



ACTIVISTIC LIMITED

Appendix 4D (Rule 4.2A.3)

Half-year report

For the half-year ended 31 December 2016

1. Company Details

Name of entity: Activistic Limited
 ABN: 007 701 715
 Current reporting period: Half-year ended 31 December 2016
 Previous reporting period: Half-year ended 31 December 2015

2. Results for announcement to the market

	Half-year ended			
	31 Dec 2016 \$	31 Dec 2015 \$	Movement \$	Movement %
Revenue from continuing activities	8,299	29,513	(21,214)	(72%)
Loss from continuing activities after income tax	(3,515,041)	(2,555,589)	(959,452)	(38%)
Net loss for the half year attributable to members	(3,514,951)	(2,555,342)	(959,609)	(38%)

3. Dividends

It is not proposed to pay dividends. There are no dividend or distribution reinvestment plans in operation and there has been no dividend or distribution payments during the financial half year ended 31 December 2016.

4. Net tangible assets

	As at			
	31 Dec 2016 \$	30 Jun 2016 \$	Movement \$	Movement %
Net tangible asset per security	\$0.0042	\$0.0080	\$0.0038	(47.5%)

The net tangible assets per ordinary share amount is calculated on 360,306,963 ordinary shares on issue as at 31 December 2016 and 181,806,963 as at 30 June 2016.

5. Control gained over entities

Not applicable

6. Controlled entities and joint ventures

	Ownership interests as at	
	31 Dec 2016	30 Jun 2016
Activistic Holdings Pty Ltd	100%	100%
Activistic Inc.	100%	100%
Activistic UK	100%	100%
Biohealth Pty Ltd	51%	51%
Inqbate Pty Ltd ¹	100%	100%
Acuvax Immunology Services Pty Ltd ¹	75%	75%

1. Dormant

7. Accounting Standards

The financial report has been prepared in accordance with Australian Equivalents to International Financial Reporting Standards

8. Auditors' review report

Our half-year report is based on the financial report of Activistic Limited for the half year ended 31 December 2016, which has been reviewed by HLB Mann Judd. Refer to the 31 December 2016 half-year financial report for the independent auditors' review report provided to the members of Activistic Limited.

Appendix 4D Requirements	Reference
1. Reporting period and the previous corresponding period	Refer to page 1 of this report
2. Results for announcement to the market	Refer to page 1 of this report "Results for announcement to the market"
3. Net tangible assets per security	Refer to Item 4 of this report
4. Details of entities where control has been gained or lost during the period	Refer to Item 5 of this report
5. Details of individual and total dividends or distributions and dividend or distribution payments	Refer to Item 3 of this report
6. Details of dividend or distribution reinvestment plans in operation and the last date for the receipt of an election notice for participation in a dividend or distribution reinvestment plan	Refer to Item 3 of this report
7. Details of joint venture and associated entities	Refer to Item 6 of this report
8. For foreign entities, accounting standards used in compiling reports.	Refer to Item 7 of this report
9. If the accounts are subject to audit dispute or qualification, a description of the dispute or qualification	Refer to Item 8 of this report

ACTIVISTIC LIMITED

ABN 24 007 701 715

HALF-YEAR FINANCIAL REPORT

FOR THE HALF-YEAR ENDED

31 DECEMBER 2016

Corporate Directory

Directors

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

Joint Company Secretaries

Evan Cross
Ramon Soares

Registered Office and Principal Place of Business

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Website: www.activisticgroup.com

Solicitors

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16 Milligan St
Perth, WA 6000

Share Registry

Security Transfer Registrars Pty Ltd
770 Canning Highway
Applecross, WA 6153
Telephone: 08 9315 2333
Facsimile: 08 9315 2233

Auditors

HLB Mann Judd
Level 4, 130 Stirling Street
Perth, WA 6000

Stock Exchange Listing

Australian Securities Exchange
ASX Code: ACU

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Directors' Report

Your Directors present their report together with the financial statements of the Group consisting of Activistic Limited ("the Company", or "Activistic") and the entities it controlled ("the Group") for the half-year ended 31 December 2016, and the auditor's review report thereon.

Directors

The names of Directors who held office during or since the end of the interim period and until the date of this report are noted below. Directors were in office for the entire period unless otherwise stated.

