

ACTIVISTIC EXPANDS ITS CHARITY FUNDING REACH WITH THE PROPOSED ACQUISITION OF PLUS CONNECT

THE ACQUISITION WILL ALLOW ACTIVISTIC TO FAST TRACK ITS ENTRY TO THE AUSTRALIAN CHARITY AND NOT FOR PROFIT MARKET

Perth, Australia: Micro-donations platform provider Activistic Limited (ASX: ACU) (“Activistic” or “the Company”) is pleased to announce it has signed a binding bid implementation agreement (**BIA**) to make an off market takeover offer to acquire Plus Connect Limited (“Plus Connect”) which, through two of its subsidiary companies, is engaged in the provision of online and app based charity lottery products, initially in Australia.



The acquisition will allow Activistic to expand its range of fund raising platforms for charities by being able to offer one of the most widely accepted charitable and not for profit fund raising activities in the world, charity based lotteries, in Australia.

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

It has recently trialled a charitable lottery product, the Weather Lottery, servicing four creditable charities in the Australian market.

Activistic will look to add its micro donation platform to these activities, in addition to reaching additional charities, sporting groups and not for profit organisations to join this technology platform. Importantly, the Plus Connect platform is built, piloted and ready for commercialisation. The acquisition of Plus Connect will provide Activistic with a business that has the potential to generate higher revenue and gross profit margins off a smaller recurring user base in Australia. The Company sees this as a significant complement to its micro donation business model of higher users and lower gross margins.



See the related video explaining the Weather Lottery concept here:

<https://www.facebook.com/7NewsMelbourne/videos/10154152110159301/>

Mr Nigel Lee, Activistic Holdings Pty Ltd Chairman said *“The acquisition of Plus Connect is consistent with our long term business objectives and offers a significant opportunity for Activistic to expand its range of complementary charity products in the digital space and importantly, penetrate the Australian market for the first time. In addition, Activistic will further benefit by being able to integrate its micro donation technology with Plus Connect to create recurring donations for the charities.*

“The board believes the acquisition will be value accretive to existing ACU shareholders and will support our ongoing business in the US with Veterans Call and current white label opportunities in development. Plus Connect will benefit from additional marketing resources, finance and administration provided by Activistic which will make this a very economic acquisition.”

Company Information:
Activistic Limited
ACN: 007 701 715
ASX: ACU
www.activisticgroup.com

Registered Address:
Suite 5, 71-73 South Perth Esplanade
South Perth WA 6151
Telephone: +61 8 6244 0333

Board of Directors:
Peter Wall Non-Executive Chairman
Evan Cross Non-Executive Director
Nigel Lee Non-Executive Director
Michael Hughes Non-Executive Director

ABOUT PLUS CONNECT

Plus Connect is an Australian based company established to commercialise a new generation of on-line 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 Sports Bookmaker licence. The NT Regulator granted the licence in 2012 on the proviso that a minimum of 20% of charity product sales 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.

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:

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

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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 our 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.

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 (as described below) offered under a Norfolk Island licence. The products features are:

- A fixed-odds bet on the outcome of Sports Lottery;
- Product branded to individual sporting clubs;
- For every \$1 bet a minimum of \$0.25c is paid to the sporting club; and
- 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.

The transaction

Activistic is proposing to make an off market takeover offer to all Plus Connect shareholders offering a total of 180,000,000 fully paid ordinary shares in ACU (**ACU Shares**) in consideration for the acquisition of their Plus Connect shares, which equates to 3.077999 new ACU Shares for every one (1) Plus Connect Share held (**Takeover Offer**).

The Takeover Offer will be subject to typical conditions, including:

- a 90% minimum acceptance condition, which (at any time prior to ACU receiving acceptances representing 80% of Plus Connect Shares) can only be waived with the consent of Plus Connect;
- no prescribed occurrence or material adverse change (as defined in the BIA) occurring in relation to Plus Connect;
- no material acquisitions, disposals or new commitments being undertaken by Plus Connect;
- other customary conditions as set out in the BIA, including no regulatory intervention which (among other things) restrains or prohibits the Takeover Offer.

Refer to the BIA, separately released to the ASX, for a full copy of the conditions which will apply to the Takeover Offer.

ACU has also agreed, on completion of the acquisition, to issue 12,500,000 Shares to a Plus Connect creditor in satisfaction of a \$250,000 debt.

