

**ACTIVISTIC LIMITED**
**Appendix 4D (Rule 4.2A.3)**
**Half-year report**
**For the half-year ended 31 December 2017**
**1. Company Details**

Name of entity: Activistic Limited  
 ABN: 007 701 715  
 Current reporting period: Half-year ended 31 December 2017  
 Previous reporting period: Half-year ended 31 December 2016

**2. Results for announcement to the market**

	Half-year ended			
	31 Dec 2017	31 Dec 2016	Movement	Movement
	\$	\$	\$	%
Revenue from continuing activities	38,839	8,299	30,540	368%
Loss from continuing activities after income tax	(2,143,334)	(3,515,041)	1,371,707	39%
Net loss for the half year attributable to members	(2,050,072)	(3,514,951)	1,464,879	42%

**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 2017.

**4. Net tangible assets**

	As at			
	31 Dec 2017	30 Jun 2017	Movement	Movement
	\$	\$	\$	%
Net tangible asset per security	(0.0050)	(0.0017)	(0.0033)	(194%)

The net tangible assets per ordinary share amount is calculated on 554,056,979 ordinary shares on issue as at 31 December 2017 and 30 June 2017.

**5. Control gained over entities**

Not applicable



## 6. Controlled entities and joint ventures

	Ownership interests as at	
	31 Dec 2017	30 Jun 2017
Activistic Holdings Pty Ltd	100%	100%
Plus Connect Ltd	100%	100%
Plus Connect NT	100%	100%
Plus Connect NF	100%	100%
Winners Connect	100%	100%
Sports Lottery Australia <sup>3</sup>	51%	51%
Activistic Inc. <sup>1</sup>	100%	100%
Activistic UK <sup>1</sup>	100%	100%
Biohealth Pty Ltd <sup>3</sup>	51%	51%
Inqbate Pty Ltd <sup>2</sup>	100%	100%
Acuvax Immunology Services Pty Ltd <sup>2</sup>	75%	75%

1. Subsidiary of Activistic Holdings Pty Ltd

2. Deregistered

3. Summarised financial information for these subsidiaries that are not wholly-owned has not been disclosed as this information is not considered material to the Group.

## 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 2017, which has been reviewed by HLB Mann Judd. Refer to the 31 December 2017 half-year financial report for the independent auditors' review report provided to the members of Activistic Limited.

<b>Appendix 4D Requirements</b>	<b>Reference</b>
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 2017**

## **Corporate Directory**

### **Directors**

Peter Wall	Non-Executive Chairman
Paul Crossin	Executive Director
Sam Almaliki	Executive Director
Michael Hughes	Non-Executive Director

### **Joint Company Secretaries**

Charlie Hodges (appointed 9 February 2018)  
Charly Duffy (appointed 9 February 2018))

### **Registered Office and Principal Place of Business**

Suite 5, 71-73 South Perth Esplanade  
South Perth, WA 6151  
Telephone: +61 8 6244 0333  
Website: [www.activisticgroup.com](http://www.activisticgroup.com)

### **Solicitors**

Steinepreis Paganin  
Level 4, The Read Buildings  
16 Milligan St  
Perth, WA 6000

### **Share Registry**

Automic Pty Ltd  
Level 2, 267 St Georges Terrace  
Perth, WA 6000  
Telephone: 08 9324 2099

### **Auditors**

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

### **Stock Exchange Listing**

Activistic Limited shares are listed on the 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 for the half year ended 31 December 2017. In order to comply with the provisions of the Corporations Act 2001, the Directors report as follows:

### 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	
Sam Almaliki	Executive Director	Appointed 5 February 2018
Michael Hughes	Non-Executive Director	

### Operating result

The Group incurred an after-tax loss for the half year ended 31 December 2017 of \$2,143,334 (31 December 2016: loss of \$3,515,041).

