and emerging payment activities for Asia (including China, India and Japan), plus Latin America. This comprised the development, expansion and operation of payment methods such as pre-paid cards, travel card products, mobile payments, online e-gift and virtual cards across both consumer and business-to-business channels.

In addition to American express, Mr Lee has also had significant experience in mobile payment, credit card and e-commerce with companies including MoneyGram, First Data Resources Asia-Pacific and Electronic Data Systems Corp.

Mr Lee has also served on the board of YuuZoo Corporations, an e-commerce and social network business with more than 30 million registered users and franchise partnerships in 40 countries. YuuZoo Corporation became a publicly listed company on the Singapore Securities Exchange in September 2014.

Mr Lee serves as Executive Chairman of Activistic Holdings Pty Ltd, a subsidiary of Activistic.

As at the date of this Bidder's Statement, Mr Lee holds approximately a 0.66% undiluted interest in the Company.

### ***Evan Cross – Non-Executive Director***

Mr Cross has been a member of the Chartered Accountants Australia and New Zealand for over 30 years, and is a Fellow of the Australian Institute of Company Directors. Mr Cross has extensive corporate finance experience in investment banking both in Australia and the US and has held key finance or executive director roles in a number of private and ASX-listed companies in a wide range of industries including technology, healthcare, mining and the food and beverage industries.

Mr Cross serves as Executive Director – Finance of Activistic Holdings Pty Ltd, a subsidiary of Activistic. Mr Cross is also a non-executive director of Open DNA Limited.

As at the date of this Bidder's Statement, Mr Cross holds approximately a 2.95% undiluted interest in the Company.

### ***Michael Hughes – Non-Executive Director***

Mr Hughes has been a commercial director at SeaLink Travel Group Limited since September 2014 and is responsible for identifying and securing new business and acquisition opportunities. Mr Hughes served as head of corporate finance at Ord Minnett from 2010 to May 2014.

Prior to joining Ord Minnett, Mr Hughes was a senior portfolio manager at a number of AMP funds from 2006 to 2010, an analyst at 452 Capital from 2002 to 2006, and held a number of senior financial roles at Westpac Banking Corporation from 1999 to 2002. He was also company secretary of OzEmail Limited, an internet service provider which was listed on the ASX and NASDAQ.

Mr Hughes is a highly regarded corporate advisor, with significant experience in both equity capital and debt markets.

As at the date of this Bidder's Statement, Mr Hughes holds approximately a 0.24% undiluted interest in the Company.

### **Paul Crossin – Proposed Director**

Please refer to Section 4.3(b) below.

As at the date of this Bidder's Statement, Mr Crossin does not hold a Relevant Interest in any Activistic Shares.

## **3.4 Overview of Activistic's Business**

This Section contains a summary of Activistic's activities in respect of its current business. Further information can be found on Activistic's website, [www.activisticgroup.com](http://www.activisticgroup.com).

### **3.4.1 General**

Patronage of charities and other not-for-profit organisations has often been tempered by the donors' frustration with the costs of collection. These costs vary materially between countries and collection regions, due to both geographic and personnel limitations.

By using the Activistic micro-donations technology, the contributions are forwarded to the intended target organisation with minimal handling expense, thereby maximising the value of the contribution at the intended target organisation.

### **3.4.2 Veterans Call - USA**

In the financial year ended 30 June 2016, Activistic completed the technical integration of the Veterans Call app with the Mobile Giving Foundation aggregators, as the gateway for charitable donations via smartphones in North America. The app was launched on the iOS Apple Store and Google Play Store in November 2015. Activistic also successfully signed twelve leading US veterans' charities to the app, as well as a partnership with American online platform SportsBlog, as part of an initiative to promote the Veterans Call app to a wider audience. In addition to this, Activistic teamed up with socially conscious brand Sword and Plough, aiming to boost donations via Veterans Call.

Activistic is continuing to actively discuss partnerships with individuals and organisations that can provide support through their large distribution networks and social media presence. Activistic is also working on white label opportunities in the political and environmental sectors.

### **3.4.3 Ralli - UK**

In November 2015, Activistic rebranded the One Cent Call multi-charity donation app to Ralli. Activistic continues to develop Ralli, which will be the United Kingdom's first micro-donation app when it launches. Activistic, via its subsidiary Activistic UK Ltd, has signed direct partnership agreements with ten charities, including Church Army, Children's Heart Surgery Fund, Tearfund and Emmaus Glasgow.



### **3.4.4 Technology**

Activistic has developed a revolutionary micro-donation technology that seamlessly connects and engages the world's approximately 2 billion smartphone consumers with charities and causes.

This technology allows subscribers to donate with ease and simplicity to any cause in any region, without the need for credit cards or bank information. It provides significant cost savings to beneficiaries, with the nominated charity receiving 85% of the donated amount.

In addition, Activistic's platform is equipped with a powerful engagement tool, providing a highly efficient and impactful way of distributing key events and results of fund raisings to build traction and increase transparency with a group's donor base.

### **3.4.5 Industry Overview**

Recent methods of individual collection have advanced from personal door to door collections, to mail-out marketing, telemarketing, email requests, SMS requests and social media outreaches through organisations such as Facebook and Google. Payment methods continue to be physical cash currency, cheques, credit cards, electronic funds transfer and non-cash forms, such as loyalty or reward point contributions.

Specific data on the size of global individual giving is not easily available or reliable, making it difficult to estimate the verifiable monetary size of the market. By way of example however, in the initial key markets for Activistic, the size of the markets are more reliably known.

The USA market size for donations in the 2015 calendar year was estimated at US\$373 billion. Individuals gave \$264 billion of this amount in 2015. The major areas of donations went to religion (32%), education (15%), human services (12%) and grant making foundations (11%).

### **3.4.6 Further Information**

Activistic is a listed disclosing entity for the purposes of the Corporations Act and as such is subject to regular reporting and disclosure obligations. Activistic is subject to the ASX Listing Rules which require continuous disclosure of any information Activistic has concerning itself that a reasonable person would expect to have a material effect on the price or value or its securities.

ASX maintains files containing publicly disclosed information about all listed companies. Activistic's file is available for inspection at ASX during normal business hours.

Activistic is also required to lodge various documents with ASIC. Copies of documents lodged with ASIC by Activistic may be obtained from, or inspected at, an ASIC office.

On request to Activistic and free of charge, Plus Connect Shareholders may obtain a copy of:

- (a) the annual financial report of Activistic for the year ended 30 June 2016 (being the annual financial report most recently lodged with ASIC before lodgement of this Bidder's Statement with ASIC);

- (b) any half-year financial report lodged with ASIC by Activistic after the lodgement of the annual financial report referred to above and before lodgement of this Bidder's Statement with ASIC; and
- (c) any continuous disclosure notice given to ASX by Activistic since the lodgement with ASIC of the 2016 annual report for Activistic referred to above and before lodgement of this Bidder's Statement with ASIC.

A list of the announcements the Company has lodged with ASX since 30 June 2016 is set out in Annexure C to this Bidder's Statement.

A substantial amount of information about Activistic is available in electronic form from [www.activisticgroup.com](http://www.activisticgroup.com) and on the ASX website (ASX Code: ACU).

### 3.5 Capital structure

The capital structure of Activistic as at the date of this Bidder's Statement is as follows:

Securities	Number
<b>Activistic Shares</b>	
Current Activistic Shares	360,306,963
<b>TOTAL</b>	<b>360,306,963</b>
<b>Activistic Performance Shares</b>	
Class A Activistic Performance Shares <sup>1</sup>	13,000,000
Class B Activistic Performance Shares <sup>2</sup>	17,000,000
Class C Activistic Performance Shares <sup>3</sup>	19,000,000
<b>TOTAL</b>	<b>49,000,000</b>
<b>Activistic Options</b>	
Unquoted options exercisable \$0.1322 on or before 31 December 2019	4,250,000
Unquoted options exercisable at \$0.21 on or before 31 December 2019 (vesting 31 July 2017)	1,000,000
Unquoted options exercisable at \$0.21 on or before 31 December 2019 (vesting 9 December 2017)	1,000,000
Unquoted options exercisable at \$0.11 on or before 31 December 2017	41,090,494
Unquoted options exercisable at \$0.21 on or before 31 December 2019	1,750,000
Unquoted options exercisable at \$0.11 on or before 1 June 2019	750,000
<b>TOTAL</b>	<b>49,840,494</b>
<b>Activistic Performance Rights</b>	
Class C Activistic Performance Rights <sup>4</sup>	750,000
Class D Activistic Performance Rights <sup>5</sup>	2,000,000
Class E Activistic Performance Rights <sup>6</sup>	2,000,000

Securities	Number
Class F Activistic Performance Rights <sup>7</sup>	2,000,000
Class G Activistic Performance Rights <sup>8</sup>	2,000,000
Class H Activistic Performance Rights <sup>9</sup>	500,000
<b>TOTAL</b>	<b>9,250,000</b>

**Notes:**

- Each Class A Activistic Performance Share will convert into one Activistic Share upon Activistic achieving 1,000,000 active subscribers actually donating via Activistic's cumulative donation or subscriber platforms. The Class A Activistic Performance Shares expire on 1 May 2018.
- Each Class B Activistic Performance Share will convert into one Activistic Share upon Activistic's gross revenue exceeding \$1,500,000 per quarter for two consecutive quarters, where a quarter is defined as a period of three consecutive calendar months. The Class B Activistic Performance Shares expire on 1 May 2018.
- Each Class C Activistic Performance Share will convert into one Activistic Share upon Activistic achieving Earnings Before Interest Tax Depreciation and Amortisation of not less than \$1,250,000 per quarter for two consecutive quarters, where a quarter is defined as a period of three consecutive calendar months. The Class C Activistic Performance Shares expire on 1 May 2020.
- Each Class C Activistic Performance Right vests and converts into one Activistic Share on 31 December 2016.
- Each Class D Activistic Performance Right vests and converts into one Activistic Share upon the achievement of 500,000 active subscribers joining and paying via Activistic's app from commercialisation of a transaction with a social media partner. The Class D Activistic Performance Rights expire and lapse in the event that the Company determines and gives written notice to the holder of the Class D Activistic Performance Rights (in the absence of a manifest error) that the vesting condition has not been satisfied.
- Each Class E Activistic Performance Right vests and converts into one Activistic Share upon the achievement of 1,000,000 active subscribers joining and paying via Activistic's app from commercialisation of a transaction with a major telecommunications company in the United Kingdom and/or Australia. The Class E Activistic Performance Rights expire and lapse in the event that the Company determines and gives written notice to the holder of the Class E Activistic Performance Rights (in the absence of a manifest error) that the vesting condition has not been satisfied.
- Each Class F Activistic Performance Right vests and converts into one Activistic Share upon achievement of 5,000,000 active subscribers joining and paying via Activistic's app from commercialisation of a transaction with a major credit card provider. The Class F Activistic Performance Rights expire and lapse in the event that the Company determines and gives written notice to the holder of the Class F Activistic Performance Rights (in the absence of a manifest error) that the vesting condition has not been satisfied.
- Each Class G Activistic Performance Right vests and converts into one Activistic Share upon achievement of 10,000,000 active subscribers joining and paying via Activistic's app from commercialisation of a transaction with a major telecommunications company or other partner in China and/or greater Asia or India. The Class G Activistic Performance Rights expire and lapse in the event that the Company determines and gives written notice to the holder of the Class G Activistic Performance Rights (in the absence of a manifest error) that the vesting condition has not been satisfied.
- Each Class H Activistic Performance Right will convert automatically into one Activistic Share on 10 March 2017. The Class H Activistic Performance Rights expire on 10 March 2017.

### 3.6 Summary Historical Financial Information

#### 3.6.1 Basis of Presentation of Historical Financial Information

The historical financial information below relates to Activistic Limited and its subsidiaries on a stand-alone basis and accordingly does not reflect any impact

of the Offer. It is a summary only and has been extracted from the audited consolidated financial reports of Activistic (including the notes therein) for the years ending 30 June 2015 and 30 June 2016. Copies of these annual reports are available at [www.activisticgroup.com](http://www.activisticgroup.com) and also the ASX website (ASX Code: ACU).

The historical financial information in respect of Activistic has been prepared in accordance with the recognition and measurement principles of the Australian Accounting Standards, and in accordance with the accounting policies, as set out in the financial reports of Activistic for the full year ended 30 June 2015 and 30 June 2016.

RSM Australia Partners' (formerly RSM Bird Cameron Partners) Independent Auditor's Report on Activistic's Annual Financial Report for the year ended 30 June 2015 was unqualified and did not have an emphasis of matter statement.

HLB Mann Judd Chartered Accountant's Independent Auditor's Report on Activistic's Annual Financial Report for the year ended 30 June 2016 was unqualified and did not have an emphasis of matter statement.

During the financial year ended 30 June 2015, the Company completed a change in nature of its activities from the sale and distribution of a complementary medicine to a technology company which owns a micro-payments software platform. Therefore, the Directors consider that the Company's operations and financial historical performance prior to the financial year ended 30 June 2015 will not be of significant relevance to its current and future activities. Accordingly, the Company has not included information from its audited consolidated financial report for the year ended 30 June 2014 in this Bidder's Statement. A copy of the annual report for the year ended 30 June 2014 is available at the ASX website (ASX Code: ACU).

The past performance of Activistic is not a guarantee of future performance.

### 3.6.2 Activistic Consolidated Statement of Financial Position

	30 June 2015 Audited \$	30 June 2016 Audited \$
<b>Current Assets</b>		
Cash and cash equivalents	3,985,010	1,448,617
Trade and other receivables	99,970	305,044
Inventories	16,490	-
Other current assets	-	44,659
<b>Total Current Assets</b>	<b>4,101,470</b>	<b>1,798,320</b>
<b>Non-Current Assets</b>		
Property, plant and equipment	1,091	15,608
<b>Total Non-Current Assets</b>	<b>1,091</b>	<b>15,608</b>
<b>Total Assets</b>	<b>4,102,561</b>	<b>1,813,928</b>

	30 June 2015 Audited \$	30 June 2016 Audited \$
<b>Current Liabilities</b>		
Trade and other payables	171,957	338,404
Provisions	40,125	13,956
<b>Total Current Liabilities</b>	<b>212,082</b>	<b>352,360</b>
<b>Total Liabilities</b>	<b>212,082</b>	<b>352,360</b>
<b>Net Assets</b>	<b>3,890,479</b>	<b>1,461,568</b>
<b>Equity</b>		
Issued capital	8,920,330	12,830,449
Reserves	1,202,600	1,614,915
Accumulated losses	(6,272,340)	(13,013,674)
Equity attributable to owners of the parent	<b>3,850,590</b>	<b>1,431,690</b>
Non-controlling interests	39,889	29,878
<b>Total Equity</b>	<b>3,890,479</b>	<b>1,461,568</b>

### 3.6.3 Activistic Consolidated Statement of Profit or Loss and other Comprehensive Income

	30 June 2015 Audited \$	30 June 2016 Audited \$
<b>Revenue</b>		
Revenue	-	14,072
Other income	100,000	15,842
Administration and compliance	(548,628)	(1,818,318)
Corporate expenses	(64,260)	(1,101,643)
Marketing and business development	(87,989)	(2,161,849)
Software expenses	(59,161)	(441,809)
Legal and professional fees	(256,965)	(485,462)
Depreciation and amortisation	-	(2,355)
Share based payments	-	(661,954)
Loss on Foreign exchange	-	(177,258)
Other expenses from ordinary	(51,075)	-

	30 June 2015 Audited \$	30 June 2016 Audited \$
activities		
Impairment	-	(29,501)
Finance costs	-	(2,390)
Listing fee	(3,905,894)	-
<b>Loss before income tax expense</b>	<b>(4,873,972)</b>	<b>(6,852,625)</b>
Income tax benefit	-	101,280
<b>Loss after tax from continuing operations</b>	<b>(4,873,972)</b>	<b>(6,751,345)</b>
<b>Other comprehensive income</b>		
Items that may be reclassified subsequently to profit or loss		
Exchange differences on translation of foreign operations	-	35,362
<b>Other comprehensive loss for the year, net of tax</b>	<b>-</b>	<b>35,362</b>
<b>Total comprehensive loss for the year</b>	<b>(4,873,972)</b>	<b>(6,715,983)</b>
<b>Loss attributable to:</b>		
Owners of the parent	(4,873,937)	(6,741,334)
Non-controlling interests	(35)	(10,011)
<b>Total comprehensive loss for the attributable to:</b>		
Owners of the parent	(4,873,937)	(6,705,972)
Non-controlling interests	(35)	(10,011)
	<b>(4,873,972)</b>	<b>(6,715,983)</b>
Basic and diluted loss per share (cents per share)	(7.48)	(4.11)

### 3.6.4 Management Commentary on Historical Results

The principal activity of the Activistic Group since re-listing on the ASX in 2015, following the change to the nature of its activities, has been the development and implementation of its micro-donation technology that enables regular payments or contributions using a mobile phone network, as well as the expansion of the user and beneficiary charities base.

Activistic completed the technical integration of the Veterans Call app with the Mobile Giving Foundation aggregators, as the gateway for charitable donations via smartphones in North America.

The Company established offices in the US and UK and made key appointments.

Over this period, the Company signed twelve US leading veterans' charities to the Veterans Call app, as well as ten charities to the Ralli app in the UK across six distinct verticals. Activistic has developed successful marketing partnerships which led to an increase in brand awareness.

The Company continues to progress with discussions in the political arena with interest from a pipeline of congressman, senators and parties wishing to engage a white label solution.

There is also significant interest in the entertainment sector with progress made towards a white label solution for a high profile multi-artist global event which will use and benefit from Activistic's fundraising technology. Activistic is also assessing white label opportunities with national and international charities.

### **3.7 Activistic Pro Forma Historical Financial Information**

#### **3.7.1 Basis of Preparation**

The following unaudited pro forma historical financial information of Activistic is provided for illustrative purposes only. The unaudited pro forma consolidated statement of financial position as at 30 June 2016 gives effect to the below transactions as if they had occurred as of 30 June 2016 and excludes the Plus Connect merger.

In addition, the unaudited pro forma historical financial information of Activistic Group has been presented in an abbreviated form insofar as it does not contain all disclosures required by the Australian Accounting Standards applicable to annual financial reports prepared in accordance with the Corporations Act.

#### **3.7.2 Pro Forma Adjustments**

The following unaudited pro forma adjustments have been made in relation to material transactions that have taken place since the preparation of the Activistic consolidated statement of financial position as at 30 June 2016.

(a) **Placement of 178,000,000 shares**

On 8 August 2016, Activistic announced it had received firm commitments for a placement of 178,000,000 Activistic Shares at an issue price of \$0.02 per Activistic Share to raise \$3.56 million. Capital raising costs represented a total of \$216,000.

(b) **Research and development grant**

The Company received a Research and Development Grant of \$101,280 after the end of the financial year. This amount had been recognised under Trade and other receivables.

(c) **GST Refund**

The Company received a GST refund of \$151,551 which had been recognised under Trade and other receivables

**(d) Operating cash flows**

Operating cash flow for the period from July to September was approximately \$1.6 million.

**(e) Loans to related parties**

The Company loaned \$320,000 to Plus Connect under the Loan Agreement.

**3.7.3 Activistic 30 June 2016 Pro Forma Consolidated Statement of Financial Position**

	<b>30 June 2016 Audited \$</b>	<b>30 June 2016 Unaudited Pro Forma \$</b>
<b>Current Assets</b>		
Cash and cash equivalents	1,448,617	2,874,830
Trade and other receivables	305,044	52,213
Inventories	-	-
Other current assets	44,659	44,4660
<b>Total Current Assets</b>	<b>1,798,320</b>	<b>2,971,703</b>
<b>Non-Current Assets</b>		
Property, plant and equipment	15,608	15,608
Loans	-	320,000
<b>Total Non-Current Assets</b>	<b>15,608</b>	<b>335,608</b>
<b>Total Assets</b>	<b>1,813,928</b>	<b>3,307,311</b>
<b>Current Liabilities</b>		
Trade and other payables	338,404	338,404
Provisions	13,956	13,956
<b>Total Current Liabilities</b>	<b>352,360</b>	<b>352,360</b>
<b>Total Liabilities</b>	<b>352,360</b>	<b>352,360</b>
<b>Net Assets</b>	<b>1,461,568</b>	<b>2,634,951</b>
<b>Equity</b>		
Issued capital	12,830,449	16,244,449
Reserves	1,614,915	1,614,916
Accumulated losses	(13,013,674)	(14,934,292)
Equity attributable to owners of the parent	<b>1,431,690</b>	<b>2,925,073</b>



	<b>30 June 2016 Audited \$</b>	<b>30 June 2016 Unaudited Pro Forma \$</b>
Non-controlling interests	29,878	29,878
<b>Total Equity</b>	<b>1,461,568</b>	<b>2,954,951</b>

### 3.8 Activistic Forecast Information

Activistic's future financial performance is dependent on a range of factors, many of which are beyond Activistic's control. Accordingly, Activistic's Directors have concluded that forecast financial information would be misleading to provide, as a reasonable basis does not exist for providing forecasts that would be sufficiently meaningful and reliable as required by applicable Australian law, policy and market practice.

Further information is available on Activistic's financial performance from its financial reports. Copies of these reports are available from Activistic's website [www.activisticgroup.com](http://www.activisticgroup.com) and also the ASX website (ASX Code: ACU).

### 3.9 Corporate Governance

The Activistic Board seeks, where appropriate, to provide accountability levels that meet or exceed the ASX Corporate Governance Council's Principles and Recommendations with 2014 amendments.

Details on Activistic's corporate governance procedures, policies and practices can be obtained from the Company's website available at [www.activisticgroup.com](http://www.activisticgroup.com) and also the ASX website (ASX Code: ACU).

### 3.10 Recent Performance of Activistic Shares

Set out below is a table showing relevant trading prices of Activistic Shares on ASX:

<b>Comparative trading period</b>	<b>Price of Activistic Shares</b>
Highest trading price on ASX in the 4 months prior to the date this Bidder's Statement was lodged with ASIC	\$0.055
Lowest trading price on ASX in the 4 months prior to the date this Bidder's Statement was lodged with ASIC	\$0.019
Closing trading price on ASX on the last trading day before the date Activistic announced the Takeover Offer	\$0.03
Last available closing sale price of Activistic Shares (as at 16 November 2016) on ASX prior to the date this Bidder's Statement was lodged with ASIC	\$0.039
20-day volume weighted average price of Activistic Shares before the Announcement Date	\$0.0429

### 3.11 Admission of Takeover Offer Consideration

Activistic Shares are admitted to trading on the Official List of ASX. Activistic will lodge an application for admission to quotation of the shares comprising the

Takeover Offer Consideration to trading on ASX. Quotation will not be automatic and will depend upon ASX exercising its discretion. Nothing in this Bidder's Statement is to be taken to state or imply that the Activistic Shares issued as Takeover Offer Consideration will be quoted on ASX. However, quotation is expected in the ordinary course as Activistic is already admitted to the Official List of ASX.

As Activistic is listed on ASX, Activistic's actions and activities are subject to the ASX Listing Rules.

### 3.12 Rights and Liabilities of Activistic Shares

The Activistic Shares offered to Plus Connect Shareholders under the Takeover Offer are fully paid ordinary shares in the capital of Activistic, and from the date of their issue will rank equally with existing Activistic Shares and will have the same rights and liabilities attaching to them.

