

PLUS CONNECT BUSINESS UPDATE AND NEW FUNDING

Highlights

- **Highly encouraging results for the launch of Magpie Millions**
- **\$2 million convertible note facility arranged to support growth and working capital**
- **Update on cost saving initiatives**
- **Board changes and remuneration structure**

Perth, Australia (March 14, 2017) Activistic Limited (ASX: ACU) (“Activistic” or “the Company”) is pleased to provide shareholders with an update on the launch of the **Magpie Millions** sports lottery product by our 100% subsidiary, Plus Connect Limited and the terms of a new convertible note funding line to roll out the sports lottery business and support working capital.

Plus Connect Update – Launch of Magpie Millions

Activistic is pleased to announce that it has now successfully completed the acquisition of Plus Connect Limited (“Plus Connect”). The acquisition was first announced in September 2016 and following an off-market takeover offer, Plus Connect has become a wholly owned subsidiary of Activistic.

Plus Connect currently operates two socially responsible lottery products, a sports and a charity lottery. Its licenses also allow the Company to operate commercial products in Australia and in a number of other countries.

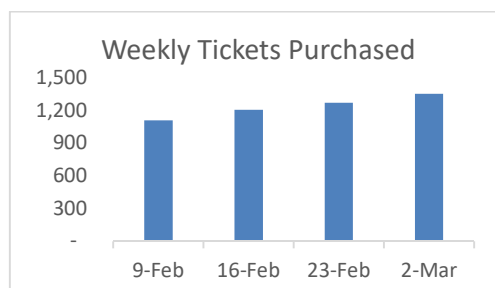
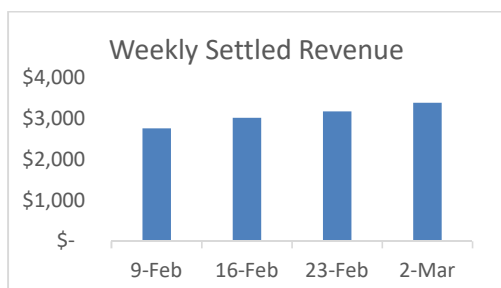
In February 2017, Plus Connect launched its first sports lottery product, “**Magpie Millions**”, in a partnership agreement with Collingwood Football Club. Magpie Millions is the first product launched within this segment.

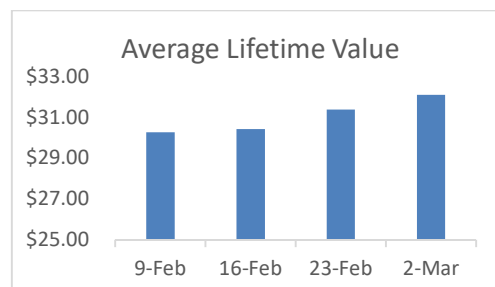
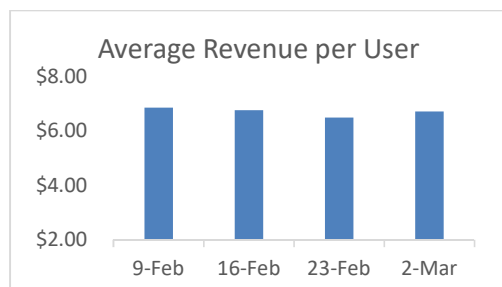
The Company is actively marketing the sports lottery product and expects to be able to sign and announce further AFL clubs over the balance of the 2017 calendar year.

Proceeds from this product will be directly allocated to each respective club and will be used to fund their core activities as well as community based projects. This model has been very successful overseas and represents an outstanding opportunity in the Australian market, where products with these characteristics have not yet been developed.

Plus Connect is currently working on expanding this product into other sporting codes in Australia and potentially overseas.

Magpie Millions has been operating for four weeks and early results are very encouraging. Sales have increased week on week and other key metrics show the high acceptance of this product.





Executive Director, Paul Crossin commented: *“The progress of the Magpie Millions product along with the opportunities being presented to the Company are extremely encouraging. We are looking forward to updating the market on the progress of the sports lottery products in the coming weeks.”*

Convertible Note Funding

Activistic is pleased to report that it has negotiated a \$2 million convertible note facility to finance the working capital requirements of the Company. The facility was chosen over a potentially dilutive equity issue to allow the Company to generate value accretive results and revenues over the medium term to enhance shareholder value.

The Board believes the acquisition of Plus Connect will deliver outstanding value to shareholders in the medium term and, for this reason, this funding decision was aimed at avoiding unnecessary dilution whilst the Company further develops its key projects and delivers positive results.

Below are the material terms and conditions of the Convertible Note Agreement.

Facility amount:	\$2,000,000
Number of convertible notes:	20 notes with a face value of \$100,000 each
Interest rate:	8% per annum, accrued daily and payable quarterly in arrears
Maturity:	2 years from the date of issue
Early redemption:	Activistic reserves the right to redeem any number of notes prior to the maturity date by paying the face value of each note plus any accrued interest.
Conversion price:	30% discount to VWAP for the preceding 20 trading days on ASX. No discount if the notes are converted into a rights issue or placement.
Conditions of conversion:	Convertible notes cannot be converted within first 12 months from the date of issue. The issue of shares upon conversion is subject to and conditional on any shareholder approval that may be required under Listing Rule 7.1.

Operational and Financial Review

Shareholders will be aware that Activistic has invested substantial funds to develop the US and UK micro donations markets throughout 2015 and 2016. The continuing absence of any significant revenue flows despite significant marketing activities, particularly in the US market, necessitated the Board to undertake a full review of the current business activities and cost centres.

The Board has reviewed and made a number of significant cost reductions already in the current quarter as part of this review. The review and the announcement of the Company's strategy for the micro donation business segment is expected to be completed in the coming weeks and will be separately announced to shareholders and investors via the ASX platform. As an interim indication, the Board has identified cost reductions of approximately \$200,000 per month, most of which have been actioned in this quarter and will be completed by early next quarter.

Board Changes

Through the Board's full review of business activities and consolidation of locations, the Company wishes to advise that Mr Nigel Lee has resigned his board, advisory and executive position, effective 31 March 2017.

Activistic Chairman, Peter Wall, said:

"On behalf of the Board, I would like to sincerely thank Nigel for his valuable contribution over the past almost two years. Nigel's leadership of the micro donations team was exemplary. We wish him every success in his future activities".

The continuing Board of Activistic consists of:

Peter Wall:	Non-executive Chairman
Paul Crossin:	Executive Director
Evan Cross:	Non-executive Director
Michael Hughes:	Non-executive Director

Board and advisory board remuneration

The Board also recognises the importance of financial prudence in its own remuneration as part of the re-alignment of the business. Accordingly, all directors (other than Executive Director Paul Crossin) have voluntarily agreed to take no cash compensation for the period 1 January 2017 to 30 June 2017, in the first instance and will then review the progress of the Company before any resumption of cash directors' fees. It is proposed that Directors will, subject to shareholder approval, have their entitlement to director's fees settled by an issue of shares on the same basis as any new offer of shares to existing shareholders.

Summary

The Board believes that the cost reductions outlined above, together with promising early signs of revenue growth in the Plus Connect business provide a responsible strategy to rebuild shareholder value.

The Company has a solid foundation to move forward and combined with strong investor support, will ensure the Company is well positioned to create shareholder value while building a sustainable long term business.

– ENDS –

For more information, contact:

Paul Crossin
Executive Director
pcrossin@plusconnect.com.au

Ramon Soares
Company Secretary
rls@activisticgroup.com

Jane Morgan
Investor & Media Relations
jm@janemorganmanagement.com.au