

CONVERTIBLE NOTES FUNDING

Perth, Australia (May 30, 2017) Activistic Limited (ASX: ACU) (“**Activistic**” or “the **Company**”) wishes to inform investors about its interim funding requirements. On 17 May 2017, the Company released an announcement updating shareholders on the status of its voluntary suspension. The announcement described the agreement with MyLotto24 and the Company’s short-term funding requirements and intention to re-comply with Chapters 1 and 2 of the ASX Listing Rules (**Re-compliance**).

Funding

The Company estimated that it required approximately \$500,000 for working capital purposes and for the Re-compliance process. The above-mentioned announcement generated strong interest among existing and new investors to assist the Company with interim and long-term financing.

Following a comprehensive evaluation process, the Board of Directors believes the opportunities being advanced by the company have the potential to deliver outstanding value to investors in the medium term and, for this reason, the Company has decided to draw down \$500,000 from its existing Convertible Note Facility (**Facility**) (as announced on 14 March 2017) through the issue of a further 5 Convertible Notes with a face value of \$100,000 each (**Notes**).

This option was chosen over a potentially dilutive equity issue and will allow the Company to progress with the Re-compliance process and generate value accretive results to enhance shareholder value. The Company anticipates issuing the Notes shortly following receipt of funds, subject to the ASX confirming that the issue of the Notes will not adversely affect the Re-compliance.

The issue of the Notes will result in the Company having a total of 15 convertible notes on issue under the Facility, with the capacity to issue a further 5 convertible notes if needed. Conversion of the 5 Notes to be issued (and any further notes issued under the Facility) will be subject to receipt of shareholder approval under ASX Listing Rule 7.1.

Amended terms of Convertible Note Facility

Following discussions with the ASX, the Company and the noteholder have agreed to amend the terms of the Facility, as well as the 10 notes issued to date under the Facility (which have a combined face value of \$1 million) (**Tranche 1 Notes**), to incorporate a conversion floor price of \$0.05 per share. The 5 Notes to be issued (and any further notes issued under the Facility) will also be subject to a conversion floor price of \$0.05 per share. As the amendment to the Tranche 1 Notes is retrospective, the issue of these notes will not be ratified.

The floor price represents a premium of 278% to the closing share price on 14 March 2017, when the Facility was announced. Furthermore, it represents a premium of 333% to the current share price of \$0.015. The 30% discount to the VWAP for the preceding 20 trading days on ASX remains unchanged. However, conversion is subject to the new floor price.

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