### Review of operations

During the period through to 31 December 2017 the Company was in negotiations with the ASX to agree an acceptable basis for re-compliance with Chapters 1 and 2 of the ASX Listing Rules. The ASX considered the Business Model described in the documentation supporting the take-over of Plus Connect Limited now constituted a Change of Principal Activity. Furthermore, the primary profit generating strategy, lottery substitute products involving risk hedging via the UK Company Mylotto24, was not an acceptable activity for an ASX listed entity.

The Company and the ASX came to an understanding on an acceptable operating model late October 2017 and since that time the Company has focused on developing product and market opportunities that enable the Board to meet profit expectations of shareholders.

The Company is pleased to report the follow results for the financial year ended 31 December 2017:

- Identified an acceptable operating model for re-listing;
- Terminated the Hedging Agreement with Mylotto24;
- Completed the relocation of the business to Melbourne;
- Engaged a Lead Broker for the re-compliance process;
- Launched <http://www.fan-connect.in/en>, our market-entry product for India;
- Completed a capital raise to support the ongoing operations of the business through to re-compliance.

**Directors' Report (continued)**

The Company now has a clear strategic vision for the business that is consistent with meeting the various ASX requests and is able to drive through to full re-compliance. The way forward involves the following key milestones

- Secure ASX 'in-principle' approval for the adapted business model;
- Seek shareholder approval for the adapted business model via a prospectus;
- Launch the primary profit segment of the business.

**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 6, and forms part of this Directors' Report for the half-year ended 31 December 2017.

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.



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Paul Crossin  
28 February 2018



**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 2017, 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.



**Perth, Western Australia**  
**28 February 2018**

**L Di Giallonardo**  
**Partner**

**HLB Mann Judd (WA Partnership) ABN 22 193 232 714**

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**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER  
COMPREHENSIVE INCOME FOR THE HALF-YEAR ENDED 31 DECEMBER 2017**

	Note	Consolidated	
		Half-year ended 31 Dec 2017	31 Dec 2016
		\$	\$
<b>Continuing operations</b>			
Income		33,663	599
Other revenue		5,176	7,700
<b>Total revenue</b>		<b>38,839</b>	<b>8,299</b>
Administration and compliance		(1,041,615)	(1,016,445)
Corporate expenses		(259,641)	(401,567)
Marketing and business development		(260,505)	(996,442)
Software Development		(15,836)	(565,738)
Legal and professional fees		(139,510)	(280,550)
Depreciation and amortisation		(282,175)	(2,427)
Finance costs		(94,034)	-
Other expenses from ordinary activities		(88,857)	(260,171)
<b>Loss before income tax expense</b>		<b>(2,143,334)</b>	<b>(3,515,041)</b>
Income tax expense		-	-
<b>Loss after tax from continuing operations</b>		<b>(2,143,334)</b>	<b>(3,515,041)</b>
<b>Other comprehensive income</b>			
Items that may be reclassified subsequently to profit or loss			
Exchange differences on translation of foreign operations		56,573	3,408
<b>Other comprehensive loss for the period, net of tax</b>		<b>56,573</b>	<b>3,408</b>
<b>Total comprehensive loss for the period</b>		<b>(2,086,761)</b>	<b>(3,511,633)</b>
<b>Loss attributable to:</b>			
Owners of the parent		(2,050,072)	(3,514,951)
Non-controlling interest		(93,262)	(90)
		<b>(2,143,334)</b>	<b>(3,515,041)</b>
<b>Total comprehensive loss attributable to:</b>			
Owners of the parent		(1,993,499)	(3,511,543)
Non-controlling interest		(93,262)	(90)
		<b>(2,086,761)</b>	<b>(3,511,633)</b>
Basic and diluted loss per share (cents)	3	(0.39)	(1.23)

The accompanying notes form part of these financial statements.