The rights and liabilities attaching to Activistic Shares are governed by the Constitution of Activistic, the Corporations Act, ASX Listing Rules, ASX Settlement Operating Rules and the general law of Australia.

Under Section 140(1) of the Corporations Act, the Constitution of Activistic has effect as a contract between Activistic and each member and between a member of Activistic and each other member. Accordingly, if you accept Activistic Shares as consideration you will, as a result, become liable to comply with the Constitution of Activistic.

Set out below is a summary of the significant rights and liabilities attaching to Activistic Shares. It does not purport to be exhaustive or to constitute a definitive statement of the rights and liabilities of Shareholders of Activistic. Plus Connect Shareholders should seek their own advice when trying to establish their rights in specific circumstances.

Full details of the rights attaching to Activistic Shares are set out in the Constitution, a copy of which is available for inspection at Activistic's registered office during normal business hours.

#### 3.12.1 Rights Attaching to Activistic Shares

The rights, privileges and restrictions attaching to Activistic Shares can be summarised as follows:

Heading	Description of the right or liability
<b>Voting rights</b>	Subject to any rights or restrictions for the time being attached to any class or classes of shares, at general meetings of shareholders or classes of shareholders, each shareholder entitled to vote may vote in person or by proxy, attorney or representative. On a show of hands, every person present who is a shareholder or a proxy, attorney or representative of a shareholder has one vote. On a poll, every person present who is a shareholder or a proxy, attorney or representative of a shareholder shall, in respect of each fully paid share held by him, or in respect of which he is appointed a proxy, attorney or representative, have one vote for the share, but in respect of partly paid shares shall have such number of votes as bears the same proportion to the total of such shares registered in the shareholder's name as the amount paid (not credited) bears

Heading	Description of the right or liability
	to the total amounts paid and payable (excluding amounts credited).
<b>General meeting and notices</b>	Shareholders are entitled to be present in person, or by proxy, attorney or representative to attend and vote at general meetings of Activistic. Shareholders may requisition meetings in accordance with Section 249D of the Corporations Act and the Constitution of Activistic.
<b>Dividend Rights</b>	Subject to the rights of persons (if any) entitled to shares with special rights to dividends, the Activistic Directors may declare a final dividend out of profits in accordance with the Corporations Act and may resolve to pay any dividend they think appropriate. Subject to the rights of persons (if any) entitled to shares with special rights as to dividends, all dividends are to be declared and paid according to the proportion that the amount paid (not credited) is of the total amounts paid and payable (excluding amounts credited) in respect of such shares, in accordance with Part 2H.5 of Chapter 2H of the Corporations Act. Interest may not be paid by Activistic in respect of any dividend, whether final or interim.
<b>Variation of class rights</b>	If Activistic issues different classes of Activistic Shares, or divides issued Activistic Shares into different classes, the rights attached to Activistic Shares in any class may (subject to sections 246C and 246D of the Corporations Act) be varied with the written consent of the holders of a majority of the issued Activistic Shares of the affected class or by ordinary resolution passed at a meeting of the holders of the Activistic Shares of the affected class.
<b>Further issue of Activistic Shares and Activistic Options</b>	Subject to the Corporations Act, the Constitution of Activistic and the ASX Listing Rules, the Activistic Directors may issue, cancel or grant options over unissued Activistic Shares in the company on such terms and conditions as they determine.
<b>Transfer of Activistic Shares</b>	Subject to the constitution of the Company, the Corporations Act, the ASX Settlement Operating Rules and the Listing Rules, shares are freely transferable. Shares may only be transferred by a proper instrument in writing delivered to Activistic, and the transferor is deemed to remain the holder of the shares until the name of the transferee is entered into Activistic's register of members. Activistic may decline to register a transfer where permitted by law, the ASX Listing Rules or the ASX Settlement Operating Rules.
<b>Winding up</b>	If Activistic is wound up, the liquidator may, with the sanction of a special resolution of Activistic, divide among Activistic Shareholders the whole or any part of the property of Activistic and may for that purpose set such value as the liquidator considers fair on any property to be so divided and may determine how the division is to be carried out as between the Activistic Shareholders or holders of different classes of shares.

### 3.13 Activistic Options

Activistic has granted 49,840,494 Activistic Options which are not listed on the ASX. Each Activistic Option entitles the holder to subscribe for one Activistic Share at

the respective exercise prices and at any time prior to the corresponding expiry dates set out in Section 3.5 of this Bidder's Statement.

### 3.14 Activistic Performance Shares

Activistic has issued 49,000,000 Activistic Performance Shares which are not listed on ASX. Each Activistic Performance Share will convert into one Activistic Share upon the satisfaction of certain conditions set out in Section 3.5 of this Bidder's Statement.

### 3.15 Activistic Performance Rights

Activistic has issued 9,250,000 Activistic Performance Rights which are not listed on ASX. Each Activistic Performance Right will convert into one Activistic Share upon the satisfaction of certain conditions set out in Section 3.5 of this Bidder's Statement.

### 3.16 Substantial Shareholders of Activistic

As at 15 November 2016 the top 20 Shareholders of Activistic were:

Rank	Activistic Shareholder	Number of Activistic Shares	% of Activistic issued share capital
1	NVFAM Investments Pty Ltd	50,000,000	13.88%
2	CDC Prosser Pty Ltd	38,000,000	10.55%
3	Citicorp Nominees Pty Limited	20,123,163	5.59%
4	Comsec Nominees Pty Limited	16,041,336	4.45%
5	One Managed Investment Funds Limited	7,500,000	2.08%
6	Maxim Capital Pty Limited	6,296,112	1.75%
7	One Managed Investment Funds Limited	6,200,000	1.72%
8	Ginga Pty Ltd	5,160,000	1.43%
9	Mark Evans	5,000,000	1.39%
10	Mr Jamie Phillip Boyton	5,000,000	1.39%
11	Mr Frank Balestra & Mrs Melissa Jane Balestra	4,674,892	1.30%
12	Mr Nicolo Floyd Bontempo	4,156,204	1.15%
13	Share Investing Nominees Pty Ltd	3,999,779	1.11%
14	Ms Elizabeth Bamber Lankester	3,883,697	1.08%
15	Rosherville Pty Ltd	3,681,818	1.02%
16	Mr Shahab Zeinoghli	3,626,539	1.01%
17	Greenslade Holdings Pty Ltd	3,505,000	0.97%
18	One Managed Investment Funds Limited	3,300,000	0.92%
19	Manhattan Investments Pty Ltd	3,272,422	0.91%

20	Sante Holdings Pty Ltd	3,119,832	0.87%
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**Note:**

- Actual voting power may differ from that shown above as there is no obligation to publicly disclose voting power of less than 5% or changes in voting power of less than 1%.

As at 15 November 2016, the top 20 holders of ordinary fully paid shares hold 196,540,794 Activistic Shares, representing approximately 54.55% of Activistic.

The Directors of Activistic currently have a Relevant Interest in 15,370,405 Activistic Shares, being approximately 4.27% of the total number of Activistic Shares on issue. The individual Relevant Interests held by each Director are as set out in Section 9.15.

The substantial holders of Activistic following completion of the Takeover Offer (assuming Activistic acquires 100% of Plus Connect Shares it does not already own), and based on the registered shareholders of Activistic and Plus Connect as at 15 November 2016, are as follows:

Substantial Holder	Activistic Shares	Pre-Takeover %	Post-Takeover %
Mr Paul Crossin And Mrs Joanne Edgar	55,907,424	-	10.11%
NVFAM Investments Pty Ltd	50,000,000	13.88%	9.04%
CDC Prosser Pty Ltd	50,500,000 <sup>1</sup>	10.55%	9.14%

**Note:**

- Inclusive of the issue of 12,500,000 Activistic Shares to CDC Prosser Pty Ltd in satisfaction of a \$250,000 debt owed by Plus Connect. Refer to Section 9.9 for further details.

### 3.17 Dividend History

Activistic has not previously and does not currently pay dividends.

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## 4. PROFILE OF PLUS CONNECT LIMITED

### 4.1 Disclaimer

This overview of Plus Connect and all financial information concerning Plus Connect contained in this Bidder's Statement has been prepared by Activistic using information provide to Activistic by Plus Connect, as well as publicly available information.

The information in this Bidder's Statement concerning Plus Connect has not been independently verified. Activistic does not, subject to any applicable laws, make any representation or warranty, express or implied, as to the accuracy or completeness of this information. The information on Plus Connect is not considered to be comprehensive.

### 4.2 Overview of Plus Connect

Plus Connect is an unlisted Australian public company and was registered on 26 June 2013 in Victoria.

Plus Connect was established to commercialise a new generation of online and app based betting and social gaming products. Plus Connect aims to deliver a socially responsible wagering model providing significant benefits to partner charities and sporting organisations.

It was assessed that the only Australian licence capable of delivering a charity lottery-style product nationally and efficiently was a Northern Territory Licence to Conduct the Business of a Sports Bookmaker granted by the Northern Territory Racing Commission under the *Racing and Betting Act 1983* (Northern Territory) (**NT Licence**). The Northern Territory regulator granted the NT Licence in 2012 on the proviso that a minimum of 20% of charity product sales only be remitted to charity.

The charity product was launched in 2014 and Plus Connect has since focused on business and cost consolidation and implementing systems and partnerships to deliver the broader business strategies.

The Plus Connect business model is to operate a strategy targeting the traditional lottery market in Australia and Asia/Pacific. Lottery is a mature industry constrained by state lottery taxes and a dependence on a high cost retail distribution network. By focusing on Internet distribution, Plus Connect offers lottery-style products that are substitutes for traditional lotteries.

Combining Internet and mobile technologies with online betting and lottery licences, and supported by strong partnerships with quality charity and sports brands, Plus Connect is seeking to create a competitive business with a price advantage over traditional lottery operators.

The Plus Connect business model was developed with the knowledge that the privatisation of state lotteries has resulted in the removal of a major, efficient source of charity funding. Plus Connect is committed to replacing some of that funding through its charitable and sporting product offerings. This commitment reflects part of the purpose of Plus Connect and also delivers value to the business through improved community acceptance of its brand and low-cost and efficient customer acquisition. Support for charities and sporting bodies will remain a key feature of the business as a responsible corporate citizen.

Plus Connect is implementing strategies designed to have a low betting risk profile. This is achieved with its charity and sports lottery products by insuring major wins

through a leading International insurance company. International lottery products will be offered via a strategic partnership with Mylotto24 in the UK. Through this partnership, all bets on international lotteries through Plus Connect will be hedged by laying-off those bets into the Mylotto24 betting pool.

Plus Connect also intends to explore strategic partnerships and joint ventures to deliver other products available under our licences.

Plus Connect has successfully built the foundations for an online lottery business and is now ready for commercialisation.

#### **4.3 Plus Connect Board of Directors**

As at the date of this Bidder's Statement, the directors of Plus Connect are:

##### **(a) Alan Joseph Phillips – Executive Chairman**

Mr Phillips was the Chief Operating Officer for Macarthur Minerals and has held that position since October 2010 to December 2015. Mr Phillips has had an extensive 16 year career in public administration with 8 years as General Manager for Economic Development for the City of Brisbane followed by a period as a member of the executive of Energex, the Queensland Government owned Electricity Company. Mr Phillips concluded his time in the public sector as the executive responsible for the privatisation of the Queensland Government owned lotteries business. Prior to joining the government, he had a successful private sector career in transport and spent 2 years in the United States as a Senior Project Manager for a company commercialising technology for the Princeton University in New Jersey.

Mr Phillips holds a Bachelor of Economics and Public Administration from the University of Queensland and strengthens the Boards gaming and regulatory expertise.

##### **(b) Paul Crossin – Managing Director and Proposed Director of Activistic**

Paul Crossin is a business economist specialising in strategy development and implementation. After commencing his career in the construction industry, Mr Crossin has accumulated experience across a broad range of industries predominantly in Australia but also in Europe and North America.

Mr Crossin has been involved in the gambling and lotteries industry for over 20 years. He was responsible for the development of hotel and club gaming in Tasmania in the mid-1990's, going on to manage the design, establishment and distribution of an electronic gaming machine franchise and a real time keno franchise throughout the State.

Mr Crossin has applied his gaming knowledge as a specialist consultant assisting companies establish gambling business units, including The Federal Group, TAB Limited and Manacomm Corporation.

Mr Crossin is a Proposed Director of Activistic if the Merger is completed.

**(c) Glenn Ferguson – Director**

Glenn Ferguson is Managing Director of Ferguson Cannon Lawyers. Mr Ferguson is a Solicitor of the High Court of Australia and the Supreme Court of Queensland.

As an experienced lawyer, Mr Ferguson has acted in complex disputes and transactions for a range of clients both nationally and internationally. Mr Ferguson is also an Accredited Specialist and Registered Migration Agent acting for Business, Corporates and Individuals.

Mr Ferguson is a Past President of the Law Council of Australia, the peak national body which represents the legal profession nationally and internationally, Past President of LAWASIA, the Law Association for Asia and the Pacific and a Past President of the Queensland Law Society. Mr Ferguson is also a Senior Counsellor with the Queensland Law Society and an Adjunct Professor of Law at the University of the Sunshine Coast.

Mr Ferguson is a Founding Fellow of the Australian Academy of Law, a Fellow of the Australian Institute of Company Directors and a Fellow of the Australia and New Zealand College of Notaries. Mr Ferguson is Chair of WorkCover Queensland and Lexon Insurance, a Governor of the College of Law, member of the Federal Attorney Generals International Legal Services Advisory Council and the Immigration Ministers Advisory Board in relation to the regulation of migration agents. The Queensland Premier selected him in 2004 to Chair Smart Exports Queensland. Mr Ferguson has been appointed by both Federal and State Governments to various advisory boards and task forces in the legal, migration and business sectors.

Mr Ferguson has also held or continues to hold a number of board positions in both the public and private sector in the insurance, superannuation, education, sport, charity and information technology areas including chairing a publicly listed company. He is often sought as a speaker in relation to Corporate Governance issues both nationally and internationally. In 2010 Mr Ferguson was appointed by the Prime Minister to the Expert Panel to consider the recognition of Aboriginal and Torres Strait Islanders in the Constitution. The report was delivered in January 2012 and he continues as a member of a Reference Group appointed by the Minister to continue the push for constitutional recognition.

In the 2015 Australia Day Honours, Glenn was made a Member of the Order of Australia "For significant service to the law and to the legal profession, both nationally and in the Asia-Pacific region, and to the community".

**(d) Otbert de Jong – Director**

After spending the best part of his career in a multinational banking and consulting environment, Mr de Jong decided a few years ago to capitalise on his leadership experiences and insights and to start acting on his vision for the financial technology services industry. Part of that vision is a radical change of the way in which the financial institutions are organised and run. His ample experience and heart and soul commitment to always doing things better have made him a spirited innovator.



Mr de Jong has held senior positions in ABN AMRO Bank and was a partner in PWC until 2010. He has worked and lived in a multitude of countries in Europe, the USA and Asia. The last 10 years of his career have been dedicated to improving risk and performance management in financial services environments.

Recently Mr de Jong has returned to Singapore from where he now conducts his entrepreneurial activities.

#### 4.4 Information about Plus Connect Securities

According to documents provided by Plus Connect to Activistic, as at the date of this Bidder's Statement, Plus Connect's issued securities consisted of 57,577,325 fully paid ordinary shares.

As at the date of this Bidder's Statement, Plus Connect advised it also has 383,378 options exercisable at \$0.50 each on or before 31 July 2017 on issue. Plus Connect has advised the Company that, during the Offer Period, it intends to seek the agreement of the holders to cancel their options.

#### 4.5 Substantial Shareholders of Plus Connect

As at 16 November 2016, the 20 largest shareholders in Plus Connect were:

Rank	Plus Connect Shareholder	Number of Plus Connect Shares	% of Plus Connect issued share capital <sup>1</sup>
1	Joanne Edgar Crossin & Paul Dominic Crossin as trustees for the Edgar Crossin Family Trust	17,350,000	30.13%
2	Jetosea Pty Ltd	5,000,000	8.68%
3	Alan Joseph Phillips	3,400,000	5.91%
4	Unlimited Business Strategies Pty Ltd	3,333,333	5.79%
5	Kevin Andrew Fell	2,878,866	5.00%
6	John Zaccaria as trustee for the Zaccaria Share Trust	2,878,866	5.00%
7	Otbert Eelke De Jong	2,698,333	4.69%
8	Boh Tiong YAP	2,233,333	3.88%
9	Veritas Consolidated Pty Ltd	1,300,000	2.26%
10	Michael Gerard Crossin	1,200,000	2.08%
11	Frank George and Ross Carlow as trustees for the Carlow Family Superannuation Fund A/C	1,200,000	2.08%
12	Glenn Wayne Ferguson	633,333	1.10%
13	Paul Kedwell	600,000	1.04%
14	Paul Crossin and Joanne Edgar as trustees for	533,333	0.93%

Rank	Plus Connect Shareholder	Number of Plus Connect Shares	% of Plus Connect issued share capital <sup>1</sup>
	Dynasync Superannuation Fund		
15	Laurence Lee Min Tai	533,333	0.93%
16	Peregrin Superfund	500,000	0.87%
17	Francis George Carlow	500,000	0.87%
18	Clemenza Pty Ltd	400,000	0.69%
19	Stephen Aboud	400,000	0.69%
20	Naomi Aboud	400,000	0.69%

**Note:**

1. Actual voting power may differ from that shown above as there is no obligation to publicly disclose voting power.

The top 20 holders of ordinary fully paid shares in Plus Connect (as at 16 November 2016) hold 47,972,730 Plus Connect Shares or approximately 83.31% of the shareholding of Plus Connect.

As at 16 November 2016, being the last practicable date prior to the date of this Bidder's Statement, the following persons held Relevant Interests in Plus Connect Shares of more than 5%:

Name	Number of Plus Connect Shares	Percentage of Plus Connect Shares
Joanne Edgar Crossin & Paul Dominic Crossin	17,883,333	31.06%
Alan Joseph Phillips	6,733,333	11.69%

#### 4.6 Plus Connect Products

An overview of Plus Connect's material products is set out below.

##### (a) Charity and Not-for Profit Product

Plus Connect's first charity product is the Weather Lottery, an online lottery-wagering product marketed in collaboration with select Australian charities and offered under the NT Licence. This product's features are:

- (i) a Pick 7 event (ie. based on 7 numbers) conducted each weekday;
- (ii) numbers are determined by the results of the weather in 7 Australian cities as reported by the Bureau of Meteorology;
- (iii) major payouts are insured under contract with a major international insurance company;
- (iv) for every \$1 bet, \$0.20 is paid to charity; and

- (v) each charity partner has exclusive rights to a draw and uses that draw as a dedicated fund raising channel to their existing and potential supporters.

Weather Lottery events are conducted each weekday. Friday is marketed as a general charity product and other days are exclusive, and branded, to one of Plus Connect's charity partners.

Plus Connect operates a suite of products compliant with Association of Charitable Lotteries (EU) guidelines, in support of Australian charities. The Postcode Lottery in Europe is evidence of the incredible value of this business model, being the third largest private donor to charities globally.

## **(b) Sporting Groups Product**

Plus Connect is developing an online lottery-wagering product to be marketed in collaboration with sporting clubs and associations in Australia. This product will offer bets on the results of a Sports Lottery product. The products features are:

- (i) a fixed-odds bet on the outcome of Sports Lottery;
- (ii) product branded to individual sporting clubs;
- (iii) for every \$1 bet a minimum of \$0.25c is paid to the sporting club; and
- (iv) a high-engagement product offering driving customer engagement with the club and Plus Connect.

The official launch of the Sporting Group product is scheduled for late 2016.

## **4.7 Summary Historical Financial Information**

### **4.7.1 Basis of Presentation of Historical Financial Information**

The historical financial information below relates to Plus Connect Limited and its subsidiaries on a stand-alone basis and accordingly does not reflect any impact of the Offer. It is a summary only and has been extracted from the audited consolidated financial report of Plus Connect (including the notes therein) for the years ending 30 June 2014, 30 June 2015 and 30 June 2016.

The historical financial information in respect of Plus Connect has been prepared in accordance with the recognition and measurement principles of the Australian Accounting Standards, and in accordance with the accounting policies, as set out in the financial reports of Plus Connect for the full years ended 30 June 2014, 30 June 2015 and 30 June 2016.

Peter Treston trading as Treston & Co's (**Treston & Co**) Independent Auditor's Report on Plus Connect's Annual Financial Report for the period from 26 June 2013 (date of incorporation) to 30 June 2014 contained an emphasis of matter statement in respect of a material uncertainty regarding Plus Connects' and the consolidated entity's ability to continue as a going concern.

Treston & Co's Independent Auditor's Report on Plus Connect's Annual Financial Report for the year ended 30 June 2015 was unqualified and did not have an emphasis of matter statement.

Treston & Co's Independent Auditor's Report on Plus Connect's Annual Financial Report for the year ended 30 June 2016 was unqualified and did not have an emphasis of matter statement.

The past performance of Plus Connect is not a guarantee of future performance.