Peter Wall	Non-Executive Chairman	
Paul Crossin	Executive Director	Appointed 20 January 2017
Nigel Lee	Non-Executive Director	
Evan Cross	Non-Executive Director	
Michael Hughes	Non-Executive Director	

Operating result

The Group incurred an after-tax loss for the half year ended 31 December 2016 of \$3,515,041 (31 December 2015: loss of \$2,555,589).

Review of operations

The Company is pleased to report the following results for the half year ended 31 December 2016:

Highlights:

- Three additional leading US veterans charities signed to the Veterans Call app;
- Strategic partnerships and increased brand awareness;
- Expansion into political arena with the release of white-label fundraising app for US Congressman Joe Garcia;
- Development of fully branded micro-donation mobile application for Music for Relief, a not-for-profit organisation founded by the Linkin Park band;
- Deployment of DonateMate onto current partners' digital assets in the US and UK to widen the touchpoints for donors to engage and donate using the Activistic platform. DonateMate is a revolutionary web-based fundraising tool which uses Activistic's recurring donations method and can be easily added to any apps or websites at minimum or no cost;
- Pipeline of continuing opportunities with major US national and international charities for the development of white label products as well as late stage discussions in the entertainment vertical with progress towards white label solutions;
- Continued discussions with several national and international charities which are intended to join the Ralli app;
- Business acquisition.

Micro-donations apps

During the period, Activistic continued to increase its partner base, bringing the total number of leading US military and veterans charities signed to the Veterans Call app to fourteen. In addition, the Company has expanded into the political sector with the development and deployment of a fully branded, fundraising mobile phone app for US Congressman Joe Garcia.

In the UK market, Activistic continues to work closely with its existing and potential new partner charities to further develop and raise the profile of its unique micro-donations and engagement technology in the charity sector.

Directors' Report (continued)

The Company continues to progress with discussions in the entertainment vertical, particularly following the partnership agreement and release of a white label micro-donations app for Music for Relief, a non-profit organisation founded by the Linkin Park band in response to the 2004 Indian Ocean Tsunami. Music for Relief is now using its brand and reach to promote the app. There is significant interest from several parties in this vertical to develop white-label solutions.

Activistic's management team continues to explore a pipeline of opportunities with major charities for the development of fully branded products.

New products

During the period, the Company developed a web-based donation tool to be used with the Veterans Call app. Users who do not wish to download the app now have the opportunity to support one or more of the fourteen existing partner charities and initiate the donation process on the web. This is a very simple method which can be completed within seconds. The tool can be easily added to any apps or websites at no extra cost.

Activistic has also developed and trademarked DonateMate, a revolutionary web-based fundraising tool which uses Activistic's recurring donations technology and can be easily added to any apps or websites. Donations can be made in seconds and are added onto the donor's monthly phone bills. This product is available in the US and UK.

Finance and cash management

During the period, the Company completed an oversubscribed capital raising of \$3.56 million via a private placement to professional and sophisticated investors. There was very strong demand for the placement, with bids exceeding the Company's expectations.

The company acknowledges it has been very successful in securing quality and potentially high-value partners in the US and UK; however, that has not translated into significant donor registrations and recurring revenues at this time. Accordingly, Activistic is currently undertaking a strategic review to identify how to best monetise the value created in the US and UK markets in a cost-effective manner. The strategic review is expected to be completed shortly and results will be communicated to shareholders.

During the two months preceding the end of period to 31 December 2016, the Board of Directors conducted a review of all costs and implemented a cost reduction programme in order to reduce expenditure on non-critical areas of the business while the strategic review is completed and recommendations implemented.

All expense lines have been thoroughly reviewed and where possible trimmed or eliminated, including external advisers, full-time employees, Directors, and other service providers.

These measures have already resulted in significant savings and, combined with the strategic review currently underway, will ensure the Company operates in a systematic and cost-effective manner.

Plus Connect Takeover Offer

In September 2016, Activistic announced its intention to acquire Plus Connect Limited ("Plus Connect"). Plus Connect, via its two subsidiaries is engaged in the provision of online based charity products in Australia. Activistic believes Plus Connect has successfully built the foundations for an online lottery business and is now ready for commercialisation.

Activistic made an off-market takeover offer to all Plus Connect shareholders offering a total of 180,000,000 fully paid ordinary shares in ACU in consideration for the acquisition of their Plus Connect shares, which equates to 3.126231 new ACU shares for every one (1) Plus Connect Share held.