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
AS AT 31 DECEMBER 2017**

	Note	Consolidated	
		31 Dec 2017	30 Jun 2017
		\$	\$
<b>Current assets</b>			
Cash and cash equivalents		80,244	606,265
Trade and other receivables		71,753	95,329
Other current assets		547,816	517,907
<b>Total current assets</b>		<b>699,813</b>	<b>1,219,501</b>
<b>Non-current assets</b>			
Property plant & equipment		12,437	15,790
Intangible assets	12	1,385,417	1,662,500
<b>Total non-current assets</b>		<b>1,397,854</b>	<b>1,678,290</b>
<b>Total assets</b>		<b>2,097,667</b>	<b>2,897,791</b>
<b>Current liabilities</b>			
Trade and other payables		673,676	595,187
Other		115,556	99,585
Provisions		17,852	13,999
<b>Total current liabilities</b>		<b>807,084</b>	<b>708,771</b>
<b>Non-current liabilities</b>			
Borrowings	14	2,650,000	1,500,000
<b>Total non-current liabilities</b>		<b>2,650,000</b>	<b>1,500,000</b>
<b>Total liabilities</b>		<b>3,457,084</b>	<b>2,208,771</b>
<b>Net assets / (liabilities)</b>		<b>(1,359,417)</b>	<b>689,020</b>
<b>Equity</b>			
Issued capital	4	20,671,359	20,723,359
Reserves	8	1,690,700	1,543,803
Accumulated losses		(23,600,815)	(21,550,743)
<b>Equity attributable to owners of the parent</b>		<b>(1,238,756)</b>	<b>716,419</b>
Non-controlling interest		(120,661)	(27,399)
<b>Total equity / (deficiency)</b>		<b>(1,359,417)</b>	<b>689,020</b>

The accompanying notes form part of these financial statements.

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE HALF YEAR ENDED 31 DECEMBER 2017**

Consolidated	Note	Issued capital \$	Reserves		Accumulated losses \$	Non- controlling interests \$	Total equity \$
			Share-based payment reserve \$	Foreign currency translation reserve \$			
<b>Balance at 1 July 2016</b>		<b>12,830,449</b>	<b>1,579,553</b>	<b>35,362</b>	<b>(13,013,674)</b>	<b>29,878</b>	<b>1,461,568</b>
Loss for the period		-	-	-	(3,514,951)	(90)	(3,515,041)
Other comprehensive loss for the period		-	-	3,408	-	-	3,408
<b>Total comprehensive loss for the period</b>		<b>-</b>	<b>-</b>	<b>3,408</b>	<b>(3,514,951)</b>	<b>(90)</b>	<b>3,511,633</b>
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)
<b>Balance at 31 December 2016</b>		<b>16,233,359</b>	<b>1,744,277</b>	<b>38,770</b>	<b>(16,528,625)</b>	<b>29,788</b>	<b>1,517,569</b>
<b>Balance at 1 July 2017</b>		<b>20,723,359</b>	<b>1,392,451</b>	<b>151,352</b>	<b>(21,550,743)</b>	<b>(27,399)</b>	<b>689,020</b>
Loss for the period		-	-	-	(2,050,072)	(93,262)	(2,143,334)
Other comprehensive loss for the period		-	-	56,573	-	-	56,573
<b>Total comprehensive loss for the period</b>		<b>-</b>	<b>-</b>	<b>56,573</b>	<b>(2,050,072)</b>	<b>(93,262)</b>	<b>(2,086,761)</b>
Share-based payments		-	90,324	-	-	-	90,324
Transaction costs		(52,000)	-	-	-	-	(52,000)
<b>Balance at 31 December 2017</b>		<b>20,671,359</b>	<b>1,482,775</b>	<b>207,925</b>	<b>(23,600,815)</b>	<b>(120,661)</b>	<b>(1,359,417)</b>

The accompanying notes form part of these financial statements.

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE HALF-YEAR ENDED 31 DECEMBER 2017**