#### 4.7.2 Plus Connect Consolidated Statement of Financial Position

	30 June 2014 Audited \$	30 June 2015 Audited \$	30 June 2016 Audited \$
<b>Current Assets</b>			
Cash and cash equivalents	401,879	243,807	49,407
Trade and other receivables	16,284	8,755	35,141
Security deposits	265,800	261,527	267,825
Other current assets	109,686	59,149	116,217
<b>Total Current Assets</b>	<b>793,649</b>	<b>573,238</b>	<b>468,590</b>
<b>Non-Current Assets</b>			
Property, plant and equipment	165,652	140,540	196,567
Loans receivable	-	16,300	-
Investments	-	9,457	-
Intangible assets	18,398	2,775,978	2,234,835
<b>Total Non-Current Assets</b>	<b>184,050</b>	<b>2,942,275</b>	<b>2,431,402</b>
<b>Total Assets</b>	<b>977,699</b>	<b>3,515,513</b>	<b>2,899,992</b>
<b>Current Liabilities</b>			
Trade and other payables	132,474	68,965	609,872
Borrowings	301,585	131,164	105,944
Other liabilities	19,079	19,231	15,716
<b>Total Current Liabilities</b>	<b>453,138</b>	<b>219,360</b>	<b>731,532</b>
<b>Total Liabilities</b>	<b>453,138</b>	<b>219,360</b>	<b>731,532</b>
<b>Net Assets</b>	<b>524,561</b>	<b>3,296,153</b>	<b>2,168,460</b>
<b>Equity</b>			
Issued capital	5,100,036	5,917,855	7,753,688
Retained earning	(4,575,475)	(2,621,159)	(5,585,228)
<b>Equity attributable to owners of the parent</b>	<b>524,561</b>	<b>3,296,696</b>	<b>2,168,460</b>
<b>Non-controlling interests</b>	-	(543)	-

	30 June 2014 Audited \$	30 June 2015 Audited \$	30 June 2016 Audited \$
<b>Total Equity</b>	<b>524,561</b>	<b>3,296,153</b>	<b>2,168,460</b>

#### 4.7.3 Plus Connect Consolidated Statement of Profit or Loss and other Comprehensive Income

	30 June 2014 Audited \$	30 June 2015 Audited \$	30 June 2016 Audited \$
<b>Revenue</b>			
Sales revenue	46,185	40,682	20,435
Cost of sales	(13,368)	(17,042)	(6,986)
<b>Gross Profit</b>	<b>32,817</b>	<b>23,640</b>	<b>13,449</b>
Other income	26,588	21,384	14,603
Marketing and business development	(297,552)	(54,523)	(100,595)
Occupancy costs	(41,568)	(36,099)	(57,571)
Administration and compliance	(236,619)	(110,763)	(301,731)
Other expenses	(2,842)	(2,059)	-
Depreciation and amortisation	(36,087)	(600,127)	(607,102)
Corporate expenses	(68,027)	(61,786)	(314,332)
Charity donations	(10,161)	(8,950)	(4,496)
Goodwill on consolidation written off	(23,879)	-	(1,602)
System expense	(31,866)	(42,441)	(140,064)
Employment expense	(559,567)	(336,699)	(1,413,547)
Insurance	(17,578)	(112,187)	(46,913)
Finance costs	(19,134)	(16,590)	(4,067)
Impairment	(3,290,000)	-	-
<b>Loss before income tax expense</b>	<b>(4,575,475)</b>	<b>(1,337,200)</b>	<b>(2,963,968)</b>
Income tax expense	-	-	-
<b>Loss after tax from continuing operations</b>	<b>(4,575,475)</b>	<b>(1,337,200)</b>	<b>(2,963,968)</b>
<b>Other comprehensive income</b>			
<b>Items that may be</b>			

	30 June 2014 Audited \$	30 June 2015 Audited \$	30 June 2016 Audited \$
<b>reclassified subsequently to profit or loss</b>			
Exchanges differences on translating foreign operations	-	-	442
Changes in fair value of intangible assets	-	3,290,000	-
Reclassification of fair value gains or losses	-	973	-
<b>Other comprehensive loss for the year, net of tax</b>	-	<b>3,290,973</b>	<b>442</b>
<b>Total comprehensive loss for the year</b>	<b>(4,575,475)</b>	<b>1,953,773</b>	<b>(2,963,526)</b>
<b>Loss attributable to:</b>			
Owners of the parent	(4,575,475)	(1,336,657)	(2,963,526)
Non-controlling interests	-	(543)	-
<b>Total comprehensive loss for the attributable to:</b>			
Owners of the parent	(4,575,475)	1,954,316	(2,963,526)
Non-controlling interests	-	(543)	-

## 4.8 Plus Connect Pro Forma Historical Financial Information

### 4.8.1 Basis of Preparation

The following unaudited pro forma historical financial information of Plus Connect is provided for illustrative purposes only. The unaudited pro forma consolidated statement of financial position as at 30 June 2016 gives effect to the below transactions as if they had occurred as of 30 June 2016 and includes only publically available information.

In addition, the unaudited pro forma historical financial information of Plus Connect has been presented in an abbreviated form insofar as it does not contain all disclosures required by the Australian Accounting Standards applicable to annual financial reports prepared in accordance with the Corporations Act.

### 4.8.2 Pro Forma Adjustments

The following unaudited pro forma adjustments have been made in relation to material transactions that have taken place since the preparation of the Plus Connect consolidated statement of financial position as at 30 June 2016.

#### (a) Loan from third party creditor

Plus Connect entered into a debt agreement for a total loan of \$250,000 with a third party creditor. Funds will be used for general working capital

requirements. The loan will be converted into 12,5000,000 Activistic Shares as agreed between Activistic, Plus Connect, and the creditor in accordance with the terms of the Debt to Equity Conversion Agreement, the material terms of which are summarised in Section 9.9.

**(b) Trade and other payables**

Plus Connect paid approximately \$305,000 of its trade and other payables balance since the end of the financial year.

**(c) Loan from director**

Plus Connect entered into a loan agreement of \$225,000 with a company director, Joe Phillips. \$100,000 was converted into 666,667 Plus Connect Shares and the remaining loan of \$125,000 is still outstanding.

**(d) Issue of capital**

Plus Connect issued shares in its share capital for total consideration of \$963,660.

**(e) Loan from Activistic**

Activistic agreed to loan Plus Connect an amount of up to \$500,000 for working capital and marketing expenditure to grow its user base under the Loan Agreement. Plus Connect has drawn \$320,000 up to the date of this Bidder's Statement.

**4.8.3 Plus Connect 30 June 2016 Pro Forma Consolidated Statement of Financial Position**

As at	30 June 2016 Audited \$	30 June 2016 Unaudited Pro Forma \$
<b>Current Assets</b>		
Cash and cash equivalents	49,407	49,407
Trade and other receivables	35,141	35,141
Other current assets	384,042	384,042
<b>Total Current Assets</b>	<b>468,590</b>	<b>468,590</b>
<b>Non-Current Assets</b>		
Property, plant and equipment	196,567	196,567
Intangible assets	2,234,835	2,234,835
<b>Total Non-Current Assets</b>	<b>2,431,402</b>	<b>2,431,402</b>
<b>Total Assets</b>	<b>2,899,992</b>	<b>2,899,992</b>
<b>Current Liabilities</b>		
Trade and other payables	609,872	304,872
Borrowings	105,944	445,000
Other liabilities	15,716	15,716

<b>As at</b>	<b>30 June 2016 Audited \$</b>	<b>30 June 2016 Unaudited Pro Forma \$</b>
<b>Total Current Liabilities</b>	<b>731,532</b>	<b>765,588</b>
<b>Non-Current Liabilities</b>		
Borrowings	-	250,000
<b>Total Non-Current Liabilities</b>	<b>-</b>	<b>250,000</b>
<b>Total Liabilities</b>	<b>731,532</b>	<b>1,015,588</b>
<b>Net Assets</b>	<b>2,168,460</b>	<b>1,884,404</b>
<b>Equity</b>		
Issued capital	7,753,688	8,717,348
Retained earnings	(5,585,228)	(6,832,944)
Equity attributable to owners of the parent	2,168,460	1,844,404
Non-controlling interests	-	-
<b>Total Equity</b>	<b>2,168,460</b>	<b>1,884,404</b>

#### 4.9 Further information on Plus Connect

Plus Connect maintains a website, <http://www.plusconnect.com.au>, which contains further information about Plus Connect and its operations.

Plus Connect is an unlisted disclosing entity for the purposes of the Corporations Act and as such is subject to regular reporting and disclosure obligations. Plus Connect is required to lodge various documents with ASIC. Copies of documents lodged with ASIC by Plus Connect may be obtained from, or inspected at, an ASIC office.

On request to Plus Connect and free of charge, Plus Connect Shareholders may obtain a copy of:

- (a) the annual financial report of Plus Connect for the year ended 30 June 2016 (being the annual financial report most recently lodged with ASIC before lodgement of this Bidder's Statement with ASIC);
- (b) any half-year financial report lodged with ASIC by Plus Connect after the lodgement of the annual financial report referred to above and before lodgement of this Bidder's Statement with ASIC; and
- (c) any continuous disclosure notice given to ASIC by Plus Connect since the lodgement with ASIC of the 2016 annual report for Plus Connect referred to above and before lodgement of this Bidder's Statement with ASIC.

Further information about Plus Connect is contained in its Target's Statement which is enclosed with this Bidder's Statement.



A substantial amount of information about Plus Connect is available in electronic form from <http://www.plusconnect.com.au>.

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## **5. MERGED ENTITY**

### **5.1 Approach**

This Section 5 provides an overview of the Merged Entity following the successful completion of the Offer, in the various scenarios following the Takeover Offer, and the effect of the Offer on Activistic and Plus Connect.

### **5.2 Disclaimer Regarding Plus Connect and the Merged Entity Information**

In preparing the information relating to Plus Connect and the Merged Entity contained in this Bidder's Statement, Activistic has relied on information provided to Activistic by Plus Connect as well as publicly available information and this has not been independently verified by the Company or its Directors. Risks may exist in relation to Plus Connect (which may affect the Merged Entity) of which the Company is unaware. If any material risks are known to the directors of Plus Connect, they must be disclosed in the Target's Statement issued by Plus Connect which is enclosed with this Bidder's Statement.

Accordingly, subject to any applicable laws, the Company makes no representations or warranties (express or implied) as to the accuracy and completeness of such information.

### **5.3 Profile of the Merged Entity**

If the Takeover Offer is successful, Plus Connect Shareholders will each receive 3.126231 Activistic Shares for every one (1) Plus Connect Share held by them. After the Takeover Offer, if Activistic becomes entitled to compulsorily acquire outstanding Plus Connect Shares in accordance with Part 6A.1 of the Corporations Act, it intends to proceed with the compulsory acquisition of those shares and all of Activistic's Shareholders (including Plus Connect Shareholders who have received Activistic Shares pursuant to the Takeover Offer) will be shareholders in the Merged Entity.

### **5.4 Effect of Completion of the Takeover Offer**

The Merged Entity will have a greater market capitalisation and financial capacity for product expansion and development and will achieve a strengthening and simplification of the current management arrangements and should achieve cost savings by reducing corporate overheads.

### **5.5 Effect on the Assets and Operations of the Merged Entity**

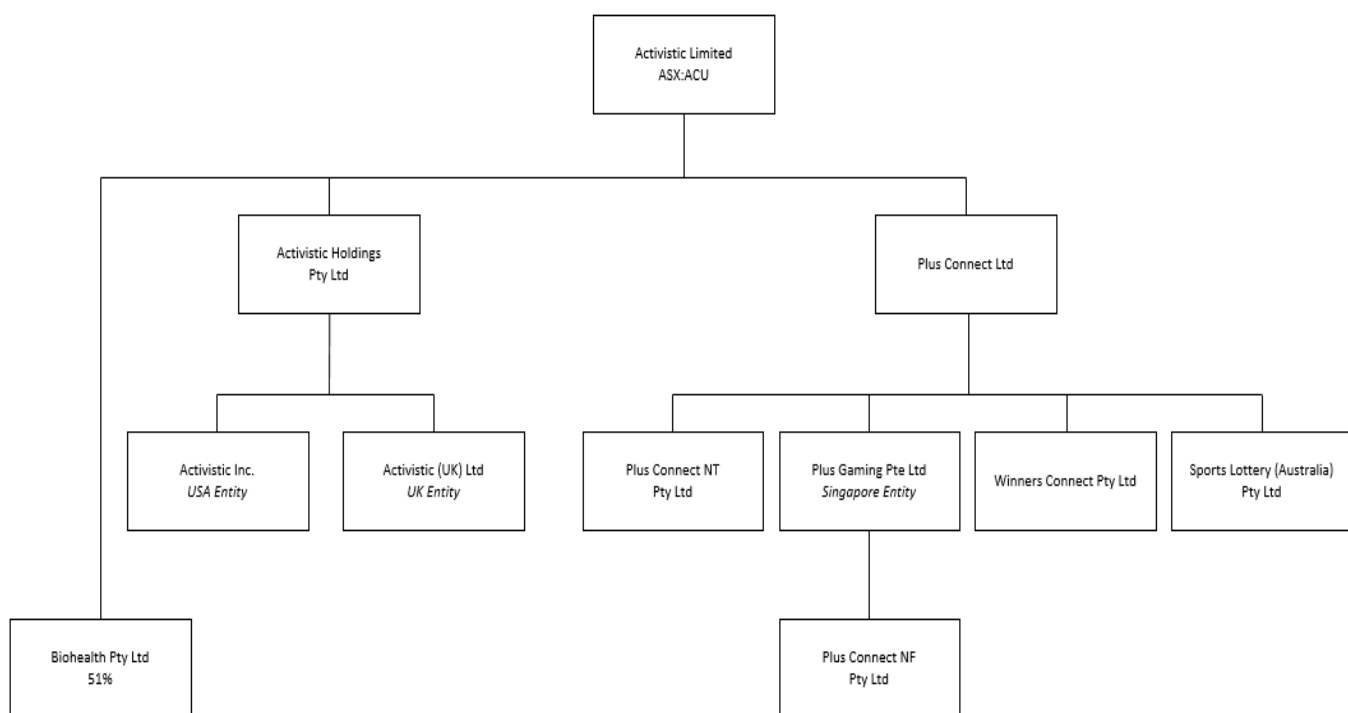
Following the Takeover Offer being successful, Activistic will focus on its current micro-donations business and the Plus Connect online lottery division.

The Merged Group will have an enhanced balance sheet and improved access to capital for funding growth after completion of the Takeover Offer.

Paul Crossin will be appointed to the Activistic Board and will be responsible for the online lottery division.

### **5.6 Effect of the Takeover Offer on the Company's Corporate and Capital Structure**

If the Takeover Offer is completed, the corporate structure of the Merged Entity will be as shown in the following diagram:



## 5.7 Effect of the Takeover Offer on the Merged Entity Capital Structure

The effect of the Takeover Offer on the capital structure of Activistic on a post-completion basis is intended to be as follows:

Securities	Number
<b>Activistic Shares</b>	
Current Activistic Shares	360,306,963
Activistic Shares issued pursuant to the Takeover Offer <sup>1</sup>	180,000,000
Activistic Shares issued to satisfy Plus Connect debt <sup>2</sup>	12,500,000
<b>TOTAL</b>	<b>552,806,963</b>
<b>Activistic Performance Shares</b>	
Class A Activistic Performance Shares <sup>3</sup>	13,000,000
Class B Activistic Performance Shares <sup>4</sup>	17,000,000
Class C Activistic Performance Shares <sup>5</sup>	19,000,000
<b>TOTAL</b>	<b>49,000,000</b>
<b>Activistic Options</b>	
Unquoted options exercisable \$0.1322 on or before 31 December 2019	4,250,000
Unquoted options exercisable at \$0.21 on or before 31 December 2019 (vesting 31 July 2017)	1,000,000
Unquoted options exercisable at \$0.21 on or before 31 December 2019 (vesting 9 December 2017)	1,000,000
Unquoted options exercisable at \$0.11 on or before 31 December 2017	41,090,494

<b>Securities</b>	<b>Number</b>
Unquoted options exercisable at \$0.21 on or before 31 December 2019	1,750,000
Unquoted options exercisable at \$0.11 on or before 1 June 2019	750,000
<b>TOTAL</b>	<b>49,840,494</b>
<b>Activistic Performance Rights</b>	
Class C Activistic Performance Rights <sup>6</sup>	750,000
Class D Activistic Performance Rights <sup>7</sup>	2,000,000
Class E Activistic Performance Rights <sup>8</sup>	2,000,000
Class F Activistic Performance Rights <sup>9</sup>	2,000,000
Class G Activistic Performance Rights <sup>10</sup>	2,000,000
Class H Activistic Performance Rights <sup>11</sup>	500,000
<b>TOTAL</b>	<b>9,250,000</b>

**Notes:**

1. Assuming a 100% take up under the Takeover Offer.
2. Activistic has agreed, on completion of the Takeover Offer, to issue 12,500,000 Activistic Shares to a Plus Connect creditor in satisfaction of a \$250,000 debt. Refer to Section 9.9 for further details.
3. Each Class A Activistic Performance Share will convert into one Activistic Share upon Activistic achieving 1,000,000 active subscribers actually donating via Activistic's cumulative donation or subscriber platforms. The Class A Activistic Performance Shares expire on the date that is 3 years from 1 May 2015.
4. Each Class B Activistic Performance Share will convert into one Activistic Share upon Activistic's gross revenue exceeding \$1,500,000 per quarter for two consecutive quarters, where a quarter is defined as a period of three consecutive calendar months. The Class B Activistic Performance Shares expire on the date that is 3 years from 1 May 2015.
5. Each Class C Activistic Performance Share will convert into one Activistic Share upon Activistic achieving Earnings Before Interest Tax Depreciation and Amortisation of not less than \$1,250,000 per quarter for two consecutive quarters, where a quarter is defined as a period of three consecutive calendar months. The Class C Activistic Performance Shares expire on the date that is 5 years from 1 May 2015.
6. Each Class C Activistic Performance Right vests and converts into one Activistic Share on 31 December 2016.
7. Each Class D Activistic Performance Right vests and converts into one Activistic Share upon the achievement of 500,000 active subscribers joining and paying via Activistic's app from commercialisation of a transaction with a social media partner. The Class D Activistic Performance Rights expire and lapse in the event that the Company determines and gives written notice to the holder of the Class D Activistic Performance Rights (in the absence of a manifest error) that the vesting condition has not been satisfied.
8. Each Class E Activistic Performance Right vests and converts into one Activistic Share upon the achievement of 1,000,000 active subscribers joining and paying via Activistic's app from commercialisation of a transaction with a major telecommunications company in the United Kingdom and/or Australia. The Class E Activistic Performance Rights expire and lapse in the event that the Company determines and gives written notice to the holder of the Class E Activistic Performance Rights (in the absence of a manifest error) that the vesting condition has not been satisfied.
9. Each Class F Activistic Performance Right vests and converts into one Activistic Share upon achievement of 5,000,000 active subscribers joining and paying via Activistic's app from commercialisation of a transaction with a major credit card provider. The Class F Activistic Performance Rights expire and lapse in the event that the Company determines and gives

written notice to the holder of the Class F Activistic Performance Rights (in the absence of a manifest error) that the vesting condition has not been satisfied.

10. Each Class G Activistic Performance Right vests and converts into one Activistic Share upon achievement of 10,000,000 active subscribers joining and paying via Activistic's app from commercialisation of a transaction with a major telecommunications company or other partner in China and/or greater Asia or India. The Class G Activistic Performance Rights expire and lapse in the event that the Company determines and gives written notice to the holder of the Class G Activistic Performance Rights (in the absence of a manifest error) that the vesting condition has not been satisfied.
11. Each Class H Activistic Performance Right will convert automatically into one Activistic Share on 10 March 2017. The Class H Activistic Performance Rights expire on 10 March 2017.

## **5.8 Acquisition of Plus Connect by Activistic**

Under the Offer, accepting Plus Connect Shareholders will be issued 3.126231 Activistic Shares for every 1 Plus Connect Share held, implying a theoretical value of \$0.094 per Plus Connect Share based on the last traded price for Activistic Shares prior to the announcement of Activistic's intention to make the Takeover Offer (\$0.03 on 21 September 2016).

For the purpose of determining the preliminary purchase price allocation we have assumed 180,000,000 Activistic Shares valued at \$0.039 (Activistic's share price at close 16 November 2016) based on 57,577,325 existing Plus Connect Shares.

The purchase consideration for the proposed acquisition of Plus Connect will be measured as the fair value of the Activistic Shares issued at the date of exchange. Consequently, the value of the purchase consideration for accounting purposes will differ from the amount assumed in the pro forma consolidated statement of financial position due to future changes in the market price of Activistic Shares.

The difference between the fair value of the purchase consideration transferred by Activistic (as discussed in the prior paragraph) and the book value of the net assets of Plus Connect has been allocated to property, plant and equipment for pro forma purposes (for reasons described in Section 5.9).

The acquisition of Plus Connect, if completed, will be accounted for as an asset acquisition with Activistic as the acquirer of Plus Connect's assets.

## **5.9 Basis for preparation of the unaudited pro forma consolidated statement of financial position of the Merged Entity**

The unaudited pro forma consolidated statement of financial position of the Merged Entity has been prepared in connection with the proposed acquisition of Plus Connect by Activistic. The unaudited pro forma consolidated statement of financial position has been prepared for illustrative purposes only and gives effect to the acquisition by Activistic pursuant to the assumptions described in Section 5.11 and gives effect to the transaction by Activistic as if it had occurred as of 30 June 2016.

The unaudited pro forma consolidated statement of financial position is not necessarily indicative of the financial position that would have been achieved if the transaction had been completed on the dates or for the periods presented, nor do they purport to project the results of operations or the financial position of the consolidated entities for any future period or as of any future date. The unaudited pro forma consolidated statement of financial position does not reflect any special items such as integration costs or operating synergies that may be incurred or achieved as a result of the acquisition.

The unaudited pro forma adjustments and allocations of the purchase price for the proposed acquisition of Plus Connect are based on a preliminary determination that the fair value of net assets acquired will be allocated to the exploration and evaluation assets. The final purchase price allocation will be completed after the transaction is complete.

The unaudited pro forma consolidated statement of financial position has been prepared in accordance with the recognition and measurement principles of the International Financial Reporting Standards (IFRS).

In preparing the Merged Entity unaudited pro forma consolidated statement of financial position in accordance with IFRS, the following historical information was used:

- (a) unaudited Activistic 30 June 2016 pro forma consolidated statement of financial position (refer Section 3.7.3); and
- (b) unaudited Plus Connect 30 June 2016 pro forma consolidated statement of financial position (refer Section 4.8.3).

In preparing the unaudited pro forma consolidated statement of financial position no alignment has been made between the accounting policies of Plus Connect and Activistic. The Directors of Activistic are not aware of any material differences which would arise on such an alignment.

#### 5.10 Merged Entity 30 June 2016 Pro Forma Consolidated Statement of Financial Position

	UNAUDITED			
	Activistic 30 June 2016 (1)Pro Forma \$	Plus Connect 30 June 2016 (2)Pro Forma \$	Acquisition Adjustments \$	Merged Entity Pro Forma \$
<b>Current Assets</b>				
Cash and cash equivalents	2,874,830	49,407	-	2,924,237
Trade and other receivables	52,213	35,141	-	87,354
Inventories	-	-	-	-
Other current assets	44,660	384,042	-	428,702
<b>Total Current Assets</b>	<b>2,971,703</b>	<b>468,590</b>	<b>-</b>	<b>3,440,293</b>
<b>Non-Current Assets</b>				
Property, plant and equipment	15,608	196,567	-	212,175
Intangible assets	-	2,234,835	-	2,234,835
Goodwill	-	-	3,265,596	3,265,596
Loans	320,000	-	(320,000)	-
<b>Total Non-Current Assets</b>	<b>335,608</b>	<b>2,431,402</b>	<b>2,945,596</b>	<b>5,712,606</b>
<b>Total Assets</b>	<b>3,307,311</b>	<b>2,899,992</b>	<b>2,945,596</b>	<b>9,152,899</b>
<b>Current Liabilities</b>				

	UNAUDITED			
	Activistic 30 June 2016 (1)Pro Forma \$	Plus Connect 30 June 2016 (2)Pro Forma \$	Acquisition Adjustments \$	Merged Entity Pro Forma \$
	Trade and other payables	338,404	304,872	78,962
Provisions	13,956	-	-	13,956
Borrowings	-	445,000	(320,000)	125,000
Other liabilities	-	15,716	-	15,716
<b>Total Current Liabilities</b>	<b>352,360</b>	<b>765,588</b>	<b>(241,038)</b>	<b>876,910</b>
<b>Non-Current Liabilities</b>				
Borrowings	-	250,000	(250,000)	-
<b>Total Non-Current Liabilities</b>	<b>-</b>	<b>250,000</b>	<b>(250,000)</b>	<b>-</b>
<b>Total Liabilities</b>	<b>352,360</b>	<b>1,015,588</b>	<b>(491,038)</b>	<b>876,910</b>
<b>Net Assets</b>	<b>2,954,951</b>	<b>1,884,404</b>	<b>3,436,634</b>	<b>8,275,989</b>
<b>Equity</b>				
Issued capital	16,244,449	8,717,348	(3,067,348)	21,894,449
Reserves	1,614,916	-	-	1,614,916
Accumulated losses	(14,934,292)	(6,832,944)	6,503,982	(15,263,254)
Equity attributable to owners of the parent	2,925,073	1,884,404	3,436,634	8,246,111
Non-controlling interests	29,878	-	-	29,878
<b>Total Equity</b>	<b>2,954,951</b>	<b>1,884,404</b>	<b>3,436,634</b>	<b>8,275,989</b>

**Notes:**

1. Refer to table 3.7.3.
2. Refer to table 4.8.3.

**Acquisition Adjustments:**

Purchase consideration	Book value \$	Adjustments \$	Allocation \$
Shares issued	5,400,000	-	5,400,000
Unlisted Options issued	-	-	-
Total consideration	5,400,000	-	5,400,000
<b>Net assets acquired</b>			
Cash and cash equivalents	49,407	-	49,407
Trade and other receivables	35,141	-	35,141
Other current assets	384,042	-	384,042

Property, plant and equipment	196,567	-	196,567
Intangible assets	2,234,835	-	2,234,835
Trade and other payables	(304,875)	-	(304,875)
Borrowings	(445,000)	-	(445,000)
Other liabilities	(15,716)	-	(15,716)
	<b>2,134,404</b>	-	<b>2,134,404</b>

The fair value of the net assets of Plus Connect to be acquired will ultimately be determined at the date of closing of the transaction. Therefore, it is likely that the fair value of the assets and liabilities acquired will vary from those shown above and the differences may be material.