Directors' Report (continued)

The offer closed on 13 January 2017 with Activistic acquiring a relevant interest in 95.1% of Plus Connect's fully paid ordinary shares.

The Company anticipates completing compulsory acquisition of all remaining Plus Connect Shares by 6 March 2017.

Corporate

Following the end of the reporting period and as announced on 20 January 2017, Mr Paul Crossin has been appointed an Executive Director of Activistic. Mr Crossin has been involved in the gambling and lotteries industry for over 20 years and has applied his gaming knowledge as a specialist consultant assisting companies to establish gambling business units, including The Federal Group, TAB Limited and Manaccomm Corporation.

Auditor's Independence Declaration

Section 307C of the Corporations Act 2001 requires our auditors, HLB Mann Judd, to provide the Directors of the Company with an Independence Declaration in relation to the review of the half-year financial report. This Independence Declaration is set out on page 7, and forms part of this Directors' Report for the half-year ended 31 December 2016.

This Report is signed in accordance with a resolution of the Board of Directors made pursuant to s.306(3) of the Corporations Act 2001.



Nigel Lee
28 February 2017



Accountants | Business and Financial Advisers

AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the review of the consolidated financial report of Activistic Limited for the half-year ended 31 December 2016, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- a) the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- b) any applicable code of professional conduct in relation to the review.

A handwritten signature in black ink, appearing to read 'L Di Giallonardo'.

Perth, Western Australia
28 February 2017

L Di Giallonardo
Partner

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Liability limited by a scheme approved under Professional Standards Legislation

HLB Mann Judd (WA Partnership) is a member of international, a worldwide organisation of accounting firms and business advisers.

**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER
COMPREHENSIVE INCOME FOR THE HALF-YEAR ENDED 31 DECEMBER 2016**

	Note	Consolidated Half-year ended	
		31 Dec 2016	31 Dec 2015
		\$	\$
Continuing operations			
Income		599	226
Other revenue		7,700	3,256
Unrealised foreign exchange gains		-	26,031
Total revenue		8,299	29,513
Administration and compliance		(1,016,445)	(771,911)
Corporate expenses		(401,567)	(621,725)
Marketing and business development		(996,442)	(663,821)
Software Development		(565,738)	-
Legal and professional fees		(280,550)	(262,843)
Depreciation and amortisation		(2,427)	(529)
Other expenses from ordinary activities		(260,171)	(261,883)
Finance costs		-	(2,390)
Loss before income tax expense		(3,515,041)	(2,555,589)
Income tax expense		-	-
Loss after tax from continuing operations		(3,515,041)	(2,555,589)
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss			
Exchange differences on translation of foreign operations		3,408	(12,480)
Other comprehensive income for the period, net of tax		3,408	(12,480)
Total comprehensive loss for the period		(3,511,633)	(2,568,069)
Loss attributable to:			
Owners of the parent		(3,514,951)	(2,555,342)
Non-controlling interest		(90)	(247)
		(3,515,041)	(2,555,589)
Total comprehensive loss attributable to:			
Owners of the parent		(3,511,543)	(2,567,822)
Non-controlling interest		(90)	(247)
		(3,511,633)	(2,568,069)
Basic loss per share	3	(1.23)	(1.72)

The accompanying notes form part of these financial statements.

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2016

	Note	Consolidated 31 Dec 2016 \$	30 Jun 2016 \$
Current assets			
Cash and cash equivalents		1,125,330	1,448,617
Trade and other receivables		137,129	305,044
Other current assets		42,324	44,659
Total current assets		1,304,783	1,798,320
Non-current assets			
Property, plant and equipment		18,174	15,608
Loan to Plus Connect Limited	12	600,000	-
Total non-current assets		618,174	15,608
Total assets		1,922,957	1,813,928
Current liabilities			
Trade and other payables		377,850	338,404
Accrued expenses		14,616	-
Provisions		12,922	13,956
Total current liabilities		405,388	352,360
Total liabilities		405,388	352,360
Net assets		1,517,569	1,461,568
Equity			
Issued capital	4	16,233,359	12,830,449
Reserves	8	1,783,047	1,614,915
Accumulated losses		(16,528,625)	(13,013,674)
Equity attributable to owners of the parent		1,487,781	1,431,690
Non-controlling interest		29,788	29,878
Total equity		1,517,569	1,461,568

The accompanying notes form part of these financial statements.