In the period between signing the BIA and settlement of the acquisition, ACU has agreed to loan Plus Connect an amount of up to \$500,000 for working capital and marketing expenditure to grow its user base. The loan will be secured over Plus Connect NT Pty Ltd which holds the Northern Territory gaming licence. If the transaction is not concluded, the loan funds will be repayable within 60 days of the BIA being terminated and attract interest at a commercial rate of 10% per annum on the balance outstanding from day to day.

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Following the acquisition, the ordinary share capital structure of ACU would be as follows:

	No. of Ordinary Shares	% of Issued Capital
Existing ACU Ord Shares on issue*	359,806,963	65.1%
Issue for acquisition of Plus Connect	180,000,000	32.6%
ACU shares to satisfy \$250,000 Plus Connect debt	12,500,000	2.3%
Total ACU shares on issue*	552,306,963	100.0%

* ACU has existing Performance Shares and Options on issue, not included in the above ordinary share capital table.

Additional Board Appointment

The existing four member board of Activistic Limited will remain in place following the acquisition of Plus Connect. In addition Mr Paul Crossin, the current managing director of Plus Connect, will be invited to join the board of ACU as an Executive Director responsible for the operation of the Plus Connect business.

Mr Crossin will initially be offered a salary of \$180,000 plus superannuation, in addition to short and long term incentives to be negotiated and subject to any shareholder approvals required, upon final negotiation.

Indicative Timetable

Event	Date
Execution of Bid Implementation Agreement	21 September 2016
Bidder's Statement and Target Statement lodged with ASIC and ASX	20 October 2016
Bidder's Statement and Target Statement dispatched to Plus Connect shareholders	27 October 2016
Takeover Offer closes	28 November 2016
Issue of ACU shares to accepting Plus Connect shareholders	05 December 2016

The above table is an indication only and is subject to change.

Pre-bid Acceptances and Shareholder Intention Statements

Plus Connect shareholders representing 19.04% of Plus Connect Shares, as detailed below, have entered into binding pre-bid acceptance agreements to accept the Offer in respect of their Plus Connect Shares in the absence of a superior proposal not earlier than 10 business days after the open of the Offer for acceptance.

Shareholder	Number of Shares	% of Issued Capital
Boh Tiong Yap	2,233,333	3.82%
Kay Liang Henry Tan	466,667	0.80%
Laurence Lee Min Tai	533,333	0.91%
Otbert de Jong	2,698,333	4.61%
Jetosea Pty Ltd	5,000,000	8.55%
Veritas Securities Ltd	200,000	0.34%
Total Pre-bid Acceptances	11,131,666	19.04%

In addition, other Plus Connect shareholders as detailed below, representing a further 45.12% of Plus Connect Shares outstanding, have made statements of intention to accept the Offer in respect of their Plus

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Connect Shares in the absence of a superior proposal not earlier than 21 days after the open of the Offer for acceptance.

Shareholder	Number of Shares	% of Issued Capital
Dempsey Management Pty Ltd as trustee for the Dempsey Management A/C	131,250	0.22%
Dempsey Super Pty Ltd as trustee for the Dempsey Super Fund A/C	131,250	0.22%
Francis George Carlow	500,000	0.85%
Frank George and Ross Carlow as trustees for the Carlow Family Superannuation Fund A/C	1,200,000	2.05%
Hera Investments Pty Ltd	290,000	0.50%
Rodney Lewis	333,306	0.57%
Joanne Edgar and Paul Dominic Crossin as trustees for the Edgar Crossin Family Trust	17,416,667	29.78%
Paul Crossin and Joanne Edgar as trustees for Dynasync Superannuation Fund	533,333	0.91%
Kevin Andrew Fell	2,923,977	5.00%
John Zaccaria as trustee for the Zaccaria Share Trust	2,923,977	5.00%
Total Intention Statements	26,383,760	45.12%

For more information, contact:

Nigel Lee

Non-Executive Director
Chairman of Strategic Advisory Board
nigel@activisticgroup.com

ABOUT ACTIVISTIC

Founded in 2012, Activistic has developed a revolutionary micro-donation technology that seamlessly connects and engages the world's ~2 billion 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 as opposed to ~32% in the traditional model, as traditional fundraising costs typically represent ~68% of proceeds raised.

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.

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