The unaudited pro forma consolidated financial statement of financial position for the Merged Entity assumes the successful acquisition of 100% of the Plus Connect Shares by Activistic and records the following acquisition adjustments:

- (a) to record the purchase consideration for the Plus Connect net assets. This value is calculated based on an assumed Activistic Share price of \$0.03 which is likely to vary to the actual share price at transaction date;
- (b) to eliminate the historical Plus Connect equity accounts;
- (c) to record the fair value adjustment to assets acquired and liabilities assumed;
- (d) to record elimination of intercompany receivables/payables on consolidation; and
- (e) to record the estimated transaction costs for the merger of \$78,962 comprising of cash costs.

#### **5.11 Effect of transaction on the unaudited pro forma statement of financial position**

The unaudited pro forma consolidated statement of financial position incorporates the following pro forma assumptions in relation to Activistic's proposed acquisition of Plus Connect:

The pro forma adjustment reflects:

- (a) the issue of 180,000,000 Activistic Shares at \$0.03 per Activistic Share under the Takeover Offer;
- (b) the issue of 12,500,000 Activistic Shares at \$0.02 per Activistic Share to satisfy \$250,000 Plus Connect debt;
- (c) the estimated merger cash costs of \$78,962 including legal, taxation, accounting and financial advisors;
- (d) the loan of \$320,000 from Activistic to Plus Connect fully eliminated; and
- (e) the difference between the purchase price and the net assets acquired has been allocated to goodwill.



## **5.12 Outlook for the Merged Entity**

This Bidder's Statement does not include any financial forecasts or projections for revenue or profit in relation to the Company, Plus Connect or the Merged Entity.

The Company has given careful consideration as to whether there is a reasonable basis to produce reliable and meaningful forecast financial information for the Merged Entity. However, the Activistic Directors have concluded that as at the date of this Bidder's Statement, it would be misleading to provide forecast financial information for the Merged Entity.

## **5.13 Dividends**

Given the funding requirements for the commercialisation of the micro-donation activities and Plus Connect's online lottery business, Activistic expects that dividends are unlikely to be available from the Merged Entity for the immediately foreseeable future.

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## **6. INTENTIONS OF ACTIVISTIC LIMITED**

### **6.1 Introduction**

The intentions of Activistic in relation to Plus Connect are set out in this Section of the Bidder's Statement. Those intentions have been formed on the basis of facts and information concerning Plus Connect, and the general business environment, which are known at the time of preparing this Bidder's Statement. Final decisions will only be reached by Activistic in light of material information and circumstances at the relevant time. Accordingly, the statements set out in this section are statements of current intention only and may vary as new information becomes available or circumstances change.

### **6.2 Disclosure Regarding Forward-Looking Statements**

This Bidder's Statement includes forward-looking statements that have been based on Activistic's current expectations and predictions about future events including Activistic's intentions (which include those set out in this Section 6). These forward-looking statements are, however, subject to inherent risks, uncertainties and assumptions that could cause actual results, performance or achievements of Activistic, Plus Connect and the Merged Entity to differ materially from the expectations and predictions, expressed or implied, in such forward-looking statements. These factors include, among other things, those risks identified in this Bidder's Statement (including those set out in Section 8).

None of Activistic, its officers, nor persons named in this Bidder's Statement with their consent or any person involved in the preparation of this Bidder's Statement makes any representation or warranty (express or implied) as to the accuracy or likelihood of any forward looking statements. You are cautioned not to place reliance on these statements in the event that the outcome is not achieved. These statements reflect views and opinions as at the date of this Bidder's Statement.

### **6.3 Rationale for the Takeover Offer**

Activistic believes (based on the information currently available to it) that there are a number of key strategic and financial benefits that will arise from the successful acquisition of Plus Connect by Activistic. These include:

- (a) Plus Connect Shareholders will retain exposure to Plus Connect's assets via their shareholding in Activistic;
- (b) the Directors consider that the combination of Activistic's and Plus Connect's technology, marketing and financial resources and administration will provide the Merged Entity with improved opportunity to maximise the value of the Merged Entity's products;
- (c) the Merged Group will benefit from a simplified ownership and management structure with a strengthened board and management team – enhancing future growth opportunities;

- (d) pro forma market capitalisation of merged entity in excess of \$21,559,472<sup>2</sup>;
- (e) strong balance sheet well positioned for continued business expansion and development;
- (f) the Merged Group will benefit from improved access to capital, with opportunity to enhance shareholder value; and
- (g) merged Board and management team highly credentialed and experienced with delivering operational excellence.

## **6.4 Activistic's Intentions Regarding Plus Connect**

### **6.4.1 Overview**

Subject to the below, it is the present intention of Activistic, on the basis of the information concerning Plus Connect which is known to Activistic and the existing circumstances affecting the business of Plus Connect, that:

- (a) the business of Plus Connect will otherwise be continued in substantially the same manner as it is presently being conducted;
- (b) no other major changes will be made to the business of Plus Connect; and
- (c) the present employees of Plus Connect will otherwise continue to be employed by Plus Connect. Where there is duplication the fair and equitable solution as per the current employee agreements will be decided in consultation with the Plus Connect Board. As a result of implementing Activistic's intentions set out in this Section 6, however, it is possible that certain operational functions will become redundant. While some redundancies may occur as a result, the incidence, extent and timing of such actions cannot be predicted in advance. If redundancies do occur, the relevant employees will receive benefits in accordance with their contractual and other legal entitlements. Further, as a Merged Entity, the business may require additional resources with specific skills which will be assessed against future requirements.

The current intentions of the Company may change in light of material facts and circumstances at the relevant time.

Following a period of review the value accretive treatment of the assets not central to the strategy of near term production will be presented to the Activistic board to assess and determine the future treatment of those assets. The Company will also continue to assess its size and composition as the activities of the Company change.

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<sup>2</sup> Based on the closing price of Activistic Shares on the ASX on 16 November 2016, the last trading day before the date of this Bidder's Statement, of \$0.039.

#### **6.4.2 Intentions upon acquisition of 90% or more of Plus Connect**

If as a result of the Takeover Offer, Activistic becomes entitled to compulsorily acquire outstanding Plus Connect Shares in accordance with Part 6A.1 of the Corporations Act, it intends to:

- (a) proceed with the compulsory acquisition of those shares;
- (b) replace members of the Plus Connect Board (other than Paul Crossin) with nominees of Activistic. Replacement Plus Connect directors have not yet been identified by Activistic and their identity will depend on the circumstance at the relevant time. However, it is expected that the majority of the replacement board members will be members of the Activistic management team;
- (c) change Plus Connect's company type to that of a proprietary company; and
- (d) amend the constitution of Plus Connect to reflect its status as a wholly owned subsidiary of Activistic and a proprietary company.

The Company then intends to undertake the steps outlined in Section 6.4.1 above.

#### **6.4.3 Intentions upon gaining control but less than 90% of Plus Connect**

Activistic may waive the satisfaction of the Conditions in its sole discretion, other than the 90% minimum acceptance condition, which cannot be waived by Activistic, where Activistic has a Relevant Interest of less than 80% of Plus Connect Shares, without the prior written consent of Plus Connect.

Activistic has not decided at this stage whether it will free the Takeover Offer from the 90% minimum acceptance Condition (in the event it acquires at least an 80% Relevant Interest in Plus Connect Shares or if Activistic acquires less than 80% of Plus Connect Shares and Plus Connect consents to Activistic waiving the 90% minimum acceptance condition) or any other Condition.

If, following the close of the Takeover Offer, Plus Connect becomes a controlled entity, but not a wholly owned subsidiary of Activistic, Activistic presently intends, subject to the following, and to the extent possible, and appropriate, to implement the objectives and goals mentioned in Section 6.4.1 above.

The extent to which Activistic will be able to implement these intentions will be subject to:

- (a) the Corporations Act and the ASX Listing Rules, in particular in relation to related party transactions and conflicts of interests; and
- (b) the legal obligation of the directors of Plus Connect to act for proper purposes and in the best interests of Plus Connect Shareholders as a whole.

Having regard to this and in particular the possible requirements of minority shareholder approval, it is possible that Activistic may not be able to implement some of these intentions.

#### **6.4.4 Intentions if Activistic does not acquire effective control of Plus Connect**

Subject to Activistic acquiring at least an 80% Relevant Interest in Plus Connect Shares (or otherwise with the consent of Plus Connect), Activistic reserves its right to declare the Takeover Offer free from the 90% minimum acceptance Condition (or any other Condition) to the Takeover Offer. However, Activistic has not decided at this stage whether it will free the Takeover Offer from the 90% minimum acceptance Condition (or any other Condition).

If the waiver occurs, and Activistic does not acquire effective control of Plus Connect, Activistic intends, subject to the Corporations Act and the ASX Listing Rules, to implement the process outlined in Section 6.4.1 above to the extent possible.

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## 7. AUSTRALIAN TAX CONSIDERATIONS

### 7.1 Overview

The following summary is a general overview of the Australian income tax consequences for Plus Connect Shareholders who accept the Takeover Offer and dispose of their Plus Connect Shares to Activistic in accordance with the Takeover Offer. The comments set out below are relevant only to those Plus Connect Shareholders who are residents of Australia for tax purposes and hold their Plus Connect Shares on capital account.

Certain Plus Connect Shareholders (such as those engaged in a business of share trading or investment, those who acquired their Plus Connect Shares for the purpose of resale at a profit or those which are banks, insurance companies, tax exempt organisations, persons who are temporary residents or non-residents for Australian tax purposes or persons who acquired their Plus Connect Shares in respect of their employment with Plus Connect) will or may be subject to special or different tax consequences particular to their circumstances. Such Plus Connect Shareholders should seek independent taxation advice regarding the disposal of Plus Connect Shares based on their specific circumstances.

The summary is based on taxation law and practice in effect at the date of the Takeover Offer. It is not intended to be an authoritative or comprehensive analysis of the taxation laws of Australia, nor does it consider any specific facts or circumstances that may apply to particular Plus Connect Shareholders. Further, it does not deal with the taxation consequences of disposing of Plus Connect Shares which may have been issued under an employee shares scheme, which may be subject to specific tax provisions.

Given the complexity of the taxation legislation, Plus Connect Shareholders should seek independent taxation advice regarding the tax consequences of disposing of Plus Connect Shares given the particular circumstances which apply to them.

### 7.2 Plus Connect Shareholders holding shares on capital account

Acceptance of the Takeover Offer is likely to involve a disposal by a Plus Connect Shareholder of their Plus Connect Shares for CGT purposes.

An Australian-resident Plus Connect Shareholder may make a capital gain or capital loss, depending on whether their capital proceeds from the exchange are more than the cost base of their Plus Connect Shares, or whether those capital proceeds are less than the cost base of those shares.

The capital proceeds that a Plus Connect Shareholder will be taken to have received in respect of the disposal of their Plus Connect Shares will generally be the market value of Activistic Shares on the date of acceptance of the Takeover Offer.

The cost base of Plus Connect Shares will generally be the cost at which they were acquired including any incidental costs of acquisition together with any additional cost base elements.

In broad terms, the Australian income tax consequences for Plus Connect Shareholders who hold their Plus Connect Shares on capital account and who accept the Takeover Offer will depend on whether or not 'scrip for scrip' capital gains tax rollover relief (**rollover relief**) is available and, if available, is elected. The following discussion considers the general Australian income tax consequences for Plus Connect Shareholders where:

- (a) rollover relief is available and is elected; and
- (b) rollover relief is not available or is not elected.

### **7.3 Acceptance of the Takeover Offer where rollover relief is available and is elected**

Australian-resident Plus Connect Shareholders may be entitled to rollover relief in respect of the consideration referable to Activistic Shares where the exchange of the shares would otherwise realise an assessable capital gain. Broadly speaking, rollover relief is available to Plus Connect Shareholders who exchange shares in one company for shares in another company where the transaction is made pursuant to a takeover bid and provided certain qualifying conditions are satisfied.

In broad terms, these qualifying conditions include the requirement that Activistic must make an offer to all shareholders in Plus Connect to acquire their voting shares on substantially the same terms and Activistic must become the owner of at least 80% of the voting shares in Plus Connect as a consequence of the Takeover Offer.

If the qualifying conditions are satisfied and a Plus Connect Shareholder elects for rollover relief to apply, the rollover relief is available.

The effect of the rollover relief is that the CGT event for Plus Connect Shareholder's (and therefore their respective capital gains) will be deferred until they dispose of some or all of their Activistic Shares in the future.

The CGT cost base of the new Activistic Shares acquired in the exchange is determined by reasonably attributing to it the CGT cost base of the Plus Connect Shares for which a rollover was obtained. For example, the CGT cost base for 1 Plus Connect Share will be apportioned to the 3.126231 Activistic Shares received. Further, the Plus Connect Shareholders will be taken to acquire their Activistic Shares at the time they originally acquired their Plus Connect Shares (for the purpose of determining any entitlement to a CGT discount (discussed further below) on an otherwise assessable capital gain in relation to a subsequent dealing in their new Activistic Shares).

As discussed above, rollover relief will only be available if the qualifying conditions are satisfied and Plus Connect Shareholders elect to apply for it. Further, rollover relief is not available if Plus Connect Shareholders realise a capital loss on the disposal of their Plus Connect Shares.

Rollover relief does not apply automatically and must be elected. The election to utilise rollover relief is evidenced by the manner in which the tax return for the relevant income year is prepared although it may be prudent (though not required) to keep a written record of that election with your tax records.

Given the complexity of the provisions governing rollover relief and the various qualifying conditions that need to be satisfied, Plus Connect Shareholders should seek independent taxation advice regarding their particular circumstances.

### **7.4 Acceptance of the Takeover Offer where rollover relief is not available or is not elected**

If Plus Connect Shareholders do not elect to obtain rollover relief (or if it is not available), they will need to calculate whether they make a capital gain or capital loss on the disposal of their shares in Plus Connect. As discussed above, this

will involve a calculation of their cost base and capital proceeds for their shares in Plus Connect.

Where the amount of capital proceeds received by a Plus Connect Shareholder in respect of the disposal of their Plus Connect Shares is greater than the cost base of those Plus Connect Shares, then the shareholder should realise a capital gain for Australian CGT purposes.

Where the amount of capital proceeds received by a Plus Connect Shareholder in respect of the disposal of their Plus Connect Shares is less than the reduced cost base (broadly the cost of acquiring the shares, not including certain incidental costs of ownership) of those Plus Connect Shares, then the Plus Connect Shareholder should realise a capital loss for Australian CGT purposes.

Where it is expected that a capital gain will result, if a Plus Connect Shareholder does not elect for rollover relief, or that relief is not available, then individuals, complying superannuation funds and trusts, may be eligible for the CGT discount. Companies that hold shares in Plus Connect are not eligible for the CGT discount.

Specifically, where Plus Connect Shares have been held for at least 12 months (not including the day of acquisition and the day of disposal) before their disposal, a Plus Connect Shareholder who is an individual, a complying superannuation entity or the trustee of a trust should be able to reduce the capital gain arising from the disposal of Plus Connect Shares by the CGT discount (see below).

Subject to the Plus Connect Shareholder having any available capital losses from previous income years or net capital losses in the tax year in which they dispose of their Plus Connect shares, where the CGT discount is available, eligible Plus Connect Shareholders which are individuals or trustees of trusts (excluding complying superannuation entities) will reduce the capital gain arising on the disposal of Plus Connect Shares by one-half. For individuals, this reduced gain should be assessed at the Plus Connect Shareholder's marginal tax rate. Trustees should seek specific advice regarding the tax consequences of distributions attributable to discounted capital gains and whether the beneficiaries of such trust distributions may be eligible to receive a CGT discount on any net capital gain distributed.

Subject to the Plus Connect Shareholder having any available capital losses from previous income years or net capital losses in the tax year in which they dispose of their Plus Connect Shares, where Plus Connect Shares are held by a complying superannuation entity and the CGT discount is available, the discount will reduce the nominal capital gain on the disposal of the shares by one-third.

The CGT discount is generally applied after taking into account any available capital losses or revenue losses from previous income years or net capital losses or revenue losses in the tax year in which they dispose of their Plus Connect shares. Plus Connect Shareholders having any capital losses or revenue losses from previous income years or net capital losses or revenue losses in the tax year in which they dispose of their Plus Connect shares should seek independent advice in relation to the potential availability of the CGT discount.

## **7.5 Plus Connect Shareholders who are companies will not be entitled to the CGT discount**

Companies are not entitled to the CGT discount. The capital gain or capital loss will be calculated with reference to the capital proceeds less the cost base or reduced cost base of the shares. Where a company realises a capital gain, it may be eligible to reduce that gain with capital losses from previous income years, net



capital losses in the tax year in which they dispose of their Plus Connect Shares or revenue losses (subject to satisfying certain tax loss integrity measures). We recommend that companies seek advice from their professional tax advisor in relation to the availability and deductibility of any tax losses.

## **7.6 GST**

GST should not apply to the disposal of Plus Connect Shares under the Takeover Offer, the issue of Activistic Shares under the Takeover Offer, or any subsequent disposal of Activistic Shares.

Plus Connect Shareholders who are registered for GST purposes may not be entitled to full input tax credits for any GST incurred on costs (e.g. accounting advisors' costs) associated with acquiring or disposing of securities in Activistic or Plus Connect. Plus Connect Shareholders should seek their own tax advice in this respect.

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## **8. RISK FACTORS**

### **8.1 Overview**

If the Offer becomes unconditional, Plus Connect Shareholders who accept the Takeover Offer will become Activistic Shareholders. In those circumstances, Plus Connect Shareholders will:

- (a) continue to be exposed to the risks associated with the investment in Plus Connect as a result of their indirect interest in Plus Connect through Activistic;
- (b) be exposed to the risks which are specific to an investment in Activistic; and
- (c) be exposed to additional risks relating to the Takeover Offer and the Merged Entity.

These risks are explained below. Plus Connect Shareholders should read this Bidder's Statement carefully and consult their professional advisors before deciding whether to accept the Takeover Offer. By accepting the Takeover Offer, Plus Connect Shareholders will be investing in Activistic.

The business activities of Activistic and the Merged Entity are subject to various risks that may impact on the future performance of Activistic and the Merged Entity. Some of these risks can be mitigated by the use of safeguards and appropriate systems and controls, but some are outside the control of Activistic and the Merged Entity and cannot be mitigated.

Accordingly, an investment in the Merged Entity carries no guarantee with respect to the payment of dividends, return of capital or price at which shares will trade and should be considered speculative. The principal risk factors include, but are not limited to, the following. The risks are general only and do not take into account your individual objectives, financial situation or needs. You should carefully consider the following risk factors, as well as other information provided by Activistic, and consult your professional advisers before deciding whether to accept the Takeover Offer.

### **8.2 Risks Relating to the Offer**

#### **8.2.1 Conditions of the Offer**

As described in Section 1.8 of Annexure A of the Bidder's Statement, the Takeover Offer is subject to a number of Conditions.

Subject to any statutory withdrawal rights that may be available (see Section 1.6 of Annexure A of the Bidder's Statement), Plus Connect Shareholders who accept the Takeover Offer whilst it still remains conditional will no longer be able to sell or otherwise dispose of their Plus Connect Shares or withdraw their acceptance of the Takeover Offer.

For those Plus Connect Shareholders who accept the Takeover Offer and the Conditions remain unsatisfied at the end of the Offer Period and are not otherwise waived by Activistic, there is no obligation on Activistic to issue Activistic Shares to you as consideration for your Plus Connect Shares. In those circumstances, any acceptances of the Takeover Offer will be void and you would then be free to deal with your Plus Connect Shares.

## **8.2.2 Limited withdrawal rights**

As described in Section 1.6 of Annexure A of the Bidder's Statement, Plus Connect Shareholders may only withdraw their acceptance of the Takeover Offer in limited circumstances. Otherwise, Plus Connect Shareholders will be unable to withdraw their acceptances, even if the value of the Activistic Shares to be issued to Plus Connect Shareholders as consideration varies from the date of their acceptance.

## **8.2.3 Issue of Activistic Shares as consideration**

Plus Connect Shareholders are being offered specific quantities of Activistic Shares as consideration under the Offer. As a result, the value of the consideration will fluctuate depending upon the market value of Activistic Shares at any given time.

Furthermore, some of the holders of Plus Connect Shares that receive Activistic Shares as consideration under the Takeover Offer may not intend to continue to hold those Activistic Shares and may wish to sell them on ASX. There is a risk that if a significant number of holders of Plus Connect Shares seek to dispose of their Activistic Shares, this may adversely impact the price of Activistic Shares.

Accordingly, the market value of the Activistic Shares at the time you receive them may vary significantly from their market value on the date of your acceptance of the Offer. This may result in the value of the consideration to Plus Connect Shareholders increasing as well as decreasing.

## **8.2.4 Rollover Relief**

A condition of the Offer is that the level of acceptance must result in Activistic obtaining a Relevant Interest in at least 90% of all Plus Connect Shares. Activistic reserves the right to free the Takeover Offer from the 90% minimum acceptance Condition save that, under the Bid Implementation Agreement, this Condition cannot be waived by Activistic, where Activistic has a Relevant Interest of less than 80% of Plus Connect Shares, without the prior written consent of Plus Connect.

If Activistic does not acquire a Relevant Interest in at least 80% of Plus Connect Shares, and Plus Connect consents to Activistic waiving the 90% minimum acceptance condition, CGT rollover relief will not be available to Plus Connect Shareholders. Refer to Section 7 above for further details.

## **8.2.5 Sale of Activistic Shares**

Under the Offer, Activistic will issue a significant number of new Activistic Shares. Some holders of Activistic Shares may not intend to continue to hold their Activistic Shares and may wish to sell them. There is a risk that this may adversely impact on the price of and demand for Activistic Shares.

## **8.2.6 Acquisition of Less than 90% of Plus Connect Shares**

If Activistic decides to waive the 90% minimum acceptance Condition, it is possible that Activistic could acquire a Relevant Interest of less than 90% of Plus Connect Shares on issue under the Takeover Offer. The existence of a minority interest in Plus Connect may have an impact on the operations of the Merged Entity, although this impact will depend upon the ultimate level of Plus Connect ownership acquired by Activistic. However, a condition of the Offer is that the level of acceptance must result in Activistic obtaining a Relevant Interest in at least 90% of all Plus Connect Shares. Activistic reserves the right to free the

Takeover Offer from the 90% minimum acceptance Condition save that, under the Bid Implementation Agreement, this Condition cannot be waived by Activistic, where Activistic has a Relevant Interest of less than 80% of Plus Connect Shares, without the prior written consent of Plus Connect.