	Consolidated Half-year ended	
	31 Dec 2017 \$	31 Dec 2016 \$
<b>Cash flows from operating activities</b>		
Receipts from customers	41,622	-
Payments to suppliers and employees	(1,557,797)	(3,139,767)
Interest and other items of similar nature received	4,568	7,339
Interest and other costs of finance paid	(62,348)	-
R&D tax incentive refund	-	101,837
<b>Net cash outflow from operating activities</b>	<b>(1,573,955)</b>	<b>(3,030,591)</b>
<b>Cash flows from investing activities</b>		
Cash flows from loans to other entities	-	(600,000)
Payments for property, plant and equipment	-	(4,859)
Payments for other non-current assets	(48,301)	-
<b>Net cash outflow from investing activities</b>	<b>(48,301)</b>	<b>(604,859)</b>
<b>Cash flows from financing activities</b>		
Proceeds from the issue of shares	-	3,560,000
Payments for share issue costs	-	(227,090)
Proceeds from borrowings	1,150,000	-
Transaction costs	(54,500)	-
<b>Net cash inflow from financing activities</b>	<b>1,095,500</b>	<b>3,332,910</b>
Net decrease in cash held	(526,756)	(302,540)
Cash and cash equivalents at the beginning of the period	606,265	1,448,617
Effects of exchange rate fluctuations on cash held	735	(20,747)
<b>Cash and cash equivalents at the end of the period</b>	<b>80,244</b>	<b>1,125,330</b>

The accompanying notes form part of these financial statements.

**NOTES TO THE CONDENSED CONSOLIDATED 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 2017 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 2017.

**Adoption of new and revised standards***Standards and Interpretations applicable to 31 December 2017*

In the half-year ended 31 December 2017, 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 2017.

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 2017*

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 2017 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**

The financial statements have been prepared on the going concern basis, which contemplates the continuity of normal business activity and the realisation of assets and the settlement of liabilities in the normal course of the business.

The Group incurred a net loss of \$2,143,334 for the half-year ended 31 December 2017 (31 December 2016: \$3,515,041) and had a net deficiency in assets of \$1,359,417 (30 June 2017 surplus net assets: \$689,020). Having considered the financial obligations of the Group and the future business plans and expansion program, the Directors are of the opinion that the Group is a going concern.

During the half year ended 31 December 2017 the Directors have continued the cost reduction programme in order to reduce expenditure on non-critical areas of the business. These measures have resulted in significant savings and will ensure the Company operates in systematic and cost-effective manner.

As part of its re-compliance with Chapter 1 and 2 of the ASX Listing Rules, the Company expects to raise sufficient capital to continue as a going concern as and when required, including on the 12 February 2018, when the Group announced it had received firm commitments to raise \$2.5m before costs through a private placement to professional and sophisticated investors.

To the extent that the above measures are not successful in providing 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, 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.

## 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 2017.

Half-year ended 31 December 2017	Online Lotteries	Micro Donations	Unallocated	Total
	\$	\$	\$	\$
<b>Continuing operations</b>				
Revenue - Operations	33,663	-	-	33,663
Income and other revenue	2,793	258	2,125	5,176
<b>Net revenue</b>	<b>36,456</b>	<b>258</b>	<b>2,125</b>	<b>38,839</b>
Administration and compliance	(683,017)	(227,413)	(131,185)	(1,041,615)
Corporate expenses	(22,000)	(57,051)	(180,590)	(259,641)
Marketing and business development	(245,450)	(6,405)	(8,650)	(260,505)
Software development	(4,573)	(11,263)	-	(15,836)
Legal and professional fees	(32,359)	(27,840)	(79,311)	(139,510)
Depreciation and amortisation	(277,238)	(4,937)	-	(282,175)
Finance Costs	(724)	(25)	(93,285)	(94,034)
Other expenses from ordinary activities	(57,810)	(31,047)	-	(88,857)
<b>Segment result</b>	<b>(1,286,715)</b>	<b>(365,723)</b>	<b>(490,896)</b>	<b>(2,143,334)</b>
<b>Half-year ended 31 December 2016</b>				
	Online Lotteries	Micro Donations	Unallocated	Total
	\$	\$	\$	\$
<b>Continuing operations</b>				
Income and other revenue	-	599	7,700	8,299
<b>Net revenue</b>	<b>-</b>	<b>599</b>	<b>7,700</b>	<b>8,299</b>
Administration and compliance	-	(416,990)	(599,455)	(1,016,445)
Corporate expenses	-	-	(401,567)	(401,567)
Marketing and business development	-	(969,492)	(26,950)	(996,422)
Software development	-	(565,738)	-	(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)
<b>Segment result</b>	<b>-</b>	<b>(2,052,267)</b>	<b>(1,462,774)</b>	<b>(3,515,041)</b>



The following tables are an analysis of the Group's assets and liabilities by reportable segment for the half-year ended 31 December 2017.

