

Commentary for the quarter ending 31 March 2017

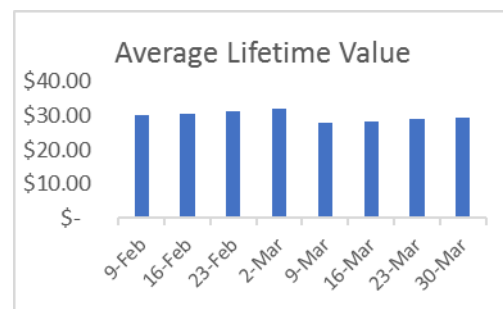
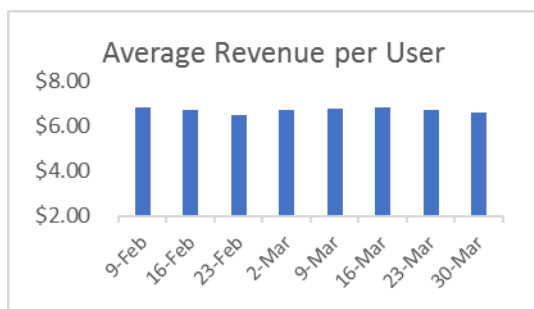
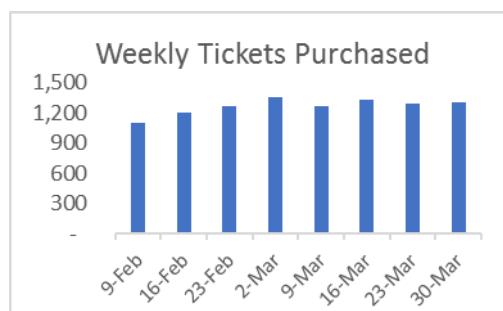
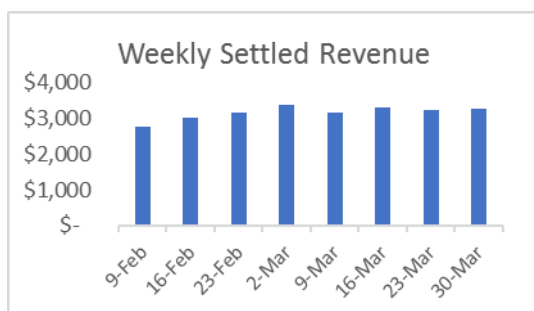
Operations

Activistic Limited (“Activistic” or the “Company”) is pleased to comment on its key activities and achievements during the March quarter.

The Company completed its off-market takeover of Plus Connect Limited. Plus Connect currently operates two socially responsible lottery products, a sports and a charity lottery. The acquisition has allowed Activistic to enter the Australian market and expand its existing range of charitable fundraising solutions

In February 2017, Plus Connect launched its first sports lottery product, “Magpie Millions”, in a partnership agreement with Collingwood Football Club. The Company expects to sign and announce further AFL clubs over the balance of the 2017 calendar year. Furthermore, Plus Connect is working on expanding this product into other sporting codes in Australia and potentially overseas.

Magpie Millions was launched in a test or beta phase without external marketing. Early results since launch and to 30 March 2017 are very encouraging. Sales have remained steady and other key metrics show the high acceptance of this product.



The company continues with its micro-donations activities in the US market and actively searches for additional strategic partnership agreements to further develop its existing products and technology.

Given the long-term nature of the micro-donations business model, the Company has approached a number of US based parties who have shown interest in working with Activistic, allowing the Company to reach a wider audience at reduced costs and improve its existing fundraising solutions.

Funding

Activistic is pleased to report that during the quarter it negotiated a \$2 million convertible note facility to finance the working capital requirements of the Company.

Financial review

The Board has reviewed and made a number of significant cost reductions during the March quarter.

Board and advisory board remuneration

The board 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 from 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.

Corporate

Following the financial review, which included the Company's business activities and consolidation of locations, Activistic advised Mr Nigel Lee resigned from the board, his executive and advisory position.