### **8.2.7 Duty and Government Charges**

Duty and other government charges may be payable by Activistic in relation to the Offer. The amount of these duties and charges may be material.

### **8.2.8 Dilution Risk**

The consideration for the Takeover Offer is the Takeover Offer Consideration set out on the front page of this Bidder's Statement. If the Takeover Offer is completed, there will be a dilution for current Activistic Shareholders as a result of the Takeover Consideration being issued.

## **8.3 Risks Relating to the Merged Entity**

This Section 8.3 sets out risks that are specific to Activistic and Plus Connect as the Merged Entity.

### **8.3.1 Risks relating to the Merged Entity's operations**

Future operations of the Merged Entity may be affected by various factors including, without limitation:

- (a) cancellation of, failure to renew or material adverse changes to, any Regulatory Authority licence or approval, including (without limitation) the NT Licence, necessary for the Merged Entity to carry out its business;
- (b) unanticipated operational and technical difficulties encountered;
- (c) failure of operating equipment, fire, accidents, industrial disputes and other force majeure events;
- (d) risk that development and/or operating costs prove to be greater than expected or that any potential developments or acquisitions may not be achieved;
- (e) failure to achieve market penetration, user retention, user growth and/or user engagement;
- (f) the supply and cost of skilled labour; and
- (g) the prevention and/or restriction of market penetration or user access by reason of applicable laws, regulatory requirements political unrest, outbreak of hostilities and inability to obtain consents or approvals.

There is no assurance that commercial viability will be achieved.

Other factors such as technical difficulties, adverse changes in government policy and/or legislation or lack of access to sufficient funding or markets may prevent the Merged Entity from operating successfully.

### **8.3.2 Failure to deal with growth**

There is a risk that management of the Merged Entity will not be able to implement the Company's growth strategy. The capacity of the Merged Entity's

management to properly implement and manage its strategic direction may adversely affect the Merged Entity's financial position and financial performance. Any failure to meet user demand properly could adversely affect the business, including demand for products and services, revenue, customer satisfaction and public perception.

### **8.3.3 Risks associated with jurisdictional expansion**

The Merged Entity's online platform has been constructed so as to be capable of being utilised in multiple overseas jurisdictions (although there is no guarantee that will occur). As the Merged Entity seeks to expand into overseas markets, it may require a physical presence in other jurisdictions/markets which will result in an associated increase in overheads and development and marketing costs as well as jurisdictional risks. There is the risk that any jurisdictional expansion will be unsuccessful, or that even if there is demand for the Merged Entity's products and services in that market, that the costs of doing business in that market, including the costs of establishing a new base in-country, overseas regulatory compliance and the potential duplication of running costs for the Merged Entity, are such that the Merged Entity's financial position and financial performance (including available working capital) will be adversely impacted.

### **8.3.4 Business model to initially focus on growing market share**

As with other online platform developers, the Merged Entity's business model will initially be focused on maximising market share, rather than profitability. This will require expenditure on marketing and business development. Only if the Merged Entity achieves its market penetration and customer dependence objectives (which objectives may never be reached) will its focus shift to seeking to become profitable, although there is a risk that will not occur and no assurance or forecast is given as to whether the Merged Entity will become profitable. Accordingly, the Merged Entity may not achieve significant profitability in the short term or at all, or may suffer losses.

### **8.3.5 Retention of key business relationships**

The Merged Entity's business relies on several contracts and business alliances. Any circumstance which causes the early termination or non-renewal of one or more of these key business alliances or contracts could adversely impact the Merged Entity, its business, operating results or prospects.

### **8.3.6 Ability to attract personnel**

The Merged Entity's success depends, in part, on its ability to identify, attract, motivate and retain additional suitably qualified management. The loss of any of its senior management or key employees and any delay in their replacement could significantly impact its operations. Competition for suitably qualified staff is strong. The inability to access and retain the services of a sufficient number of qualified staff could be disruptive to the Merged Entity's development efforts or business development and could materially adversely affect its prospects. There is no guarantee that the Merged Entity will be able to attract and retain appropriately qualified personnel.

### **8.3.7 Availability of IT staff in the market**

The Merged Entity is reliant upon employees with specialist IT skills in order to develop and maintain the Merged Entity's products and services. Any shortage of availability of these skills in the IT employment market could impair the development of the Merged Entity's products and business and the rate of such

development. Such shortage could also cause wage inflation, which may impact on the Merged Entity's financial position and financial performance.

### **8.3.8 Reliance on core information technology and other systems**

The availability of the Merged Entity's platforms is dependent upon the performance, reliability and availability of its IT and communication systems. This includes its core technologies such as computer servers and back-end processing systems. These systems may be adversely affected by a number of factors including major events such as acts of terrorism or war, a breakdown in utilities such as electricity and fibre optic cabling and even pandemics. Events of that nature may cause one or more of those core technologies to become unavailable. There are also internal and external factors that may adversely affect those systems and technologies such as natural disasters, misuse by employees or contractors or other technical issues. The Merged Entity may not adequately address every potential event and it may suffer loss or damage as a result of a system failure.

Any damage to, or failure of, the Merged Entity's key systems can result in disruptions in the Merged Entity's ability to operate its platforms. Such disruptions have the potential to adversely affect the Merged Entity's financial position and financial performance, reduce the potential to attract and/or retain users, impact user service levels and damage the Merged Entity's reputation. This could adversely affect the Merged Entity's ability to generate new business and cause it to suffer financial loss.

### **8.3.9 Security breaches**

A malicious attack on the Merged Entity's systems, processes or people from external or internal sources could put the integrity and privacy of customers' data and business systems used to run the Merged Entity's online platform at risk. The impact of loss or leakage of customer or business data could include costs for rebates, potential service disruption, litigation and brand damage resulting in adverse effects to the Merged Entity's financial position and financial performance. The Merged Entity proposes to follow best practice in relation to security policies, procedures, automated and manual protections, encryption systems and staff screening to minimise this risk.

### **8.3.10 Shortage of funding**

If the Merged Entity incurs unexpected costs or is unable to generate sufficient operating income, further funding may be required. Any additional funding through securities issues is dependent upon market conditions at the time. Debt financing may not be available to support the scope and extent of proposed developments. If available, it may impose restrictions on operating activities or cause a reduction in the Merged Entity's operations.

### **8.3.11 Protection of intellectual property**

The Merged Entity's intellectual property includes its software development, knowledge base of business operations, including user, industry and market behaviours, customer records and the experience of its management team and workforce. The Merged Entity proposes to maintain strict security and monitoring of its software code and customer records, including protection and restriction on physical access.

The Company has a trade mark in place to protect its proprietary rights. Whilst the Company has patent applications, it does not currently have any patents to

protect its potential intellectual property and there is a risk that the patent applications may not be granted.

In any event, the Merged Entity cannot be certain that unauthorised use or access of intellectual property relevant to the Merged Entity's business will not be undertaken by third parties to the detriment of the Merged Entity, its operations and business. In addition, there can be no guarantee that unauthorised use or copying of the Merged Entity's software, data or specialised technology will be prevented. Any unauthorised use, access or copying of the Merged Entity's intellectual property could impact adversely on the Merged Entity's financial position and financial performance.

#### **8.3.12 Contractual risks**

The ability of the Merged Entity to achieve its objectives will also be dependent on the performance by the counterparties to agreements that the Merged Entity has entered into or may enter into. If any counterparty defaults in the performance of their obligations, it may be necessary for the Merged Entity to approach a court to seek a legal remedy. Legal action can be costly and carry uncertain outcomes. Furthermore, certain contracts to which the Merged Entity is a party may be governed by laws of jurisdictions outside Australia. There is a risk that the Merged Entity may not be able to seek legal redress that it could expect under Australian law; and generally there can be no guarantee that a legal remedy will ultimately be granted on favourable terms.

#### **8.3.13 Insurance risks**

The occurrence of an event that is not covered or fully covered by insurance could have a materially adverse effect on the business, financial condition and results of the Merged Entity. In addition, there remains the risk that an insurer defaults in the payment of a legitimate claim by the Merged Entity, in the event that insurance coverage may apply (although the Merged Entity does not currently have insurance).

#### **8.3.14 Risks relating to the Merged Entity's business and industry**

If the Merged Entity fails to retain existing users of its platforms or fails to add new users, or if users decrease their level of engagement with the Merged Entity, the Merged Entity's revenue, financial results and business may be significantly harmed.

The size of the Merged Entity's user base and users' level of engagement are critical to the success (or otherwise) of the Merged Entity. The Merged Entity's financial performance will be significantly determined by whether it can add, retain and engage active users.

The Merged Entity may not be able to add, retain or engage active users of its platforms and the Merged Entity's financial position and financial performance may suffer from a failure to do so.

If users and potential users do not perceive the Merged Entity's products to be useful, reliable and trustworthy, the Merged Entity may not be able to attract or retain users or otherwise maintain or increase the frequency and duration of their engagement.

There is no guarantee that the Merged Entity will not experience an erosion of its active user base and/or its user engagement levels or fail to increase those factors which remain negligible at the date of this Bidder's Statement. A decrease in user

retention, user growth and/or user engagement or failure to increase those factors could render the Merged Entity unattractive to charities, developers and advertisers, which may have a material and adverse impact on the Merged Entity's financial performance and financial position.

Any number of factors could potentially negatively affect user retention, user growth and user engagement, including, without limitation:

- (a) users increasingly engaging with competing products;
- (b) failure to introduce new and/or improved products and services, or if new and/or improved products and services are not favourably received;
- (c) failure to successfully provide a compelling user experience as a result of the decisions made with respect to the frequency, prominence and size of advertisements and other commercial content displayed;
- (d) failure to continue to develop products for mobile devices that users find engaging, that work with a variety of mobile operating systems and networks and that achieve a high level of market acceptance;
- (e) changes in user sentiment about the quality or usefulness of the Company's products and/or concerns related to privacy and data sharing, safety, security or other factors;
- (f) failure to manage and prioritise information to ensure users are presented with content that is interesting, useful and relevant to them;
- (g) adverse changes in the Merged Entity's products that are mandated by legislation, regulatory authorities, or litigation, including settlements or consent decrees;
- (h) technical or other problems prevent the Merged Entity from delivering its products in a rapid and reliable manner that adversely affect the user experience;
- (i) the adoption of policies or procedures by the Merged Entity related to areas such as data sharing and/or user data that are perceived negatively by both users and the general public;
- (j) failure to provide adequate customer service to users, developers and/or advertisers; and
- (k) the Merged Entity, its platform developers or other companies in the same industry are the subject of adverse media reports or other negative publicity.

Should such risks or uncertainties materialise then the Merged Entity's financial position, financial performance and/or achievements may be adversely affected.

### **8.3.15 Legal environment**

The legal system in the markets in which the Merged Entity would operate and/or intends to operate, may be less developed than in Australia and this could result in the following risks:



- (a) political difficulties in obtaining effective legal redress in the courts whether in respect of a breach of law or regulation or in an ownership dispute;
- (b) a higher degree of discretion held by various government officials or agencies;
- (c) the lack of political or administrative guidance on implementing applicable rules and regulations, particularly in relation to intellectual property rights and taxation;
- (d) inconsistencies or conflicts between and within various laws, regulations, decrees, orders and resolutions; or
- (e) relative inexperience of the judiciary and court in matters affecting the Merged Entity.

### **8.3.16 Risks relating to operating in other jurisdictions**

Possible sovereign risks include, without limitation, changes in legislation, a shift in political attitude, changes in economic and social conditions, political instability, the imposition of operating restrictions, government participation, changes to taxation rates and/or concessions, working conditions, rates of exchange, exchange control, licensing, duties or imposts, repatriation of income or return of capital and changes in the ability to enforce legal rights.

The Merged Entity's activities are subject to all applicable local laws, regulations and to the relevant conditions applying in each jurisdiction in which the Merged Entity operates or intends to operate. Failure to comply with these conditions may cause the Merged Entity to suffer significant damage through loss of opportunity and/or the imposition of penalties and fines.

Changes in government and/or statutory changes in jurisdictions in which the Merged Entity operates, or intends to operate, may affect the Merged Entity's business and operations.

Any of these factors may, in the future, adversely affect the financial performance and financial position of the Merged Entity and the market price of its Shares and the value of its securities.

International operations are subject to a number of further risks, including:

- (a) potential difficulties in enforcing agreements and collecting receivables through foreign local systems;
- (b) potential difficulties in protecting intellectual property;
- (c) increases in operating costs; and
- (d) restrictive governmental actions.

Any of these factors could materially and adversely affect the Merged Entity's business, results of operations and financial condition.

### **8.3.17 Future funding**

Future funding may be required by the Merged Entity to support its proposed activities. There can be no assurance that such funding will be available on

satisfactory terms or at all. The Merged Entity's capital requirements will depend on numerous factors. Any additional equity financing will dilute shareholdings, and debt financing, if available, may involve restrictions on financing and operating activities. If the Merged Entity is unable to secure additional financing as needed, it may be required to reduce the scope of its operations. There is however, no guarantee that the Merged Entity will be able to secure any additional funding or be able to secure funding on terms favourable to the Merged Entity.

Further, loan agreements and other financing rearrangements such as debt facilities, convertible note issues and finance leases (and any related guarantee and security) that may be entered into by the Merged Entity may contain covenants, undertakings and other provisions which, if breached, may entitle lenders to accelerate repayment of loans and there is no assurance that the Merged Entity would be able to repay such loans in the event of an acceleration. Enforcement of any security granted by Merged Entity or default under a finance lease could also result in the loss of assets.

### **8.3.18 Profitability**

Future operating results depend to a large extent on management's ability to successfully manage expansion and growth. Inability to control the costs and organisational impacts of business growth or an unpredicted decline in the growth rate of revenues without a corresponding and timely reduction in expense growth or a failure to manage other issues arising from growth could materially adversely affect the Merged Entity's operating results. A failure to generate profits may adversely affect the market price of the Merged Entity's securities, restrict its ability to pay dividends, impair its ability to raise capital, obtain financing, repay debts and expand its business.

### **8.3.19 Integration risks**

There is a risk that integration of the businesses of Activistic and Plus Connect may take longer than expected and that the potential efficiencies and benefits of the Merged Entity may be less than anticipated. Potential risks include differences in management culture, inability to achieve synergies, cost savings and tax advantages and the loss of key personnel. Whilst Activistic anticipates that value will be added through the Takeover Offer, there is a risk that the full benefits may only be realised in part, or not at all.

### **8.3.20 Market acceptance**

The global marketplace for most products and services is ever changing due to new technologies, new products, changes in preferences, changes in regulation and other factors influencing market acceptance or market rejection. This market volatility and risk exists despite the best endeavours of market research, promotion and licensing campaigns.

Accordingly, there is a risk that the Merged Entity may not be able to commercialise its business, which could adversely impact the Merged Entity operations, financial position and financial performance.

### **8.3.21 Government policies and legislation**

The Merged Entity's businesses and performance are affected generally by the fiscal or other policies (including taxation) that are adopted by government both in Australia and in the other jurisdictions in which the Merged Entity operates or may operate in the future. Any change in regulation or policy may adversely affect the financial performance or financial position of the Merged Entity, either

on a short-term or long-term basis. The Merged Entity may also be adversely affected by the pace or extent of such change.

### **8.3.22 Economic risk and external market factors**

Factors, such as, but not limited to, political movements, stock market trends, changing customer preferences, interest rates, inflation levels, industrial disruption, international competition, taxation changes and legislative or regulatory changes, may all have an adverse impact on the Merged Entity's prospects, operating costs, profit margins and share price. These factors would be beyond the control of the Merged Entity and Activistic cannot, to any degree of certainty, predict how they will impact on the Merged Entity.

### **8.3.23 Litigation**

Litigation brought by third parties including but not limited to customers, partners, suppliers, business partners or employees could negatively impact the Merged Entity's financial position and financial performance.

### **8.3.24 Competition risk**

The industry in which the Merged Entity will be involved is subject to domestic and global competition. Although the Merged Entity will undertake all reasonable due diligence in its business decisions and operations, the Merged Entity will have no influence or control over the activities or actions of its competitors, which activities or actions may, positively or negatively, affect the operating and financial performance of the Merged Entity's business.

### **8.3.25 Dividends**

Any future payment of dividends by the Merged Entity will be at the discretion of the Directors and will depend on the financial position of the Merged Entity, future capital requirements, business operations and other factors considered relevant by the Directors at the time. No assurance in relation to the payment of dividends or franking credits attaching to dividends can be given by the Merged Entity.

### **8.3.26 Related party limitations if Activistic does not acquire more than 90% of Plus Connect Shares**

If the Takeover Offer goes unconditional and Activistic does not acquire more than a 90% interest in the Plus Connect Shares on issue at the end of the Offer Period, then the related party provisions of the Corporations Act (and the ASX Listing Rules) will apply to the two companies which may limit activities between the companies or increase regulatory compliance for undertaking certain activities between the companies.

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## **9. ADDITIONAL INFORMATION**

### **9.1 Activistic's Interest in Plus Connect Shares**

As at the date of this Bidder's Statement:

- (a) Activistic has a voting power of 19.3% in Plus Connect; and
- (b) Activistic has a Relevant Interest in 19.3% of Plus Connect Shares.

Immediately before the first Takeover Offer is sent:

- (a) Activistic holds 19.3% voting power in Plus Connect; and
- (b) Activistic has a Relevant Interest in 19.3% of Plus Connect Shares.

Activistic is not the registered holder of any Plus Connect Shares. However, it has entered into Pre-Bid Acceptance Agreements with certain Plus Connect Shareholders in respect of 11,131,666 Plus Connect Shares.

### **9.2 Acquisitions of Plus Connect Shares by Activistic and its Associates**

#### **9.2.1 Previous 4 months**

Other than in respect of the pre-bid acceptances noted in Section 9.1, neither Activistic nor any Associate of Activistic has provided, or agreed to provide, consideration for Plus Connect securities under any purchase or agreement during the period beginning 4 months before the date of this Bidder's Statement ending on the day immediately before the date of this Bidder's Statement.

#### **9.2.2 Period before Takeover Offer**

Neither Activistic nor any Associate of Activistic has provided, or agreed to provide, consideration for Plus Connect securities under any purchase or agreement during the period starting on the date of this Bidder's Statement and ending on the date immediately before the date of the Takeover Offer.

### **9.3 No Escalation Agreements**

Neither Activistic nor any Associate of Activistic has entered into any escalation agreement that is prohibited by Section 622 of the Corporations Act.

### **9.4 Collateral Benefits**

#### **9.4.1 Previous 4 months**

During the period beginning 4 months before the date of this Bidder's Statement and ending on the day immediately before the date of this Bidder's Statement, neither Activistic nor any Associate of Activistic gave, or offered to give or agreed to give, a benefit to another person that was likely to induce the other person, or an Associate of that person, to:

- (a) accept the Takeover Offer; or
- (b) dispose of their Plus Connect Shares,

and which is not offered to all holders of Plus Connect Shares under the Takeover Offer.

#### **9.4.2 Period before Takeover Offer**

During the period starting on the date of this Bidder's Statement and ending on the date immediately before the date of the Takeover Offer, neither Activistic nor any Associate of Activistic gave, or offered or agreed to give, a benefit to another person that was likely to induce the other person, or an Associate of that person, to:

- (a) accept the Takeover Offer; or
- (b) dispose of their Plus Connect Shares,

and which is not offered to all holders of Plus Connect Shares under the Takeover Offer.

#### **9.5 Disclosure of Information**

Due to the fact that Activistic is offering Activistic Shares as consideration for the acquisition of Plus Connect Shares under the Takeover Offer, the Corporations Act requires that this Bidder's Statement must include all information that would be required for a prospectus for an offer of Activistic Shares under Sections 710 to 713 of the Corporations Act.

As a company whose shares are quoted on ASX, Activistic is subject to regular disclosure requirements. In particular, Activistic is required to disclose information concerning its finances, activities and performance. This disclosure is available on Activistic's website as well as on the ASX website (ASX Code: ACU).

Please refer to Section 3.9 for further details in relation to Activistic's corporate governance policies.

#### **9.6 Directors' Disclosure Regarding Previous Directorships**

Evan Cross was previously the chairman and major shareholder of Starfield Metals Limited, a public unlisted company which conducted a small scale tin mine in the Republic of Uganda. In October 2014, the Department of Geological Survey and Mines revoked the mining licence held by Starfield Metals Limited, resulting in the loss of the major asset of Starfield Metals Limited. Starfield Metals Limited was subsequently placed into voluntary liquidation by its directors in December 2014.

The Activistic Directors have considered the circumstances surrounding Mr Cross' involvement in Starfield Metals Limited and are of the view that Mr Cross' involvement in this company in no way impacts on his appointment and contribution as a Director of Activistic.

#### **9.7 Pre-Bid Acceptance Agreements**

On 22 September 2016, Activistic announced that it had entered into pre-bid acceptance agreements with certain Plus Connect Shareholders in respect of their Plus Connect Shares. These represent 19.3% of Plus Connect Shares. Each Pre-Bid Shareholder has agreed, subject to certain termination rights as detailed below, to accept the Offer for the number of Plus Connect Shares set out below:

- (a) Boh Tiong Yap, in respect of 2,233,333 Plus Connect Shares (being 3.9% of Plus Connect Shares outstanding);
- (b) Kay Liang Henry Tan, in respect of 466,667 Plus Connect Shares (being 0.8% of Plus Connect Shares outstanding);

- (c) Laurence Lee Min Tai, in respect of 533,333 Plus Connect Shares (being 0.9% of Plus Connect Shares outstanding);
- (d) Otbert de Jong, in respect of 2,698,333 Plus Connect Shares (being 4.7% of Plus Connect Shares outstanding);
- (e) Jetosea Pty Ltd, in respect of 5,000,000 Plus Connect Shares (being 8.7% of Plus Connect Shares outstanding); and
- (f) Veritas Securities Ltd, in respect of 200,000 Plus Connect Shares (being 0.4% of Plus Connect Shares outstanding).

Under the terms of the pre-bid acceptance agreements each of those Plus Connect Shareholders must accept the Takeover Offer in respect of their Plus Connect Shares subject to those arrangements, within 2 business days of the date that is 10 business days after the Takeover Offer opens.

The pre-bid acceptance agreements will terminate automatically if:

- (a) Activistic does not make the Takeover Offer within two months of the Announcement Date, or having made the Takeover Offer withdraws the Takeover Offer;
- (b) the Takeover Offer lapses or expires because a Condition (as set out in Annexure A of this Bidder's Statement) has not been satisfied or waived by the end of the Offer Period;
- (c) the Takeover Offer has been declared unconditional (or Activistic has notified that all of the Conditions as set out in Annexure A of this Bidder's Statement have been satisfied or waived) and the relevant Plus Connect Shareholder has accepted the Offer in respect of its Plus Connect Shares;
- (d) a Third Party Offer is made at a Third Party Offer Price which exceeds Activistic's Offer price (or any increase or variation thereof) and Activistic does not within 5 business days after that Third Party Offer is made, make an offer or announced an intention to make an offer which matches or exceeds that Third Party Offer Price; or
- (e) the Takeovers Panel decides that all or any part of the transactions contemplated in the pre-bid acceptance agreements constitute unacceptable circumstances.