31 December 2017	Online Lotteries	Micro Donations	Unallocated	Total
	\$	\$	\$	\$
Total assets	575,140	70,432	1,452,095	2,097,667
Total liabilities	401,385	47,575	3,008,125	3,457,084
<b>Net assets</b>	<b>173,755</b>	<b>22,857</b>	<b>(1,556,030)</b>	<b>(1,359,417)</b>

  

30 June 2017	Online Lotteries	Micro Donations	Unallocated	Total
	\$	\$	\$	\$
Total assets	2,275,580	80,675	541,537	2,897,791
Total liabilities	339,111	44,846	1,824,814	2,208,771
<b>Net assets</b>	<b>1,936,469</b>	<b>35,829</b>	<b>1,283,277</b>	<b>689,020</b>

### 3. Loss per share

	Half-year ended	
	31 Dec 2017	31 Dec 2016
	\$	\$
Net loss for the financial period	(2,143,334)	(3,515,041)
Weighted average number of ordinary shares outstanding during the financial period	554,056,979	285,437,398
<b>Loss per share (cents)</b>	<b>(0.39)</b>	<b>(1.23)</b>

### 4. Issued capital

Fully paid ordinary shares	Half-year to 31 Dec 2017		Year to 30 Jun 2017	
	No.	\$	No.	\$
<b>Balance at the start of the financial period</b>	<b>554,056,979</b>	<b>20,723,359</b>	181,806,963	12,830,449
Issued shares on acquisition (Plus Connect Ltd)	-	-	180,000,016	4,140,000
Issue of shares to creditor (Plus Connect Ltd)	-	-	12,500,000	250,000
Shares issued for cash	-	-	178,000,000	3,560,000
Share based payments	-	-	-	-
Capital raising costs	-	(52,000)	-	(302,090)
Performance rights converted to shares	-	-	1,750,000	245,000
<b>Balance at the end of the financial period</b>	<b>554,056,979</b>	<b>20,671,359</b>	<b>554,056,979</b>	<b>20,723,359</b>

## 5. Options

Options over ordinary shares	Half-year to 31 Dec 2017		Year to 30 Jun 2017	
	No.	\$	No.	\$
<b>Balance at the start of the financial period</b>	43,590,494	1,392,451	49,840,494	1,457,811
Expensed during the period	-	90,324	-	132,275
Cancelled during the period	-	-	(6,250,000)	(197,635)
Lapsed during the period	(41,090,494)	-	-	-
<b>Balance at the end of the financial period</b>	<b>2,500,000</b>	<b>1,482,775</b>	<b>43,590,494</b>	<b>1,392,451</b>

## 6. Performance shares

Performance shares over ordinary shares	Half-year to 31 Dec 2017		Year to 30 Jun 2017	
	No.	\$	No.	\$
<b>Balance at the start of the financial period</b>	49,000,000	-	49,000,000	-
Performance shares issued during the period	-	-	-	-
Performance shares converted into shares	-	-	-	-
<b>Balance at the end of the period</b>	<b>49,000,000</b>	<b>-</b>	<b>49,000,000</b>	<b>-</b>

## 7. Performance rights

Performance rights over ordinary shares	Half-year to 31 Dec 2017		Year to 30 Jun 2017	
	No.	\$	No.	\$
<b>Balance at the start of the financial period</b>	-	-	9,750,000	121,743
Issued during the period	-	-	-	-
Expensed during the period	-	-	-	123,257
Converted into shares	-	-	(1,750,000)	(245,000)
Cancelled during the period	-	-	(8,000,000)	-
<b>Balance at the end of the period</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