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE HALF YEAR ENDED 31 DECEMBER 2016**

Consolidated	Note	Issued capital \$	Reserves		Accumulated losses \$	Non- controlling interests \$	Total equity \$
			Share-based payment reserve \$	Foreign currency translation reserve \$			
Balance at 1 July 2015		8,920,330	1,202,600	-	(6,272,340)	39,889	3,890,479
Loss for the period		-	-	-	(2,555,342)	(247)	(2,555,589)
Other comprehensive loss for the period		-	-	(12,480)	-	-	(12,480)
Total comprehensive loss for the period		-	-	(12,480)	(2,555,342)	(247)	(2,568,069)
Shares issued during the half-year		3,990,000	-	-	-	-	3,990,000
Transaction costs		(309,881)	-	-	-	-	(309,881)
Share-based payments		-	213,345	-	-	-	213,345
Balance at 31 December 2015		12,600,449	1,415,945	(12,480)	(8,827,682)	39,642	5,215,874
Balance at 1 July 2016		12,830,449	1,579,553	35,362	(13,013,674)	29,878	1,461,568
Loss for the period		-	-	-	(3,514,951)	(90)	(3,515,041)
Other comprehensive loss for the period		-	-	3,408	-	-	3,408
Total comprehensive loss for the period		-	-	3,408	(3,514,951)	(90)	(3,511,633)
Shares issued for cash		3,560,000	-	-	-	-	3,560,000
Shares issued upon conversion of perf. rights		70,000	(70,000)	-	-	-	-
Share-based payments		-	234,724	-	-	-	234,724
Transaction costs		(227,090)	-	-	-	-	(227,090)
Balance at 31 December 2016		16,233,359	1,744,277	38,770	(16,528,625)	29,788	1,517,569

The accompanying notes form part of these financial statements.

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2016**

	Consolidated Half-year ended	
	31 Dec 2016 \$	31 Dec 2015 \$
Cash flows from operating activities		
Payments to suppliers and employees	(3,139,767)	(2,333,514)
Interest and other items of similar nature received	7,339	3,134
Interest and other costs of finance paid	-	(24)
R&D tax incentive refund	101,837	-
Net cash outflow from operating activities	(3,030,591)	(2,330,404)
Cash flows from investing activities		
Cash flows from loans to other entities	(600,000)	-
Payments for property, plant and equipment	(4,859)	(3,830)
Payment for intangible assets	-	(163,240)
Net cash outflow from investing activities	(604,859)	(167,070)
Cash flows from financing activities		
Proceeds from the issue of shares	4 3,560,000	3,905,000
Payments for share issue costs	4 (227,090)	(249,961)
Net cash inflow from financing activities	3,332,910	3,655,039
Net increase/(decrease) in cash held	(302,540)	1,157,565
Cash and cash equivalents at the beginning of the period	1,448,617	3,985,010
Effects of exchange rate fluctuations on cash held	(20,747)	(21,566)
Cash and cash equivalents at the end of the period	1,125,330	5,121,009

The accompanying notes form part of these financial statements.

1. Statement of significant accounting policies

Statement of compliance

These half-year consolidated financial statements are general purpose financial statements prepared in accordance with the requirements of the Corporations Act 2001, applicable accounting standards including AASB 134 'Interim Financial Reporting', Accounting Interpretations and other authoritative pronouncements of the Australian Accounting Standards Board ('AASB'). Compliance with AASB 134 ensures compliance with IAS 34 'Interim Financial Reporting'.

This condensed half-year financial report does not include full disclosures of the type normally included in an annual financial report. Therefore, it cannot be expected to provide as full an understanding of the financial performance, financial position and cash flows of the Group as in the full financial report.

It is recommended that this financial report be read in conjunction with the annual financial report for the year ended 30 June 2016 and any public announcements made by Activistic Limited and its subsidiaries during the half-year in accordance with continuous disclosure requirements arising under the Corporations Act 2001 and the ASX Listing Rules.

Basis of preparation

The half-year financial report has been prepared on a historical cost basis. Cost is based on the fair value of the consideration given in exchange for assets. The company is domiciled in Australia and all amounts are presented in Australian dollars, unless otherwise noted.

For the purpose of preparing the half-year financial report, the half-year has been treated as a discrete reporting period.

Accounting policies and methods of computation

The accounting policies and methods of computation adopted are consistent with those of the previous financial year and corresponding interim reporting period. These accounting policies are consistent with Australian Accounting Standards and with International Financial Reporting Standards.