Under the terms of the Pre-Bid Acceptance Agreements, the Pre-Bid Shareholders are not permitted to sell, dispose of, encumber or otherwise deal with any of their respective number of Plus Connect Shares set above unless it is in accordance with the Pre-Bid Acceptance Agreements.

## **9.8 Plus Connect Shareholder's Intention to Accept the Offer**

On 22 September 2016, Activistic announced that it had entered into the Bid Implementation Agreement with Plus Connect, and that certain Plus Connect Shareholders had made statements of intention to accept the Offer in respect of their Plus Connect Shares, in the absence of a superior proposal, not earlier than 21 days after the open of the Takeover Offer, from:

- (a) Dempsey Management Pty Ltd, in respect of 131,250 Plus Connect Shares (being 0.2% of Plus Connect Shares outstanding);

- (b) Dempsey Super Pty Ltd, in respect of 131,250 Plus Connect Shares (being 0.2% of Plus Connect Shares outstanding);
- (c) Francis George Carlow, in respect of 500,000 Plus Connect Shares (being 0.9% of Plus Connect Shares outstanding);
- (d) Frank George Carlow as trustee for Carlow Family Superannuation Fund A/C, in respect of 1,200,000 Plus Connect Shares (being 2.1% of Plus Connect Shares outstanding);
- (e) Hera Investments Pty Ltd, in respect of 290,000 Plus Connect Shares (being 0.5% of Plus Connect Shares outstanding);
- (f) Rodney Lewis, in respect of 333,306 Plus Connect Shares (being 0.6% of Plus Connect Shares outstanding);
- (g) Joanne Edgar and Paul Dominic Crossin as trustees for the Edgar Crossin Family Trust, in respect of 17,350,000 Plus Connect Shares (being 30.1% of Plus Connect Shares outstanding);
- (h) Joanne Edgar and Paul Crossin as trustees for Dynasync Superannuation Fund, in respect of 533,333 Plus Connect Shares (being 0.9% of Plus Connect Shares outstanding);
- (i) Kevin Andrew Fell, in respect of 2,878,866 Plus Connect Shares (being 5.0% of Plus Connect Shares outstanding); and
- (j) John Zaccaria as trustee for the Zaccaria Share Trust, in respect of 2,878,866 Plus Connect Shares (being 5.0% of Plus Connect Shares outstanding).

These represent in aggregate 45.5% of Plus Connect Shares (26,226,871 Plus Connect Shares). These Plus Connect Shareholders have consented to the disclosure of the statements of intention in this Bidder's Statement and have not withdrawn that consent before the date of this Bidder's Statement.

## 9.9 Debt to Equity Conversion Agreement

On 21 September 2016, Activistic and Plus Connect entered into an agreement (**Debt Conversion Agreement**) with CDC Prosser Pty Ltd (ACN 160 589 435) (**Plus Connect Creditor**) pursuant to which the Plus Connect Creditor agreed to convert all of \$250,000 in debt (inclusive of GST) owed to the Plus Connect Creditor by Plus Connect (**Debt**) into Activistic Shares on successful completion of the Takeover Offer.

Activistic has agreed to issue to the Plus Connect Creditor 12,500,000 Activistic Shares at a deemed issue price of \$0.02 per Activistic Share, for conversion of 100% of the Debt and the Plus Connect Creditor has agreed to fully release and discharge Activistic and Plus Connect from all obligations, claims and liabilities in respect of the Debt upon issue of the Activistic Shares.

The Plus Connect Creditor has agreed not to seek enforcement of the Debt unless the Takeover Offer is not completed by 31 January 2017.

## 9.10 Loan Agreement

Activistic and Plus Connect have entered into a secured loan agreement (**Loan Agreement**) whereby Activistic agreed to provide a loan to Plus Connect for an

amount of up to \$500,000 (**Loan**). The material terms and conditions of the Loan Agreement are as follows:

- (a) (**Advance**): Activistic has advanced \$320,000 to Plus Connect and has agreed to provide a further \$180,000 on such date determined by Activistic, in its sole discretion.
- (b) (**Use of Loan funds**): The Loan funds must be applied towards marketing expenditure to grow its user base and working capital.
- (c) (**Interest**): Interest will be calculated on daily balances on the amount outstanding at a rate of 10% per annum and may be capitalised by Activistic at monthly intervals and is payable on the date for repayment in accordance with paragraph (d) below. An interest rate of 15% per annum is payable on any overdue amounts and accrues from day to day from and including the due date for payment up until the actual date of payment.
- (d) (**Repayment**): All outstanding amounts (including interest) must be repaid to Activistic on:
  - (i) 31 December 2017, provided the acquisition of Plus Connect by Activistic is completed; or
  - (ii) 60 days after the date on which the Bid Implementation Agreement is terminated.
- (e) (**Security**): In respect of all money which Plus Connect is, or at any time becomes liable to pay to Activistic under the Loan Agreement, Plus Connect has granted a security interest in favour of Activistic in all of Plus Connect's present and after-acquired property.
- (f) (**Event of Default**): The Loan Agreement contains events of default that are considered standard for an agreement of this type, including but not limited to: failure to pay, non-remediable failure, misrepresentation, insolvency, winding up, and cessation of business. Upon the occurrence of an event of default Activistic may, for so long as the event of default is continuing, by written notice to Plus Connect, declare the outstanding moneys to be immediately due and payable to Activistic without the need for any further demand or notice to be given.

### 9.11 Bid implementation Agreement

On 21 September 2016, Plus Connect and Activistic entered into the Bid Implementation Agreement which Activistic agreed to make a conditional off-market takeover bid for all of the Plus Connect Shares.

A copy of the Bid Implementation Agreement was lodged with the ASX on 22 September 2016 and can be obtained from ASX's website (at [www.asx.com.au](http://www.asx.com.au)) (ASX: ACU).

### 9.12 Exclusivity

Under the Bid Implementation Agreement, Plus Connect has agreed to an exclusivity period commencing on the date of the Bid Implementation Agreement (being 21 September 2016) and ending on 31 January 2017 (subject to earlier completion of the Takeover Offer or termination of the Bid Implementation Agreement) during which Plus Connect may not solicit other proposals without



Activistic's consent and must notify Activistic if a Competing Proposal is received. In the event that a Competing Proposal is received by Plus Connect which is superior to the Takeover Offer, Activistic will have an opportunity to vary the terms of the Takeover Offer to match or better such a Superior Proposal.

### **9.13 Compensation Payment upon termination of Bid Implementation Agreement**

If Activistic terminates the Bid Implementation Agreement for any of the following reasons, Plus Connect must pay an amount of \$100,000 as compensation for costs incurred by Activistic in connection with the Bid Implementation Agreement and Takeover Offer:

- (a) a third party acquires or agrees with Plus Connect to acquire the whole or a substantial part of the assets of Plus Connect;
- (b) any director of Plus Connect does not recommend accepting the Takeover Bid to Plus Connect Shareholders or, having recommended it, withdraws or adversely modifies his or her recommendation of the Takeover Bid or approves or recommends or makes an announcement in support of a Competing Transaction or announces an intention to do any of these acts unless:
  - (i) the Bid Implementation Agreement has already been validly terminated;
  - (ii) an Activistic Prescribed Occurrence or Activistic Material Adverse Change has occurred (as defined in the Bid Implementation Agreement); or
  - (iii) an independent expert (if commissioned) does not conclude that the Takeover Bid is fair and reasonable to Plus Connect Shareholders.
- (c) the Bid Implementation Agreement is terminated by Activistic because a Plus Connect Prescribed Occurrence occurs;
- (d) Activistic terminates the Bid Implementation Agreement due to a material breach of the Bid Implementation Agreement by Plus Connect that is not remedied within 5 Business Days of receiving notice to remedy such breach.
- (e) Plus Connect is in breach of its exclusivity obligations and does not cease the conduct which caused the breach within 3 Business Days of receiving notice from Activistic outlining the nature of the breach;
- (f) where the Takeover Bid does not proceed because of a Superior Proposal; and
- (g) Plus Connect or any of its directors does (or omits to do) anything (whether or not it may be permitted by the terms of the Bid Implementation Agreement) which results in any of the Conditions in paragraphs 1.8(d) (no material acquisitions, disposals or new commitments) and 1.8(f) (no Plus Connect Prescribed Occurrences) of Annexure A being breached, that breach is not remedied within 3 Business Days following written notice from Activistic outlining the nature of the breach and Activistic does not declare the Offer free of the breached condition (which Activistic is under no obligation to do).

If Plus Connect terminates the Bid Implementation Agreement for any of the following reasons, Activistic must pay an amount of \$100,000 as compensation for costs incurred by Plus Connect in connection with the Bid Implementation Agreement and Takeover Offer:

- (a) the Bid Implementation Agreement is terminated by Plus Connect because an Activistic Prescribed Occurrence (as defined in the Bid Implementation Agreement) occurs;
- (b) Plus Connect terminates the Bid Implementation Agreement due to a material breach of the Bid Implementation Agreement by Activistic that is not remedied within 5 Business Days of receiving notice to remedy such breach.

The full terms of the Bid Implementation Agreement were announced to the ASX by Activistic on 22 September 2016.

## **9.14 Interests and Benefits Relating to the Takeover Offer**

### **9.14.1 Interests**

Other than as set out below or elsewhere in this Bidder's Statement, no:

- (a) director or proposed director of Activistic;
- (b) person named in this Bidder's Statement as performing a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Bidder's Statement; or
- (c) promoter of Activistic,

(together, the **Interested Persons**) has, or had within 2 years before the date of this Bidder's Statement, any interest in:

- (d) the formation or promotion of Activistic;
- (e) any property acquired or proposed to be acquired by Activistic in connection with its formation or promotion or in connection with the offer of Activistic Shares under the Takeover Offer; or
- (f) the offer of Activistic Shares under the Takeover Offer.

### **9.14.2 Implied value of the Takeover Offer**

Based on the closing price of an Activistic Share on ASX on 21 September 2016 (the last trading day before the Announcement Date) of \$0.03, the implied value of the Takeover Offer is \$0.094 per Plus Connect Share.

Based on Activistic's closing price of \$0.039 on 16 November 2016, the implied value for Plus Connect is approximately \$7.02 million or \$0.1219 per Plus Connect Share.

The implied value of the Takeover Offer will change as a consequence of changes in the market price of Activistic Shares from time to time. The following table may assist Plus Connect Shareholders to determine the implied value of the Takeover Offer at different Activistic Share price levels. The table is not an indication of prices at which Activistic Shares may trade – Activistic Shares may trade within this range or at higher or lower levels.

Price of a Activistic Share	Implied offer price for a Plus Connect Share <sup>1</sup>
\$0.005	\$0.016
\$0.01	\$0.03
\$0.02	\$0.06
\$0.03	\$0.09
\$0.04	\$0.12
\$0.05	\$0.15
\$0.07	\$0.22
\$0.10	\$0.31
\$0.15	\$0.47
\$0.20	\$0.63

**Note:**

1. Subject to rounding.

### 9.14.3 Disclosure of fees and benefits received by certain persons

Other than as set out below or elsewhere in this Bidder's Statement, no amounts have been paid or agreed to be paid and no benefits have been given or agreed to be given:

- (a) to a director or proposed director of Activistic to induce them to become, or to qualify as, a director of Activistic; or
- (b) for services provided by an Interested Person in connection with the formation or promotion of Activistic or the offer of Activistic Shares under the Takeover Offer.

### 9.14.4 Expenses of the Takeover Offer

The total amount of cash that Activistic may become obliged to pay to satisfy all expenses incurred by Activistic and relating to the Takeover Offer will be provided from Activistic's existing cash balances.

Activistic estimates it will incur fees for services provided in connection with the Takeover Offer, including for legal, taxation, financial advisors, share register and ASX and other professional fees, and advisory fees payable by Plus Connect and Activistic if the Takeover Offer becomes unconditional, in the amount of approximately \$78,962 (excluding GST).

	\$
ASIC	2,350
ASX listing fees for Takeover Offer Shares <sup>1</sup>	14,412
Legal – Australia	55,000
Share Registry	2,500
Accounting	3,500
Printing	700

Miscellaneous	500
<b>TOTAL</b>	<b>78,962</b>

**Note:**

- Inclusive of the issue of 12,500,000 Activistic Shares to a Plus Connect creditor in satisfaction of \$250,000 debt. Refer to Section 9.9 for further details.

## 9.15 Disclosure of Interests of Directors and Proposed Director

The directors and proposed new director of Activistic have the following interests in Activistic securities as at the date of this Bidder's Statement.

Director	Activistic Shares	Activistic Performance Shares	Activistic Options	Activistic Performance Rights
Peter Wall <sup>1</sup>	1,523,004	Nil	1,750,000 <sup>2</sup>	Nil
Nigel Lee <sup>3</sup>	2,363,067	Nil	Nil	8,750,000 <sup>4</sup>
Evan Cross <sup>5</sup>	10,634,334	11,025,000	3,000,000	Nil
Michael Hughes <sup>6</sup>	850,000	Nil	750,000 <sup>7</sup>	Nil
Paul Crossin <sup>8</sup>	Nil <sup>9</sup>	Nil	Nil	Nil

**Notes:**

- Held indirectly by Pheakes Pty Ltd as trustee for Senate A/C, of which Mr Wall is a director of the trustee company and a beneficiary of the trust.
- Unquoted options exercisable at \$0.21 each on or before 31 December 2019.
- Held jointly by Mr Lee and his spouse, Mrs Angela Lee.
- Comprising 750,000 Class C Activistic Performance Rights, 2,000,000 Class D Activistic Performance Rights, 2,000,000 Class E Activistic Performance Rights, 2,000,000 Class F Activistic Performance Rights and 2,000,000 Class G Activistic Performance Rights. Refer to Section 3.5 for details of the vesting conditions attaching to the Activistic Performance Rights.
- Comprising:
  - 947,917 Class A Activistic Performance Shares, 1,239,583 Class B Activistic Performance Shares and 1,385,417 Class C Activistic Performance Shares held directly by Mr Cross;
  - 1,559,453 Activistic Shares, 1,029,166 Class A Activistic Performance Shares, 1,345,834 Class B Activistic Performance Shares and 1,505,166 Class C Activistic Performance Shares held jointly by E G & D S Cross as trustees for DEC Superannuation Fund, on which Mr Cross is a trustee and beneficiary;
  - 3,119,832 Activistic Shares held indirectly by Sante Holdings Pty Ltd as trustee for DEC Family A/C, of which Mr Cross is a director of the trustee company and a beneficiary of the trust;
  - 1,902,667 Activistic Shares and 3,000,000 unquoted options exercisable at \$0.11 each on or before 31 December 2017 held indirectly by Fullerton Private Capital Pty Ltd, of which Mr Cross is a director and shareholder;
  - 3,272,422 Activistic Shares held indirectly by Manhattan Investments Pty Ltd, of which Mr Cross is a director and shareholder;
  - 389,980 Activistic Shares held by Evan Cross as trustee for Sarah Ellen Cross, who is Mr Cross' daughter;
  - 389,980 Activistic Shares held by Evan Cross as trustee for William Evan Cross, who is Mr Cross' son; and

- (h) 947,917 Class A Activistic Performance Shares, 1,239,583 Class B Activistic Performance Shares and 1,385,417 Class C Activistic Performance Shares held indirectly by Mrs Donna Cross, Mr Cross' spouse.

Refer to Section 3.5 for details of the vesting conditions attaching to the Activistic Performance Shares.

6. Held indirectly by Roscommon Capital Pty Ltd, of which Mr Hughes is a director and shareholder.
7. Unquoted options exercisable at \$0.11 each on or before 1 June 2019.
8. Proposed new Director of the Merged Entity on completion of the Takeover Offer.
9. In consideration for the acquisition of Plus Connect Shares under the Takeover Offer, upon acceptance of the Takeover Offer, Mr Crossin will acquire a Relevant Interest in 55,907,424 Activistic Shares comprising:
  - (a) 54,240,102 Activistic Shares to be issued to Joanne Edgar and Paul Dominic Crossin as trustees for the Edgar Crossin Family Trust; and
  - (b) 1,667,322 Activistic Shares to be issued to Paul Crossin and Joanne Edgar as trustees for Dynasync Superannuation Fund.

The directors and proposed new director of Activistic have the following interests in Plus Connect securities as at the date of this Bidder's Statement.

Director	Shares	Options
Peter Wall	Nil	Nil
Nigel Lee	Nil	Nil
Evan Cross	Nil	Nil
Michael Hughes	Nil	Nil
Paul Crossin	17,883,333 <sup>1</sup>	Nil

**Note:**

1. Proposed new Director of the Merged Entity on completion of the Takeover Offer. The entities associated with this interest, include:
  - (a) Joanne Edgar and Paul Dominic Crossin as trustees for the Edgar Crossin Family Trust, in respect of 17,350,000 Plus Connect Shares (being 30.1% of Plus Connect Shares); and
  - (b) Paul Crossin and Joanne Edgar as trustees for Dynasync Superannuation Fund, in respect of 533,333 Plus Connect Shares (being 0.9% of Plus Connect Shares).

## 9.16 Fees and Benefits of Directors and Proposed Director

The Constitution of Activistic provides that the Directors may be paid for their services as Directors a sum not exceeding such fixed sum per annum as may be determined by Activistic in general meeting, to be divided among the Directors and in default of agreement then in equal shares. The annual remuneration (inclusive of superannuation) of the Directors and proposed new Director for the last two financial years and the current financial year is as follows:

Director	2015 Financial Year	2016 Financial Year	2017 Financial Year (proposed)
Peter Wall <sup>1,2</sup>	\$5,000 <sup>3</sup>	\$340,525 <sup>4</sup>	\$60,000
Nigel Lee <sup>1,5</sup>	\$94,994	\$293,868 <sup>6</sup>	\$240,000
Evan Cross <sup>7,8</sup>	\$10,000	\$120,000 <sup>9</sup>	\$120,000

Director	2015 Financial Year	2016 Financial Year	2017 Financial Year (proposed)
Michael Hughes <sup>10</sup>	\$Nil	\$4,847 <sup>11</sup>	\$40,000
Paul Crossin <sup>12</sup>	\$Nil	\$Nil	\$180,000 <sup>13</sup>

**Notes:**

1. Mr Wall and Mr Lee were appointed as Directors on 15 June 2015.
2. Mr Wall is also a Partner at Steinepreis Paganin who has acted as Australian legal advisers to the Company. Steinepreis Paganin will be paid fees for work in relation to the Takeover Offer.
3. Comprising \$5,000 in cash salary and fees.
4. Comprising \$60,000 in cash salary and fees and \$280,525 in share based payments.
5. Mr Lee receives no compensation for his Non-Executive Director position in Activistic Limited. In respect of his engagement as Chairman of Strategic Advisory Board of Activistic Holdings Pty Ltd, Mr Lee receives monthly fees of \$20,000.
6. Comprising \$237,268 in cash salary and fees and \$56,600 in share based payments.
7. Mr Cross was appointed as a Director on 31 July 2015.
8. Mr Cross receives no compensation for his Non-Executive Director position in Activistic Limited. In respect of his engagement as Director – Finance of Activistic Holdings Pty Ltd, Mr Cross receives monthly fees of \$10,000 (plus GST as applicable).
9. Comprising \$120,000 in cash salary and fees.
10. Mr Hughes was appointed on 1 June 2016.
11. Comprising \$3,333 in cash salary and fees, \$317 in superannuation and \$1,197 in share based payments.
12. Proposed new Director of the Merged Entity on completion of the Takeover Offer.
13. Proposed cash salary and fees of \$180,000. The terms of an executive services agreement between the Company and Mr Crossin have not yet been finalised.

Activistic's financial year ends on 30 June.

Activistic Directors are also reimbursed for all reasonable expenses incurred in the course of conducting their duties which include, but are not in any way limited to, out of pocket expenses, travelling expenses, disbursements made on behalf of Activistic and other miscellaneous expenses.

The remuneration of Activistic Directors is reviewed annually by Activistic. The figures for the 2017 Financial Year are current as at the date of this Bidder's Statement.

## 9.17 Material Litigation

Other than as previously disclosed to the ASX, Activistic is not aware of any instituted or threatened material litigation, or other material legal proceedings in relation to Activistic.

## 9.18 Voluntary Escrow

Plus Connect has agreed under the Bid Implementation Agreement to procure that the Plus Connect Shareholders specified in the table below will, after the Takeover Offer becomes unconditional, enter into voluntary escrow agreements (materially the same as ASX restriction agreements) in respect of the Activistic Shares issued under the Takeover Offer in consideration for their Plus Connect Shares, such escrow to commence from the date the relevant Activistic Shares are issued and ending 12 months later:

<b>Plus Connect Shareholder</b>	<b>Number of Plus Connect Shares held</b>	<b>Number of Takeover Consideration Shares</b>
Joanne Edgar and Paul Dominic Crossin as Trustees for the Edgar Crossin Family Trust	17,350,000	54,240,102
Paul Crossin and Joanne Edgar as Trustees for Dynasync Superannuation Fund	533,333	1,667,322
Unlimited Business Strategies Pty Ltd as Trustee for UBS Super Fund	3,333,333	10,420,768
Alan Joseph Phillips	2,533,333	7,919,783
Otbert de Jong	2,698,333	8,435,611
Glenn Ferguson	633,333	1,979,945
John Zaccaria as trustee for the Zaccaria Share Trust	2,878,866	8,999,999
Kevin Andrew Fell	2,878,866	8,999,999
<b>TOTAL</b>	<b>32,839,397</b>	<b>102,663,529</b>

### 9.19 Status of Conditions

The conditions of the Takeover Offer are set out in Annexure A. Activistic will use all reasonable endeavours to ensure the Conditions are satisfied as soon as possible after the date of this Bidder's Statement.

As at the date of this Bidder's Statement, Activistic is not aware of any events which would result in a breach or inability to satisfy the Conditions.

Activistic will give a notice of the status of the Conditions in accordance with the Corporations Act on 16 December 2016 (subject to extension if the Offer Period is extended).

### 9.20 Consents

Chapter 6 of the Corporations Act imposes a liability regime on the Company, the Directors, the persons named in the Bidder's Statement with their consent as Proposed Directors, persons named in the Bidder's Statement with their consent having made a statement in the Bidder's Statement and persons involved in a contravention in relation to the Bidder's Statement, with regard to misleading and deceptive statements made in the Bidder's Statement. Although the Company bears primary responsibility for the Bidder's Statement, the other parties involved in the preparation of the Bidder's Statement can also be responsible for certain statements made in it.

Each of the parties referred to in this Section 9.20:

- (a) in light of the above, only to the maximum extent permitted by law, expressly disclaims and takes no responsibility for any part of this Bidder's Statement other than a reference to its name and a statement included in this Bidder's Statement with the consent of that party as specified in this Section 9.20; and
- (b) has not caused or authorised the issue of this Bidder's Statement.

Steinepreis Paganin as legal advisors to Activistic in relation to the Takeover Offer has consented to being named in this Bidder's Statement and has not withdrawn such consent prior to the lodgement of this Bidder's Statement with ASIC.

RSM Bird Cameron Partners and HLB Mann Judd Chartered Accountants have each consented to being named in this Bidder's Statement and to the inclusion of audited Activistic financial statements being included in this Bidder's Statement and have not withdrawn such consent prior to the lodgement of this Bidder's Statement.

The information in Section 4 of this Bidder's Statement has been prepared by Plus Connect. Plus Connect has consented and has not as at the date of this Bidder's Statement withdrawn its consent to the inclusion of the information in Section 4 in this Bidder's Statement in the form and context in which it appears and to all references in this Bidder's Statement to that information in the form and context in which they appear.