Appendix 4C

Quarterly report for entities subject to Listing Rule 4.7B

Introduced 31/03/00 Amended 30/09/01, 24/10/05, 17/12/10, 01/09/16

Name of entity

Activistic Limited

ABN

27 007 701 715

Quarter ended ("current quarter")

31 March 2017

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (9 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	37	37
1.2 Payments for		
(a) research and development	(38)	(673)
(b) product manufacturing and operating costs	-	-
(c) advertising and marketing	(184)	(1,155)
(d) leased assets	-	-
(e) staff costs	(361)	(1,070)
(f) administration and corporate costs	(536)	(1,366)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	3	11
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	102
1.8 Other (lottery winnings paid)	(2)	(2)
1.9 Net cash from / (used in) operating activities	(1,081)	(4,116)

2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) property, plant and equipment	-	-
(b) businesses (see item 10)	38	38
(c) investments	-	-
(d) intellectual property	-	-
(e) other non-current assets	-	-

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (9 months) \$A'000
2.2 Proceeds from disposal of:		
(a) property, plant and equipment	-	-
(b) businesses (see item 10)	-	-
(c) investments	-	-
(d) intellectual property	-	-
(e) other non-current assets	-	-
2.3 Cash flows from loans to other entities	(60)	(660)
2.4 Dividends received (see note 3)	-	-
2.5 Other (provide details if material)	-	-
2.6 Net cash from / (used in) investing activities	(22)	(622)

3. Cash flows from financing activities		
3.1 Proceeds from issues of shares	-	3,560
3.2 Proceeds from issue of convertible notes	1,000	1,000
3.3 Proceeds from exercise of share options	-	-
3.4 Transaction costs related to issues of shares, convertible notes or options	(10)	(237)
3.5 Proceeds from borrowings	-	-
3.6 Repayment of borrowings	-	-
3.7 Transaction costs related to loans and borrowings	-	-
3.8 Dividends paid	-	-
3.9 Other (provide details if material)	-	-
3.10 Net cash from / (used in) financing activities	990	4,323

4. Net increase / (decrease) in cash and cash equivalents for the period		
4.1 Cash and cash equivalents at beginning of quarter/year to date	1,125	1,449
4.2 Net cash from / (used in) operating activities (item 1.9 above)	(1,081)	(4,116)
4.3 Net cash from / (used in) investing activities (item 2.6 above)	(22)	(622)
4.4 Net cash from / (used in) financing activities (item 3.10 above)	990	4,323
4.5 Effect of movement in exchange rates on cash held	(13)	(35)
4.6 Cash and cash equivalents at end of quarter	999	999

5. Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1 Bank balances	433	417
5.2 Call deposits	566	708
5.3 Bank overdrafts	-	-
5.4 Other (provide details)	-	-
5.5 Cash and cash equivalents at end of quarter (should equal item 4.6 above)	999	1,125

6. Payments to directors of the entity and their associates

- 6.1 Aggregate amount of payments to these parties included in item 1.2
- 6.2 Aggregate amount of cash flow from loans to these parties included in item 2.3
- 6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2

Current quarter \$A'000
(85)
-

6.1 consists of Director's Fees.

7. Payments to related entities of the entity and their associates

- 7.1 Aggregate amount of payments to these parties included in item 1.2
- 7.2 Aggregate amount of cash flow from loans to these parties included in item 2.3
- 7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2

Current quarter \$A'000
-
-

Quarterly report for entities subject to Listing Rule 4.7B

8. Financing facilities available <i>Add notes as necessary for an understanding of the position</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
8.1 Loan facilities	-	-
8.2 Credit standby arrangements	-	-
8.3 Other (Convertible Note)	2,000	1,000
8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.		

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9. Estimated cash outflows for next quarter	\$A'000
9.1 Research and development	(50)
9.2 Product manufacturing and operating costs	(150)
9.3 Advertising and marketing	(60)
9.4 Leased assets	-
9.5 Staff costs	(190)
9.6 Administration and corporate costs	(220)
9.7 Other (provide details if material)	-
9.8 Total estimated cash outflows	(670)

10. Acquisitions and disposals of business entities (items 2.1(b) and 2.2(b) above)	Acquisitions	Disposals
10.1 Name of entity	Plus Connect Limited	N/A
10.2 Place of incorporation or registration	Queensland	N/A
10.3 Consideration for acquisition or disposal	180,000,000 ACU shares	N/A
10.4 Total net assets	\$300,317	N/A
10.5 Nature of business	Socially Responsible Lotteries	N/A

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.



Sign here:
(Company secretary)

Date: 28 April 2017

Print name: Ramon Soares

Notes

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standard applies to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.