Significant accounting judgments and key estimates

The preparation of half-year financial report requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expense. Actual results may differ from these estimates.

In preparing this half-year financial report, the significant judgments made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial report for the year ended 30 June 2016.

Adoption of new and revised standards

Standards and Interpretations applicable to 31 December 2016

In the half-year ended 31 December 2016, the Directors have reviewed all of the new and revised Standards and Interpretations issued by the AASB that are relevant to the Group and effective for the half-year reporting periods beginning on or after 1 July 2016.

As a result of this review, the Directors have determined that there is no material impact of the new and revised Standards and Interpretations on the Group and therefore no material change is necessary to Group accounting policies.

1. Statement of significant accounting policies (continued)**Adoption of new and revised standards (continued)***Standards and Interpretations issued but not yet effective to 31 December 2016*

The Directors have also reviewed all of the new and revised Standards and Interpretations issued by the AASB but not yet effective to the half-year ended 31 December 2016 that are relevant to the Group.

As a result of this review, the Directors have determined that there is no material impact of the new and revised Standards and Interpretations that have been issued but are not yet effective on the Group and therefore no material change is necessary to Group accounting policies.

Going concern

Notwithstanding the fact that the Group incurred a net loss of \$3,515,041 for the half year ended 31 December 2016, the Directors are of the opinion that the Group is a going concern for the following reasons:

- a) Ability to manage and defer costs where applicable;
- b) Successful history of capital raisings;
- c) Potential short term revenue through Plus Connect.

During the half-year ended 31 December 2016 and the period to the date of this report, the Directors have completed a review of all costs and implemented a cost reduction programme in order to reduce expenditure on non-critical areas of the business. All expenses lines have been thoroughly reviewed and where possible trimmed or eliminated, including external advisers, full-time employees, Directors, and other service providers.

These measures have already resulted in significant savings and, combined with a strategic review currently underway, will ensure the Company operates in a systematic and cost-effective manner.

The Directors believe that at the date of signing the financial statements there are reasonable grounds to believe that they will be successful in achieving the matters set out above and that the Group will have sufficient funds to meet its obligations as and when they fall due, and are of the opinion that the use of the going concern basis remains appropriate. To the extent that the above measures are not successfully able to provide sufficient capital for the Company, there is a material uncertainty that may cast significant doubt on the Group's ability to continue as a going concern and, therefore, realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the half-year financial report.

2. Segment reporting (continued)

AASB 8 requires operating segments to be identified on the basis of internal reports about components of the Group that are regularly reviewed in order to allocate resources to the segment and to assess its performance. Information regarding these segments is presented below. The accounting policies of the reportable segments are the same as the Group's accounting policies.

The following tables are an analysis of the Group's revenue and results by reportable segment for the half-year ended 31 December 2016.

Half-year ended 31 December 2016	Veterans Call \$	Ralli \$	Unallocated \$	Total \$
Continuing operations				
Income and other revenue	599	-	7,700	8,299
Net revenue	599	-	7,700	8,299
Administration and compliance	(347,420)	(69,570)	(599,455)	(1,016,445)
Corporate expenses	-	-	(401,567)	(401,567)
Marketing and business development	(796,669)	(172,823)	(26,950)	(996,422)
Software development	(555,232)	(10,506)	-	(565,738)
Legal and professional fees	(100,646)	-	(179,904)	(280,550)
Depreciation and amortisation	-	-	(2,427)	(2,427)
Other expenses from ordinary activities	-	-	(260,171)	(260,171)
Segment result	(1,799,368)	(252,899)	(1,462,774)	(3,515,041)

Half-year ended 31 December 2015	Veterans Call \$	Ralli \$	Unallocated \$	Total \$
Continuing operations				
Income and other revenue	42	-	3,440	3,482
Unrealised foreign exchange gains	13,058	12,793	-	26,031
Net revenue	13,100	12,793	3,440	29,513
Administration and compliance	(330,248)	(63,800)	(377,863)	(771,911)
Corporate expenses	-	-	(621,725)	(621,725)
Marketing and business development	(321,741)	(291,455)	(50,625)	(663,821)
Legal and professional fees	(77,907)	(32,915)	(152,021)	(262,843)
Depreciation and amortisation	-	-	(529)	(529)
Other expenses from ordinary activities	-	-	(261,883)	(261,883)
Finance costs	-	(5)	(2,385)	(2,390)
Segment result	(716,796)	(375,202)	(1,463,591)	(2,555,589)

The following tables are an analysis of the Group's assets and liabilities by reportable segment for the half-year ended 31 December 2016.