Plus Connect:

- (a) has not authorised or caused the issue of this Bidder's Statement;
- (b) except as described above, does not make, or purport to make, any statement in this Bidder's Statement or any statement on which a statement in this Bidder's Statement is based; and
- (c) to the maximum extent permitted by law, expressly disclaims and takes no responsibility for any part of this Bidder's Statement, other than the information described above.

Peter Treston trading as Treston & Co has consented to being named in this Bidder's Statement and to the inclusion of audited Plus Connect financial statements being included in this Bidder's Statement and has not withdrawn such consent prior to the lodgement of this Bidder's Statement.

This Bidder's Statement includes statements which are made in, or based on statements made in, documents lodged with ASIC or on the company announcement platform of ASX. Under the Class Order 13/521, the parties making those statements are not required to consent to, and have not consented to, inclusion of those statements in this Bidder's Statement. If you would like to receive a copy of any of these reports or statements free of charge, please contact Activistic on +61 8 6244 0333.

As permitted by ASIC Corporations (Consent to Statements) Instrument 2016/72, this Bidder's Statement may include or be accompanied by certain statements fairly representing a statement by an official person or from a public official document or a published book, journal or comparable publication, as well as ASX share price trading information sourced from ASX without its consent.

## **9.21 Other Material Information**

There is no other information material to the making of a decision by a holder of Plus Connect Shares whether or not to accept the Takeover Offer being information that is known to Activistic and which has not previously been disclosed to Plus Connect Shareholders other than as is contained elsewhere in this Bidder's Statement.



## **9.22 Expiry Date**

No securities will be issued on the basis of this Bidder's Statement after the date which is 13 months after the date of this Bidder's Statement.

## **9.23 Date for Determining Holders**

For the purposes of Section 633 of the Corporations Act, the date for determining the people to whom this Bidder's Statement is sent is the Record Date.

## **9.24 ASIC Modifications and Exemptions, ASX Waivers**

ASIC has published various "Class Order" instruments providing for modifications and exemptions that apply generally to all persons, including Activistic, in relation to the operation of Chapter 6 of the Corporations Act. Activistic may rely on this "Class Order" relief.

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**10. DIRECTORS AUTHORISATION**

This Bidder's Statement is dated 17 November 2016 and was approved pursuant to a unanimous resolution passed at a meeting of the directors of Activistic.

Each Director and the Proposed Director has consented, and as at the date of this Bidder's Statement has not withdrawn his consent, to the lodgement of this Bidder's Statement with the ASIC.

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**Signed for and behalf of**  
**Activistic Limited**  
**PETER WALL**  
**CHAIRMAN**

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## 11. DEFINITIONS AND INTERPRETATION

### 11.1 Definitions

In this Bidder's Statement (including its annexures), unless the context otherwise requires:

**\$** or **Dollar** means Australian dollars.

**ACCC** means the Australian Competition and Consumer Commission.

**Acceptance Form** means the form of acceptance and transfer for the Takeover Offer accompanying this Bidder's Statement or alternatively any acceptance form sent to a Plus Connect Shareholder by Activistic's share registry in relation to the Takeover Offer, as the context requires.

**Activistic Group** means Activistic and its Subsidiaries.

**Activistic Option** means an Option to acquire an Activistic Share.

**Activistic Performance Right** means a Class C Activistic Performance Right, Class D Activistic Performance Right, Class E Activistic Performance Right, Class F Activistic Performance Right, Class G Activistic Performance Right and Class H Activistic Performance Rights (as the case may be).

**Activistic Performance Share** means a Class A Activistic Performance Share, Class B Activistic Performance Share or Class C Activistic Performance Share (as the case may be).

**Activistic Share** means a fully paid ordinary share in the capital of Activistic.

**Activistic Shareholder** means a holder of an Activistic Share.

**Announcement Date** means 22 September 2016, being the date the Takeover Offer was announced on ASX.

**ASIC** means the Australian Securities and Investments Commission.

**Associate** has the meaning given in chapter 6 of the Corporations Act.

**ASX** means ASX Limited ACN 008 624 691 or the Australian Securities Exchange (as the context requires).

**ASX Listing Rules** or **Listing Rules** means the official listing rules of ASX, as amended from time to time.

**ASX Settlement** means ASX Settlement Pty Ltd ABN 49 008 504 532.

**ASX Settlement Operating Rules** means the operating rules of the ASX Settlement Facility (as defined in Rule 1.1.1 and Rule 1.1.2 of the ASX Settlement Operating Rules) in accordance with Rule 1.2 which govern, inter alia, the administration of the CHESS subregisters.

**Bid Implementation Agreement** means the bid implementation agreement between Activistic and Plus Connect dated 21 September 2016.

**Bid Period** has the meaning given to that term in the Corporations Act.

**Bidder's Statement** means this document including the Annexures.

**Board** or **Activistic Board** means the board of directors of Activistic.

**Business Day** means a day that is not a Saturday, Sunday or any other day which is a public holiday or a bank holiday in Western Australia.

**CGT** means capital gains tax as defined in the Australian *Income Tax Assessment Act 1997* (Cth).

**CHES** means Clearing House Electronic Subregister System as defined in Rule 2.3.1 of the ASX Settlement Operating Rules.

**Company** or **Activistic** means Activistic Limited (ACN 007 701 715) or the Merged Entity as the context requires.

**Competing Transaction** means a transaction or proposed transaction notified to the Plus Connect Board which, if completed substantially in accordance with its terms, would mean a person (other than Activistic or its Related Bodies Corporate) would:

- (a) directly or indirectly, acquire an interest or relevant interest in or become the holder of:
  - (i) 20% or more of all Plus Connect Shares; or
  - (ii) all or a substantial part of the business conducted by Plus Connect,

including by way of takeover bid, scheme of arrangement, capital reduction, sale of assets, sale of shares or joint venture, but not as a custodian, nominee or bare trustee;

- (b) acquire control of Plus Connect, within the meaning of section 50AA of the Corporations Act; or
- (c) otherwise acquire or merge (including by a reverse takeover bid or dual listed company structure) with Plus Connect.

**Conditions** means the conditions to the Offer as set out in Annexure A to this Bidder's Statement.

**Constitution** means the constitution of Activistic.

**Corporations Act** means the *Corporations Act 2001* (Cth).

**Director** or **Activistic Director** means a director of Activistic as at the date of this Bidder's Statement.

**Encumbrance** means any mortgage, lien, charge, pledge, assignment by way of security, security interest, title retention, preferential right or trust arrangement, claim, covenant, profit a prendre, easement or any other security arrangement or any other arrangement having the same effect.

A person is **Insolvent** if:

- (a) it is (or states that it is) an insolvent under administration or insolvent (each as defined in the Corporations Act); or

- (b) it is in liquidation, in provisional liquidation, under administration or wound up or has had a controller, receiver or receiver and manager appointed to any part of its property; or
- (c) it is subject to any arrangement, assignment, moratorium or composition, protected from creditors under any statute or dissolved (in each case, other than to carry out a reconstruction or amalgamation while solvent on terms approved by the other parties to this agreement); or
- (d) an application or order has been made (and in the case of an application, it is not stayed, withdrawn or dismissed within 30 days), resolution passed, proposal put forward, or any other action taken, in each case in connection with that person, which is preparatory to or could result in any of (a), (b) or (c) above; or
- (e) it is taken (under section 459F(1) of the Corporations Act) to have failed to comply with a statutory demand; or
- (f) it is the subject of an event described in section 459C(2)(b) or section 585 of the Corporations Act (or it makes a statement from which the other party to this agreement reasonably deduces it is so subject); or
- (g) it is otherwise unable to pay its debts when they fall due; or
- (h) something having a substantially similar effect to (a) to (g) happens in connection with that person under the law of any jurisdiction.

**Loan Agreement** means the loan agreement between Activistic and Plus Connect, the material terms of which are summarised in Section 9.10.

**Material Contract** means a contract or commitment requiring total payments by, or providing revenue to, a party in excess of \$50,000, in the case of the Plus Connect Group and \$100,000 in the case of the Activistic Group.

**Merged Entity** means Activistic and its subsidiaries following the acquisition by Activistic of all, or a portion, of Plus Connect Shares on issue.

**NT Licence** means the Northern Territory Licence to Conduct the Business of a Sports Bookmaker granted by the Northern Territory Racing Commission (under the *Racing and Betting Act 1983* (Northern Territory) held by Plus Connect (NT) Pty Limited.

**Offer** means the Takeover Offer.

**Offer Period** means the period during which the Offer is open for acceptance.

**Official List** means the official list of entities that ASX has admitted and not removed.

**Perth Time** means Perth (Western Australia) Standard Time.

**Plus Connect** means Plus Connect Limited (ACN 164 388 783).

**Plus Connect Board** means the board of directors of Plus Connect.

**Plus Connect Due Diligence Material** means the information (including in written, oral and electronic form) about the Plus Connect Group and its businesses, assets and liabilities disclosed by or on behalf of Plus Connect, including in response to

requests for information, to Activistic (or any of its Representatives) prior to the date of the Bid Implementation Agreement.

**Plus Connect Group** means Plus Connect and its Subsidiaries.

**Plus Connect Material Adverse Change** means any act, omission, event, change, matter or circumstance occurring, or being discovered or becoming public (either individually or aggregated with other acts, omissions, events, changes, matters or circumstances) which:

- (a) has diminished, or could reasonably be expected to diminish the net assets of the Plus Connect Group by \$250,000 or more;
- (b) has or could reasonably be expected to have a materially adverse effect on the:
  - (i) assets, liabilities, financial position, performance, profitability or prospects of the Plus Connect Group; or
  - (ii) status or terms of (or rights attaching to) any material approvals from government authority applicable to the Plus Connect Group,

including without limitation:

- (c) any person accelerating or adversely modifying the performance of any material obligations of Plus Connect or any of its Subsidiaries under any material agreements, contracts or other legal arrangements; and
- (d) any actual or threatened adverse variation to, or cancellation of, the NT Licence,

but does not include:

- (e) those events or circumstances required to be done or procured by Plus Connect pursuant to the Bid Implementation Agreement;
- (f) those events or circumstances relating to changes in business conditions affecting the industry in which Plus Connect and Activistic operate; or
- (g) an event, circumstance, matter or information that is fairly disclosed, or that is reasonably apparent on its face as potentially to flow from the event, occurrence, matter or information that is fairly disclosed, in information provided by Plus Connect to Activistic or its Representatives, or is otherwise known to Activistic or its Representatives on or prior to the date of the Bid Implementation Agreement or otherwise disclosed in public filings by Plus Connect with ASIC or provided to ASX on or prior to the date of the Bid Implementation Agreement.

**Plus Connect Options** means an option to acquire a Plus Connect Share.

**Plus Connect Prescribed Occurrence** means any of the events listed in Annexure B.

**Plus Connect Share** means a fully paid ordinary share in the capital of Plus Connect.

**Plus Connect Shareholders** means all persons who hold Plus Connect Shares.

**Pre-Bid Acceptance Agreements** means the pre-bid acceptance agreements dated 21 September 2016 between Activistic and various Plus Connect Shareholders.

**Proposed Director** means Mr Paul Crossin as a proposed director of Activistic.

**Record Date** means the date set by Activistic under Section 633(2) of the Corporations Act, being 5:00pm (Perth Time) on 17 November 2016.

**Regulatory Authority** includes:

- (a) ASX, ACCC and ASIC;
- (b) a government or governmental, semi-governmental or judicial entity or authority;
- (c) a minister, department, office, commission, delegate, instrumentality, agency, board, authority or organisation of any government; and
- (d) any regulatory organisation established under statute.

**Related Bodies Corporate** has the meaning given to that term in the Corporations Act.

**Relevant Interest** has the meaning given in Section 9 of the Corporations Act.

**Representatives** of a party includes:

- (a) a Related Bodies Corporate of the party; and
- (b) each of the officers and advisers of the party or any of its Related Bodies Corporate.

**Rights** means all accreditations, benefits and rights attaching to or arising from Plus Connect Shares directly or indirectly at or after the Announcement Date (including, but not limited to, all dividends and all rights to receive dividends and to receive or subscribe for shares, stock units, notes or options declared, paid, or issued by Plus Connect).

**Section** means a section of this Bidder's Statement.

**Subsidiaries** has the meaning given to it in the Corporations Act.

**Superior Proposal** means a Competing Transaction which, following consideration of advice from advisers (including advice of an external lawyer), is in the determination of the Plus Connect Board acting reasonably and in good faith:

- (a) reasonably capable of being completed taking into account all aspects of the Competing Transaction; and
- (b) more favourable to Plus Connect Shareholders than the Takeover Offer, taking into account all terms and conditions of the Competing Transaction.

**Takeover Offer** means the off market takeover offer by Activistic of 3.126231 Activistic Shares for every 1 Plus Connect Share on the terms and conditions set out in this Bidder's Statement.

**Takeover Offer Consideration** means 3.126231 Activistic Shares for every 1 Plus Connect Share.

**Takeovers Panel** means the Takeovers Panel established under section 171 of the *Australian Securities and Investments Commission Act 2001* (Cth).

**Third Party Offer** means an offer or proposal made by a third party to acquire more than 50% of the Plus Connect Shares, by way of a takeover bid, a scheme of arrangements or otherwise where:

- (a) if the Third Party Offer is a takeover offer, the offers are capable of acceptance and are not subject to any condition substantially more onerous than the Conditions of the Takeover Offer; and
- (b) in any other case, a binding agreement has been entered into between the Plus Connect and the third party in respect of the Third Party Offer.

**Third Party Offer Price** means the highest price or value per Plus Connect Share offered under a Third Party Offer.

**Your Shares** means the Plus Connect Shares: (a) in respect of which you are registered, or entitled to be registered, as holder in the register of shareholders of Plus Connect at 5:00pm (Perth Time) on the Record Date; or (b) to which you are able to give good title at the time you accept this Takeover Offer during the Offer Period.

## 11.2 Interpretation

The following rules of interpretation apply unless intention appears or the context requires otherwise:

- (a) a reference to a time is a reference to Perth (Western Australian) time, unless otherwise stated;
- (b) headings are for convenience only and do not affect interpretation;
- (c) the singular includes the plural and conversely;
- (d) a reference to a Section is to a Section of this Bidder's Statement;
- (e) a gender includes all genders;
- (f) where a word or phrase is defined, the other grammatical forms have a corresponding meaning;
- (g) \$, or cents is a reference to the lawful currency in Australia, unless otherwise stated;
- (h) a reference to a person includes a body corporate, an unincorporated body or other entity and conversely;
- (i) a reference to a person includes a reference to the person's executors, administrators, successors, substitutes (including persons taking by novation) and assigns;
- (j) a reference to any legislation or to any provision of any legislation includes any modification or re-enactment of it, any legislative provision



substituted for it and all regulations and statutory instruments issued under it;

- (k) a reference to any instrument or document includes any variation or replacement of it;
- (l) a term not specifically defined in this Bidder's Statement has the meaning given to it (if any) in the Corporations Act;
- (m) a reference to a right or obligation of any two or more persons confers that right, or imposes that obligation, as the case may be, jointly and individually;
- (n) a reference to you is to a person to whom the Takeover Offer is made; and
- (o) the words 'include', 'including', 'for example' or 'such as' are not used as, nor are they to be interpreted as, words of limitation, and, when introducing an example, do not limit the meaning of the words to which the example relates to that example or examples of a similar kind.

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## ANNEXURE A – TERMS OF TAKEOVER OFFER

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The Offer and any contract resulting from acceptance of the Offer is subject to fulfilment of the following conditions:

### 1.1 General Terms

- (a) Activistic offers to acquire all of Your Shares, together with all Rights attached to them, on the following terms and conditions set out in this Takeover Offer.
- (b) The Takeover Offer Consideration being offered by Activistic for the acquisition of all of Your Shares is 3.126231 Activistic Shares for every 1 Plus Connect Share you own, subject to the terms and conditions set out in this Takeover Offer.
- (c) If you become entitled to a fraction of an Activistic Share under the Takeover Offer, the number of Activistic Shares will be rounded to the nearest whole Activistic Share.
- (d) The Activistic Shares to be issued pursuant to this Takeover Offer will be fully paid and, from their date of issue, rank equally in all respects with existing Activistic Shares currently on issue.
- (e) The rights and obligations of the Activistic Shares to be issued under the Takeover Offer are summarised in Section 3.12 of the Bidder's Statement.
- (f) The Takeover Offer is dated 22 November 2016.

### 1.2 Offer Period

- (a) Unless withdrawn, this Takeover Offer will remain open for acceptance during the period commencing on the date of this Takeover Offer and ending at 5:00pm (WST) on the later of:
  - (i) 23 December 2016; or
  - (ii) any date to which the Offer Period is extended, in accordance with the Corporations Act.
- (b) Activistic reserves the right, exercisable in its sole discretion, to extend the Offer Period in accordance with the Corporations Act.
- (c) If, within the last 7 days of the Offer Period, either of the following events occurs:
  - (i) the Takeover Offer is varied to improve the consideration offered; or
  - (ii) Activistic's voting power in Plus Connect increases to more than 50%,

then the Offer Period will automatically be extended so that it ends 14 days after the relevant events in accordance with Section 624(2) of the Corporations Act.

### 1.3 Who May Accept

- (a) An Offer in this form and bearing the same date is being made to each person registered as a holder of Plus Connect Shares on Plus Connect's register of members at 5:00pm (Perth Time) on the Record Date.
- (b) The Offer also extends to each person who, during the period from the Record Date until the end of the Offer Period, becomes registered as a holder of Plus Connect Shares due to the conversion of, or exercise of rights conferred by Plus Connect Options that are on issue at the Record Date and any person who becomes registered, or is entitled to be registered as the holder of Your Shares during the Offer Period.
- (c) A person who:
  - (i) is able, during the Offer Period, to give good title to a parcel of Plus Connect Shares; and
  - (ii) has not already accepted this Takeover Offer which relates to those Plus Connect Shares,may accept as if a Takeover Offer from Activistic on terms identical with this Takeover Offer had been made to that person in relation to those Plus Connect Shares.
- (d) If, at the time the Takeover Offer is made to you, or at any time during the Offer Period, another person is registered as the holder of some or all of Your Shares, then:
  - (i) a corresponding offer on the same terms and conditions as this Takeover Offer will be deemed to have been made to that other person in respect of those Plus Connect Shares;
  - (ii) a corresponding offer on the same terms and conditions as this Takeover Offer will be deemed to have been made to you in respect of any other Plus Connect Shares you hold to which the Takeover Offer relates; and
  - (iii) this Takeover Offer will be deemed to have been withdrawn immediately at that time.
- (e) If, at any time during the Offer Period, you are registered as the holder of one or more parcels of Plus Connect Shares as trustee or nominee for, or otherwise on account of, another person, you may accept as if a separate and distinct offer on the same terms and conditions as this Takeover Offer has been made in relation to each of those parcels and any parcel you hold in your own right. To validly accept the Takeover Offer for each distinct parcel, you must comply with the procedure in Section 653B(3) of the Corporations Act. If, for the purposes of complying with that procedure, you require additional copies of this Bidder's Statement and/or the Acceptance Form, please call Activistic on +61 8 6244 0333 to request those additional copies.
- (f) This Takeover Offer is not registered in any jurisdiction outside Australia (unless an applicable foreign law treats it as registered as a result of the Bidder's Statement being lodged with ASIC). The Offer is not registered in New Zealand, but is being made in New Zealand pursuant to the Securities Act (Overseas Companies) Exemption Notice 2013. It is your sole

responsibility to satisfy yourself that you are permitted by any foreign law applicable to you to accept this Takeover Offer and to comply with any other necessary formality and to obtain any necessary governmental or other consents.

- (g) If Your Shares are registered in the name of a broker, investment dealer, bank, trust company or other nominee you should contact that nominee for assistance in accepting this Takeover Offer.

#### **1.4 How to Accept this Takeover Offer**

- (a) You may only accept this Takeover Offer in respect of all (and not a lesser number) of Your Shares. For example, if you have 10,000 Plus Connect Shares and you wish to accept the Takeover Offer, you may only accept this Takeover Offer in respect of 10,000 Plus Connect Shares.
- (b) You may accept this Takeover Offer at any time during the Offer Period.
- (c) To accept this Takeover Offer for Plus Connect Shares held in your name, you must:
  - (i) complete and sign the Acceptance Form in accordance with the terms of this Takeover Offer and the instructions on the Acceptance Form; and
  - (ii) ensure that the Acceptance Form (including any documents required by the terms of this Takeover Offer and the instructions on the Acceptance Form) is received before the end of the Offer Period, at the address shown on the Acceptance Form.
- (d) Acceptance Form and Other Documents
  - (i) The Acceptance Form forms part of the Takeover Offer. The requirements on the Acceptance Form must be observed in accepting the Takeover Offer.
  - (ii) For your acceptance to be valid you must ensure that your Acceptance Form (including any documents required by the terms of this Takeover Offer and the instructions on the Acceptance Form) are posted or delivered in sufficient time for it to be received by Activistic at the address shown on the Acceptance Form before the end of the Offer Period.
  - (iii) The postage and transmission of the Acceptance Form and other documents is at your own risk.
  - (iv) When accepting the Takeover Offer, you must also forward for inspection:
    - (A) if the Acceptance Form is executed by an attorney, a certified copy of the power of attorney; and
    - (B) if the Acceptance Form is executed by the executor of a will or the administrator of the estate of a deceased Plus Connect Shareholder, the relevant grant of probate or letters of administration.

## 1.5 Validity of Acceptances

- (a) Subject to this Section 1.5 of this Annexure A, your acceptance of the Takeover Offer will not be valid unless it is made in accordance with the procedures set out in Section 1.4 of this Annexure A.
- (b) Activistic may, in its sole discretion, at any time deem any Acceptance Form it receives to be a valid acceptance in respect of Your Shares even if a requirement for acceptance has not been complied with.
- (c) Activistic may at any time in its sole discretion:
  - (i) treat the receipt by it of an Acceptance Form during the Offer Period (or in an envelope post-marked before the expiry of the Offer Period) as a valid acceptance notwithstanding that one or more of the other requirements for a valid acceptance have not been complied with and without further communication to you; and
  - (ii) where you have satisfied the requirements for acceptance in respect of only some of your Plus Connect Shares, treat the acceptance as a valid acceptance in respect of all of your Plus Connect Shares.
- (d) In respect of any part of an acceptance treated by it as valid, Activistic will provide you with the relevant consideration in accordance with Section 1.7(a) of this Annexure A, and the exercise of Activistic's rights under this Section 1.5 of this Annexure A will be conclusive and only evidenced by its so doing. The payment of consideration in accordance with the Takeover Offer may be delayed until any irregularity has been resolved or waived and any other documents required to procure registration have been received by Activistic.
- (e) This Section is not a condition of this Takeover Offer.

## 1.6 The Effect of Acceptance

- (a) Once you have accepted this Takeover Offer, you will be unable to revoke your acceptance and the contract resulting from your acceptance will be binding on you. In addition, you will be unable to withdraw your acceptance of the Takeover Offer or otherwise dispose of Your Shares, except as follows:
  - (i) if, by the times specified in Section 1.6(b) of this Annexure A, the conditions in Section 1.8 of this Annexure A have not all been fulfilled or waived, the Takeover Offer will automatically terminate and Your Shares will be returned to you; or
  - (ii) if the Takeover Offer is varied in accordance with the Corporations Act in a way that postpones for more than one month the time when Activistic has to meet its obligations under the Takeover Offer, and, at the time, the Takeover Offer is subject to one or more of the conditions in Section 1.8 of this Annexure A, you may be able to withdraw your acceptance in accordance with Section 650E of the Corporations Act.
- (b) The relevant times for the purposes of Section 1.6(a) are at the end of the Offer Period.