31 December 2016	Veterans Call \$	Ralli \$	Unallocated \$	Total \$
Total assets	3,002	62,156	1,857,799	1,922,957
Total liabilities	244,815	104,371	56,202	405,388
Net assets	(241,813)	(42,215)	1,801,597	1,517,569
30 June 2016	Veterans Call \$	Ralli \$	Unallocated \$	Total \$
Total assets	589	34,880	1,778,459	1,813,928
Total liabilities	25,107	81,839	245,414	352,360
Net assets	(24,518)	(46,959)	1,533,045	1,461,568

3. Loss per share

	Half-year ended	
	31 Dec 2016	31 Dec 2015
	\$	\$
Net loss for the financial period	(3,515,041)	(2,555,589)
Weighted average number of ordinary shares outstanding during the financial period	285,437,398	148,856,864
Loss per share (cents)	(1.23)	(1.72)

4. Issued capital

Fully paid ordinary shares	Half-year to		Year to	
	31 Dec 2016		30 Jun 2016	
	No.	\$	No.	\$
Balance at the start of the financial period	181,806,963	12,830,449	143,534,236	8,920,330
Shares issued for cash	178,000,000	3,560,000	35,500,000	3,905,000
Share based payments	-	-	1,272,727	105,000
Capital raising costs	-	(227,090)	-	(309,881)
Performance rights converted to shares	500,000	70,000	1,500,000	210,000
Balance at the end of the financial period	360,306,963	16,233,359	181,806,963	12,830,449

5. Options

Options over ordinary shares	Half-year to		Year to	
	31 Dec 2016		30 Jun 2016	
	No.	\$	No.	\$
Balance at the start of the financial period	49,840,494	1,457,811	41,090,494	1,202,600
Issued during the period	-	-	8,750,000	255,211
Expensed during the period	-	126,490	-	-
Balance at the end of the financial period	49,840,494	1,584,301	49,840,494	1,457,811

6. Performance shares

Performance shares over ordinary shares	Half-year to		Year to	
	31 Dec 2016		30 Jun 2016	
	No.	\$	No.	\$
Balance at the start of the financial period	49,000,000	-	49,000,000	-
Performance shares issued during the period	-	-	-	-
Performance shares converted into shares	-	-	-	-
Balance at the end of the period	49,000,000	-	49,000,000	-

7. Performance rights

Performance rights over ordinary shares	Half-year to 31 Dec 2016		Year to 30 Jun 2016	
	No.	\$	No.	\$
Balance at the start of the financial period	9,750,000	121,742	-	-
Issued during the period	-	-	11,250,000	331,742
Expensed during the period	-	108,234	-	-
Converted into shares	(500,000)	(70,000)	(1,500,000)	(210,000)
Balance at the end of the period	9,250,000	159,976	9,750,000	121,742

8. Reserves

	Half-Year to 31 Dec 2016 \$	Year ended 30 Jun 2016 \$
<i>Foreign currency translation reserve</i>		
Opening balance	35,362	-
Exchange differences on translation of foreign operations	3,408	35,362
Balance at the end of the year	38,770	35,362
<i>Share based payments reserve</i>		
Opening balance	1,579,553	1,202,600
Expense recognised for the period	234,724	376,953
Transferred to issued capital upon conversion	(70,000)	-
Balance at the end of the year	1,744,277	1,579,553
	1,783,047	1,614,915

Nature and purpose of reserves

The Share Based Payment Reserve is used to recognise the fair value of options and performance shares issued.

The Foreign Currency Translation Reserve is used to record exchange differences arising from the translation of the financial statements of foreign subsidiaries.

9. Dividends

No dividends have been paid or provided during the period.

10. Contingent liabilities

The group is not aware of any contingent liabilities which existed as at the end of the financial period or have arisen as at the date of this report.

11. Financial instruments

As at 31 December 2016, the Group had no financial assets or financial liabilities that are measured at fair value on a recurring basis. The directors consider that the carrying amounts of other financial assets and financial liabilities recognised in the consolidated financial statements approximate their fair values.

12. Events subsequent to reporting date

The following events took place subsequent to the end of the reporting period.

Proposed business acquisition

On 16 January 2017, Activistic announced that its off-market takeover offer for Plus Connect Limited closed on 13 January 2017, with the company acquiring a relevant interest in 95.1% of Plus Connect's fully paid, ordinary shares.

On 20 January 2017, the Company issued a total of 171,164,028 Activistic Shares to Plus Connect Shareholders who had accepted the takeover offer and 12,500,000 Activistic Shares to a Plus Connect creditor in satisfaction of a \$250,000 debt. A compulsory acquisition notice was lodged with ASIC and dispatched to Plus Connect Shareholders who did not accept the takeover offer by the closing date.

The Company anticipates completing compulsory acquisition of all remaining Plus Connect Shares by 6 March 2017. The compulsory acquisition will be on the same terms as Activistic's off-market takeover offer, that is, 3.126231 Activistic Shares for every Plus Connect Share held. For the purposes of determining the fair value of the consideration paid to the vendors of Plus Connect, the price per Activistic share used is 2.3 cents per share (\$0.023), being the value of the shares of Activistic Limited on the date of completion of the off-market acquisition.

At the completion of the acquisition it is expected that the sum of funds advanced to Plus Connect, recorded at 31 December 2016 of \$600,000, will be recognised as an intercompany loan.

As the acquisition has yet to be finalised, the Group will provisionally recognise, at completion, the fair value of identifiable assets and liabilities of Plus Connect Limited based on the best information available to the Group at the date of this report.

The provisional fair values of the net tangible assets and consideration paid are as follows:

	\$
<i>Consideration Paid</i>	
Issue of 171,164,028 shares under the off-market takeover offer	3,936,773
Estimate of issue of 8,835,988 shares under compulsory acquisition	203,227
Issue of 12,500,000 shares to Plus Connect creditor	287,500
Fair value of consideration paid	<u>4,427,500</u>
<i>Net tangible assets acquired</i>	
Current assets	554,238
Non-current assets	11,015
Current liabilities	(358,499)
Non-current liabilities	(125,000)
Net tangible assets acquired	<u>81,754</u>
Other identifiable intangible assets acquired	218,563
Fair value of net assets acquired	<u>300,317</u>
Excess of fair value of consideration paid over identifiable assets acquired	<u>4,127,183</u>

Board appointment

Pursuant to the terms of the bid implementation agreement between Activistic and Plus Connect, Mr Paul Crossin, Plus Connect's Managing Director, was invited to join the board of Activistic. Mr Crossin joined the board as an Executive Director on 20 January 2017.

DIRECTORS' DECLARATION

In the opinion of the Directors of Activistic Limited:

1. The attached financial statements and notes thereto are in accordance with the Corporations Act 2001 including:
 - a) complying with Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements; and
 - b) giving a true and fair view of the Group's financial position as at 31 December 2016 and of its performance for the half-year then ended; and
2. There are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

This declaration is signed in accordance with a resolution of the Board of Directors made pursuant to s.303(5) of the Corporations Act 2001.



Nigel Lee
28 February 2017



Accountants | Business and Financial Advisers

INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Activistic Limited

Report on the Condensed Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Activistic Limited ("the company") which comprises the condensed consolidated statement of financial position as at 31 December 2016, the condensed consolidated statement of profit or loss and other comprehensive income, the condensed consolidated statement of changes in equity and the condensed consolidated statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory notes, and the directors' declaration, for the Group comprising the company and the entities it controlled at the half-year end or from time to time during the half-year.

Directors' responsibility for the half-year financial report

The directors of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity* in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the Group's financial position as at 31 December 2016 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of the company, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*.

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*Conclusion*

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Activistic Limited is not in accordance with the *Corporations Act 2001* including:

- (a) giving a true and fair view of the Group's financial position as at 31 December 2016 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Emphasis of matter

Without modifying our conclusion, we draw attention to Note 1 "Going concern" in the financial report which outlines conditions that indicate the existence of a material uncertainty that may cast significant doubt about the Group's ability to continue as a going concern and therefore, whether it will realise its assets and discharge its liabilities in the normal course of business and at the amounts stated in the financial report.

A handwritten signature in black ink that reads 'HLB Mann Judd'.

HLB Mann Judd
Chartered Accountants

A handwritten signature in black ink that reads 'L Di Giallonardo'.

L Di Giallonardo
Partner

Perth, Western Australia
28 February 2017