- (c) By following the procedures described in Section 1.4 of this Annexure A, you will be deemed to have:
- (i) accepted this Takeover Offer (and any variation to it) in respect of the Plus Connect Shares registered in your name at the time of processing to which this Takeover Offer relates, regardless of the number of Plus Connect Shares specified in the Acceptance Form;
  - (ii) agreed to the terms of the Takeover Offer and, subject to the conditions contained in Section 1.8 of this Annexure A being fulfilled or waived, agreed to transfer to Activistic all of your Plus Connect Shares and all of the Rights attached to those Plus Connect Shares;
  - (iii) agreed to accept the consideration being offered by Activistic and have authorised Activistic to place your name on its register of shareholders in respect of Activistic Shares offered by Activistic as consideration, and agreed to be bound by the Constitution of Activistic;
  - (iv) authorised Activistic to complete the Acceptance Form by correcting any errors in or omissions from the Acceptance Form as may be necessary:
    - (A) to make the Acceptance Form an effective acceptance of this Takeover Offer; and/or
    - (B) to enable registration of the transfer to Activistic of your Plus Connect Shares;
  - (v) irrevocably authorised and directed Plus Connect to pay to Activistic or to account to Activistic for all dividends and other distributions and entitlements which are declared, paid or which arise or accrue after the date of this Takeover Offer in respect of your Plus Connect Shares (subject to Activistic accounting to you for any dividends, distributions or entitlements received by it if your acceptance of this Takeover Offer is validly withdrawn pursuant to Section 650E of the Corporations Act or the contract resulting from that acceptance becomes void);
  - (vi) represented and warranted to Activistic that:
    - (A) Activistic will acquire good title to and beneficial ownership of all of your Plus Connect Shares free from all mortgages, charges, liens, encumbrances (whether legal or equitable) and other third party interests of any kind;
    - (B) you have paid Plus Connect all amounts which are due in respect of your Plus Connect Shares;
    - (C) all of your Plus Connect Shares are fully paid; and
    - (D) you have full power and capacity to accept the Takeover Offer and to sell and transfer the legal and beneficial ownership of your Plus Connect Shares (together with all Rights attached to them) to Activistic;

- (vii) you agree to accept the Activistic Shares to which you become entitled by accepting this Takeover Offer subject to the Constitution and the terms of issue of the Activistic Shares and to have authorised Activistic to place your name on its register of shareholders as the holder of the Activistic Shares issued to you under the Takeover Offer;
- (viii) represented and warranted to Activistic that the making by Activistic to you, and your acceptance, of this Takeover Offer is lawful under any foreign law which applies to you, to the making of this Takeover Offer, and to your acceptance of this Takeover Offer;
- (ix) with effect from the later of acceptance of the Takeover Offer and the date that any contract resulting from that acceptance becomes, or is declared unconditional, appointed (and agreed not to revoke that appointment) Activistic and each of its directors, secretaries and other officers from time to time severally as your agent and true and lawful attorney, with power to do all things which you could lawfully do concerning your Plus Connect Shares or in exercise of any right or power derived from the holding of your Plus Connect Shares including, without limitation:
  - (A) attend and vote in respect of your Plus Connect Shares at any and all meetings of Plus Connect;
  - (B) requisition or join with other holders of Plus Connect Shares in requisitioning and/or convening a meeting of the members of Plus Connect;
  - (C) demand a poll for any vote to be taken at any meeting of Plus Connect Shareholders;
  - (D) propose or second any resolutions to be considered at any, and all meetings of Plus Connect Shareholders;
  - (E) execute all forms, transfers, assignments, notices, instruments (including instruments appointing a director of Activistic as a proxy in respect of all or any of your Plus Connect Shares and a transfer form for your Plus Connect Shares), proxies, consents, agreements and resolutions relating to your Plus Connect Shares;
  - (F) request Plus Connect to register in the name of Activistic or its nominee your Plus Connect Shares which you hold on any register of Plus Connect; and
  - (G) do all things incidental or ancillary to the foregoing,

and to have agreed that in exercising the powers conferred by that power of attorney, the attorney shall be entitled to act in the interests of Activistic as the beneficial owner and intended registered holder of your Plus Connect Shares in respect of which you have accepted this Takeover Offer and to have further agreed to do all such acts, matters and things that Activistic may require to give effect to the matters the subject of this paragraph (including the execution of a written form of proxy to the same

effect as this paragraph which complies in all respects with the requirements of the Constitution of Plus Connect) if requested by Activistic. This appointment is irrevocable and terminates upon registration of a transfer to Activistic or your Plus Connect Shares;

- (x) with effect from the later of acceptance of the Takeover Offer and the date that any contract resulting from that acceptance becomes, or is declared unconditional, agreed not to vote in person at any general meeting of Plus Connect or to exercise (or purport to exercise) in person, by proxy or otherwise, any of the powers conferred on Activistic and the directors, secretaries and other officers of Activistic by Section 1.6(c)(ix) of this Annexure A;
  - (xi) irrevocably authorised Activistic to notify Plus Connect on your behalf that your place of address for the purposes of serving notices in respect of your Plus Connect Shares is the address specified by Activistic in the notification;
  - (xii) represented and warranted to Activistic that, unless you have notified it in accordance with Section 1.3(e) of this Annexure A, your Plus Connect Shares do not consist of a separate parcel of shares; and
  - (xiii) agreed, subject to the conditions of this Takeover Offer in Section 1.8 of this Annexure A being fulfilled or freed, to execute all such documents, transfers and assurances, and do all such acts, matters and things that Activistic may consider necessary or desirable to convey your Plus Connect Shares registered in your name and Rights to Activistic.
- (d) The representations, warranties, undertakings and authorities referred to in this Section 1.6 of this Annexure A will (unless otherwise stated) remain in force after you receive the consideration for your Plus Connect Shares and after Activistic becomes registered as the holder of them.

## **1.7 Payment of Consideration**

- (a) Subject to the terms of this Takeover Offer and the Corporations Act, Activistic will provide the consideration for Your Shares on or before the earlier of:
  - (i) one month after the date of your acceptance or, if this Takeover Offer is subject to a defeating condition when you accept this Takeover Offer, within one month after this Takeover Offer becomes unconditional; and
  - (ii) 21 days after the end of the Offer Period.
- (b) Under no circumstances will interest be paid on the consideration to which you are entitled under the Takeover Offer, regardless of any delay in providing the consideration or any extension of the Takeover Offer.
- (c) Where the Acceptance Form requires an additional document to be given with your acceptance (such as a power of attorney):
  - (i) if that document is given with your acceptance, Activistic will provide the consideration in accordance with Section 1.7(a) of this Annexure A;



- (ii) if that document is given after acceptance and before the end of the Offer Period while this Takeover Offer is subject to a defeating condition, Activistic will provide the consideration by the end of whichever of the following periods ends earlier:
    - (A) within one month after this Takeover Offer become unconditional; or
    - (B) 21 days after the end of the Offer Period;
  - (iii) if that document is given after the Offer Period while this Takeover Offer is not subject to a defeating condition, Activistic will provide the consideration due to you on or before the earlier of:
    - (A) one month after that document is given to Activistic; and
    - (B) 21 days after the end of the Offer Period; and
  - (iv) if that document is given after the end of the Offer Period, and the Takeover Offer is not subject to a defeating condition, Activistic will provide the consideration within 21 days after that document is given. However, if at the time the document is given, the Takeover Offer is still subject to a defeating condition that relates only to the happening of an event of circumstances referred to in Section 652C(1) or (2) of the Corporations Act, Activistic will provide the consideration for you within 21 days after the Takeover Offer becomes unconditional.
- (d) Subject to Section 1.8 of this Annexure A, the obligation of Activistic to issue any Activistic Shares to which you are entitled under the Takeover Offer will be satisfied by:
- (i) entering your name on the register of members of Activistic; and
  - (ii) dispatching or procuring the dispatch to you by pre-paid post to your last recorded address on the most recent copy of Plus Connect's register of members after the Takeover Offer goes unconditional, a confirmation of the issue of Activistic Shares in your name. If Your Shares are held in a joint name, a confirmation of issue of new Activistic Shares will be issued in the name of, and forwarded to the last recorded address on the most recent copy of Plus Connect's register of members.
- (e) If, at the time you accept the Takeover Offer, any of the following:
- (i) Autonomous Sanctions Regulations 2011 (Cth);
  - (ii) Charter of the United Nations (Dealing with Assets) Regulations 2008 (Cth);
  - (iii) Charter of the United Nations (Sanctions – Al-Qaida) Regulations 2008 (Cth);
  - (iv) Charter of the United Nations (Sanctions - Iraq) Regulations 2008 (Cth); or
  - (v) any other law of Australia,

require that an authority, clearance or approval of the Reserve Bank of Australia, the Australian Taxation Office or any other government authority be obtained before you receive any consideration for Your Shares, or would make it unlawful for Activistic to provide any consideration to you for Your Shares, you will not be entitled to receive any consideration for Your Shares until all requisite authorities, clearances or approvals have been received by Activistic.

## 1.8 Conditions of the Offer

The Offer, and any contract resulting from the acceptance of the Offer, are subject to the following conditions:

- (a) **(90% minimum acceptance)** at the end of the Offer Period, Activistic and its Associates have a Relevant Interest in more than 90% (by number) of all of the Plus Connect Shares both on an undiluted and on a fully diluted basis;
- (b) **(no Regulatory Action)**: that between the Announcement Date and the end of the Offer Period:
  - (i) there is not in effect any preliminary or final decision, order or decree issued by a Regulatory Authority; and
  - (ii) no application is made to any Regulatory Authority (other than by any member of the Activistic Group), or action or investigation is announced, threatened or commenced by a Regulatory Authority,

in consequence of, or in connection with, the Offer (other than a determination by ASIC or the Takeovers Panel in exercise of the powers and discretions conferred by the Corporations Act), which:

- (i) restrains or prohibits (or if granted could restrain or prohibit), or otherwise materially adversely impacts on, the making of the Offer or the completion of any transaction contemplated by the Offer (whether subject to conditions or not) or the rights of Activistic in respect of Plus Connect and the Plus Connect Shares to be acquired under the Offer; or
  - (ii) requires the divestiture by Activistic of any Plus Connect Shares, or the divestiture of any assets of Plus Connect or its Related Bodies Corporate, Activistic or its Related Bodies Corporate or otherwise;
- (c) **(no Plus Connect Material Adverse Change)**: there not occurring a Plus Connect Material Adverse Change during the Offer Period;
  - (d) **(no material acquisitions, disposals or new commitments)**: except for any proposed transaction publicly announced by Plus Connect before the Announcement Date or disclosed in writing to Activistic or its Representatives prior to the Announcement, none of the following events occurs during the period from the Announcement Date to the end of the Offer Period:
    - (i) Plus Connect or any Subsidiary of Plus Connect acquires, offers to acquire or agrees to acquire one or more companies, businesses or assets (or any interest in one or more companies,

- businesses or assets) for an amount in aggregate greater than \$50,000 or makes an announcement in relation to such an acquisition, offer or agreement;
- (ii) Plus Connect or any Subsidiary of Plus Connect disposes of, offers to dispose of or agrees to dispose of one or more companies, businesses or assets (or any interest in one or more companies, businesses or assets) for an amount, or in respect of which the book value is, in aggregate, greater than \$50,000 or makes an announcement in relation to such a disposition, offer or agreement;
  - (iii) Plus Connect or any Subsidiary of Plus Connect enters into, or offers to enter into or agrees to enter into, any agreement, joint venture, partnership, farm-in agreement, management agreement or commitment which would require expenditure, or the foregoing of revenue, by Plus Connect and/or its Subsidiaries of an amount which is, in aggregate, more than \$50,000 other than in the ordinary course of business, or makes an announcement in relation to such an entry, offer or agreement; and
  - (iv) Plus Connect nor any of its subsidiaries materially varies, amends, or modifies any Material Contract;
- (e) **(no material litigation)** there is no litigation, claim, action or proceeding pending or in progress or threatened against or relating to any member of the Plus Connect Group during the Offer Period that does or is likely to constitute a Plus Connect Material Adverse Change;
  - (f) **(no Plus Connect Prescribed Occurrences)**: there not occurring a Plus Connect Prescribed Occurrence during the Offer Period;
  - (g) **(no change of control rights)**: after the Announcement Date and before the end of the Offer Period, no person exercises or purports to exercise, or states an intention to exercise, any rights under any provision of any agreement or other instrument to which Plus Connect or any Subsidiary of Plus Connect is a party, or by or to which Plus Connect or any Subsidiary of Plus Connect or any of its assets may be bound or be subject, which results, or could result, to an extent which is material in the context of Plus Connect or Plus Connect and its Subsidiaries taken as a whole, in:
    - (i) any monies borrowed by Plus Connect or any Subsidiary of Plus Connect being or becoming repayable or being capable of being declared repayable immediately or earlier than the repayment date stated in such agreement or other instrument;
    - (ii) any such agreement or other instrument being terminated or modified or any action being taken or arising thereunder;
    - (iii) the interest of Plus Connect or any Subsidiary of Plus Connect in any firm, joint venture, trust, corporation or other entity (or any arrangements relating to such interest) being terminated or modified; or
    - (iv) the business of Plus Connect or any Subsidiary of Plus Connect with any other person being adversely affected,

as a result of the acquisition of Plus Connect Shares by Activistic except for any rights under any provision of any agreement or other instrument disclosed in writing to Activistic or its Representatives prior to the Announcement;

- (h) **(non-existence of certain rights)**: that no person has any right (whether subject to conditions or not) as a result of Activistic acquiring Plus Connect Shares to:
- (i) acquire, or require Plus Connect or a Subsidiary of Plus Connect to dispose of, or offer to dispose of, any material asset of Plus Connect or a Subsidiary of Plus Connect; or
  - (ii) terminate or vary or exercise any right under any material agreement with Plus Connect or a Subsidiary of Plus Connect,

except for any rights under any provision of any agreement or other instrument disclosed in writing to Activistic or its Representatives or otherwise publicly announced by Plus Connect prior to execution of this agreement.

The above conditions are conditions subsequent and do not prevent a contract resulting from acceptance of the Offer from coming into effect but any breach or non-fulfilment of them entitles Activistic to rescind any contracts resulting from acceptance of the Offer.

#### **1.9 Freeing the Takeover Offer of Conditions**

- (a) Subject to clause 1.9(b), Activistic may free this Takeover Offer, and any contract resulting from its acceptance, from all or any of the conditions in Section 1.8 of this Annexure A by giving notice to Plus Connect declaring the Takeover Offer to be free from the relevant conditions specified in accordance with Section 650F of the Corporations Act. This notice may be given not less than 7 days before the end of the Offer Period.
- (b) The Condition in paragraph 1.8(a) (90% minimum acceptance condition) cannot be waived by Activistic, where Activistic has a Relevant Interest of less than 80% of the issued shares in Plus Connect, without the prior written consent of Plus Connect.

#### **1.10 Freeing the Takeover Offer from Conditions**

- (a) If, at the end of the Offer Period, the conditions in Section 1.8 of this Annexure A have not been fulfilled and Activistic has not declared the Takeover Offer (or it has not become) free from those conditions, all contracts resulting from the acceptance of the Takeover Offer will be automatically void.
- (b) Subject to the provisions of the Corporations Act, Activistic alone will be entitled to the benefit of the conditions in Section 1.8 of this Annexure A and any breach or non-fulfilment thereof may be relied upon only by Activistic.

### **1.11 Notice of Status of Conditions**

The date for giving the notice required by Section 630(1) of the Corporations Act is **16 December 2016**, subject to extension in accordance with 630(2) if the Offer Period is extended.

### **1.12 Quotation**

- (a) An application will be made within 7 days after the start of the Bid Period to ASX for the granting of quotation of the Activistic Shares to be issued in accordance with the Takeover Offer. However, quotation is not granted automatically on application.
- (b) Pursuant to the Corporations Act, this Takeover Offer and any contract that results from your acceptance of it are subject to a condition that permission for quotation by ASX (as the circumstances require) of the Activistic Shares to be issued pursuant to the Takeover Offer being granted no later than 7 days after the end of the Bid Period. If this condition is not fulfilled, all contracts resulting from the acceptance of the Takeover Offers will be automatically void.

### **1.13 Withdrawal of Offer**

Activistic may withdraw this Takeover Offer at any time before you accept it, but only with the consent in writing of ASIC (which consent may be given subject to such conditions, if any, as are imposed by ASIC). If ASIC gives such consent, Activistic will give notice of the withdrawal to ASX and to Plus Connect and comply with any other conditions imposed by ASIC.

### **1.14 Variation**

Activistic may vary this Takeover Offer in accordance the Corporations Act.

### **1.15 Duty or Other Costs**

- (a) All costs and expenses of the preparation, dispatch and circulation of this Takeover Offer and any duty payable in respect of the transfers will be paid by Activistic.
- (b) As long as your Plus Connect Shares are registered in your name and you deliver them directly to Activistic, you will not incur any brokerage in connection with your acceptance of this Takeover Offer.

### **1.16 Governing Law**

This Takeover Offer and any contract that results from your acceptance of this Takeover Offer is governed by the laws in force in Western Australia.

### **1.17 Date of Offer**

This Takeover Offer is dated 22 November 2016.

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## ANNEXURE B – PLUS CONNECT PRESCRIBED OCCURRENCES

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1. **(Conversion)**: Plus Connect or any Subsidiary converts all or any of its shares into a larger or smaller number of shares.
2. **(Reduction of share capital)**: Plus Connect or any Subsidiary resolves to reduce its share capital in any way or reclassifies, combines, splits or redeems or repurchases directly or indirectly any of its shares.
3. **(Buy-back)**: Plus Connect or any Subsidiary:
  - (a) enters into a buy-back agreement; or
  - (b) resolves to approve the terms of a buy-back agreement under the Corporations Act.
4. **(Distribution)**: Plus Connect or any Subsidiary makes or declares, or announces an intention to make or declare, any distribution (whether by way of dividend, capital reduction or otherwise and whether in cash or in specie).
5. **(Issuing or granting shares or options)**: Plus Connect or any of its Subsidiaries:
  - (a) issues shares;
  - (b) grants an option over its shares; or
  - (c) agrees to make such an issue or grant such an option,  
  
without the prior written consent of Activistic, such consent not to be unreasonably withheld, other than the issue of any Plus Connect Shares in connection with:
    - (d) the exercise of Plus Connect Options; or
    - (e) the conversion of loans or working capital facilities made available by Activistic,  
  
issued or granted prior to the date of the Bid Implementation Agreement, in each case to a person outside the Plus Connect Group.
6. **(Securities or other instruments)**: Plus Connect or any of its Subsidiaries issues or agrees to issue securities or other instruments convertible into Plus Connect Shares or debt securities to a person outside the Plus Connect Group.
7. **(Constitution)**: Plus Connect or any of its Subsidiaries adopts a new constitution or modifies or repeals its constitution or a provision of it.
8. **(Disposals)**: Plus Connect or any of its Subsidiaries disposes, or agrees to dispose of the whole or a substantial part of the Plus Connect Group's business or property.
9. **(Financial Indebtedness)**: Plus Connect or any of its Subsidiaries incurs any financial indebtedness or issues any debt securities, other than in the ordinary course of business.
10. **(Acquisitions, disposals or tenders)**: Plus Connect or any of its Subsidiaries:
  - (a) acquires or disposes of;

- (b) agrees to acquire or dispose of;
  - (c) offers, proposes, announces a bid or tenders for,  
any business, assets, entity or undertaking the value of which exceeds \$50,000.
11. **(Encumbrances)**: Other than in the ordinary course of business and consistent with past practice Plus Connect or any of its Subsidiaries creates, or agrees to create, any Encumbrance over the whole or a substantial part of its business or property.
12. **(Employment arrangements)**: other than in the ordinary course of business and consistent with past practice Plus Connect or any of its Subsidiaries:
- (a) increases the remuneration of, or otherwise varies the employment arrangements with, any of its directors or employees;
  - (b) accelerates the rights of any of its directors or employees to compensation or benefits or any kind (including under any Plus Connect executive or employee share plans); or
  - (c) pays any of its directors or employees a termination or retention payment (otherwise than in accordance with an existing contract in place at the date of the Bid Implementation Agreement).
13. **(Commitments and settlements)**: Other than in the ordinary course of business and consistent with past practice Plus Connect or any of its Subsidiaries: without the prior written approval of Activistic (not to be unreasonably withheld):
- (a) enters into any contract or commitment involving revenue or expenditure of more than \$50,000 over the term of the contract or commitment;
  - (b) terminates or amends in a material manner any contract material to the conduct of the Plus Connect Group's business or which involves revenue or expenditure of more than \$50,000 over the term of the contract;
  - (c) waives any material third party default; or
  - (d) accepting as a settlement or compromise of a material matter (relating to an amount in excess of \$50,000 less than the full compensation due to Plus Connect or a Subsidiary of Plus Connect.
14. **(Insolvency)**: Plus Connect or any of its Related Bodies Corporate becomes Insolvent.

## ANNEXURE C – ACTIVISTIC'S ASX ANNOUNCEMENTS

Activistic has lodged the following announcements with ASX since 30 June 2016:

Date	Description of Announcement
17/11/2016	Appendix 3B
11/11/2016	Activistic selected for the Google Business Partner Program
04/11/2016	Activistic Signs Fisher House Foundation to Veterans Call
02/11/2016	Becoming a substantial holder
31/10/2016	Appendix 4C - quarterly
31/10/2016	Notice of Annual General Meeting/Proxy Form
31/10/2016	Activistic Partners with Music for Relief
28/10/2016	Annual Report to Shareholders
28/10/2016	Corporate Governance Statement
28/10/2016	Appendix 4G
28/10/2016	Exclusive Partnership with Collingwood Football Club
26/10/2016	Trading Halt
21/10/2016	Investor Conference Call
21/10/2016	Investor Presentation - October 2016
17/10/2016	Activistic and US Congressman Sign Partnership Agreement
07/10/2016	Ceasing to be a substantial holder
03/10/2016	Full Year Statutory Accounts
28/09/2016	Activistic Signs Blue Star Families to Veterans Call
22/09/2016	Bid Implementation Agreement
22/09/2016	Activistic to Acquire Plus Connect Limited
20/09/2016	Trading Halt
19/09/2016	Notice Under Section 708A(5) and Appendix 3B
14/09/2016	Results of Meeting
31/08/2016	Preliminary Final Report
16/08/2016	Notice of General Meeting/Proxy Form
11/08/2016	Activistic Signs MOAA MFI to Veterans Call App
8/08/2016	Activistic Receives Firm Commitments for \$3.5M Placement
4/08/2016	Trading Halt
29/07/2016	Appendix 4C - quarterly
28/07/2016	Improved Conversion Rates Leading to Continuous Growth
07/07/2016	Activistic Newsletter - July 2016
06/07/2016	Change of Director's Interest Notice
06/07/2016	Change of Director's Interest Notice - NL
06/07/2016	Appendix 3B
01/07/2016	Ceasing to be a substantial holder