**8. Reserves**

	Half-Year to 31 Dec 2017 \$	Year ended 30 Jun 2017 \$
<i>Foreign currency translation reserve</i>		
Opening balance	151,352	35,361
Exchange differences on translation of foreign operations	56,573	115,990
Balance at the end of the year	<u>207,925</u>	<u>151,352</u>
<i>Share based payments reserve</i>		
Opening balance	1,392,451	1,579,553
Expense recognised for the period	90,324	57,898
Transferred to issued capital upon conversion	-	(245,000)
Balance at the end of the year	<u>1,482,775</u>	<u>1,392,451</u>
	<u><b>1,690,700</b></u>	<u><b>1,543,803</b></u>

**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 2017, 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. Intangible Assets**

	Consolidated	
	31 Dec 2017 \$	30 Jun 2017 \$
Opening balance	1,662,500	-
Licence acquired through business combination (Note 13)	-	1,888,122
Less amortisation charge	(277,083)	(225,622)
Net carrying value	<u>1,385,617</u>	<u>1,662,500</u>

### 13. Business Combination

On 20 January 2017, the Company obtained control over Plus Connect Limited and its subsidiaries, and following the compulsory acquisition provisions of the Corporations Act, Plus Connect Limited became a wholly-owned subsidiary of the Company.

The total cost of the combination was \$4,390,000 and comprised an issue of equity securities.

The 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	3,936,772
Issue of 8,835,988 shares under compulsory acquisition	203,228
Issue of 12,500,000 shares to Plus Connect creditor	250,000
Fair value of consideration paid	<u>4,390,000</u>
<i>Net tangible assets acquired</i>	
Current assets	518,830
Non-current assets	9,795
Current liabilities	(1,053,202)
Non-current liabilities	(250,000)
Net tangible assets acquired	<u>(774,577)</u>
Other identifiable intangible assets acquired - licence	1,888,122
- other	75,573
Fair value of net assets acquired	<u>1,189,118</u>
Excess of fair value of consideration paid over identifiable assets acquired (goodwill)	3,200,882
Less goodwill impaired in year ended 30 June 2017	<u>(3,200,882)</u>
	<u>-</u>

#### Net cash inflow arising on acquisition:

	\$
Cash paid	-
Add: Net cash acquired with the subsidiary	37,657
Net cash inflow	<u>37,657</u>

#### Impairment of goodwill:

The assessment of recoverable amount for goodwill has resulted in an impairment loss being recorded of \$3,200,882. This is due to the early stages of the Plus Connect business and the uncertainty in accurately forecasting cash inflows sufficient to support the carrying value of this goodwill. The impairment loss has been recognised in the statement of profit or loss and other comprehensive income.

#### Provisional accounting for the business combination:

At balance date, the initial accounting for the business combination is incomplete as the Company is currently finalising the valuation of the licence acquired which is shown above at its carrying value in the accounting records of Plus Connect Limited. The amounts recorded above are therefore provisional amounts and in accordance with the provisions of AASB 3 Business Combinations, the Company will finalise this initial accounting in the 30 June 2018 annual report. If during this measurement period the final determination of the valuation of the acquired licence or the valuation of any other asset or liability acquired differ materially to the provisional amounts recorded above, the Company will retrospectively adjust the provisional amounts recognised at the acquisition date.

**14. Borrowings**

	Consolidated	
	31 Dec 2017	30 Jun 2017
	\$	\$
Opening balance	1,500,000	-
Proceeds from issue	1,150,000	1,500,000
Net carrying value	<u>2,650,000</u>	<u>1,500,000</u>

In March 2017 the Company negotiated a two year \$2 million convertible note facility to finance its working capital requirements. 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. During the current period a further \$650,000 was negotiated through a number of additional convertible note facilities.

Conversion into shares is subject to shareholder approval, a 30% discount to VWAP for the preceding 20 trading days on ASX and a floor price of \$0.05 per share.

As at 31 December 2017 the Company has drawn down \$2,650,000 from the facilities. Interest of 8% per annum accrues daily and is payable quarterly in arrears. There is no material equity portion of this facility.

**15. Events subsequent to reporting date**

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

- On 3 January 2018, the Company announced that 41,090,494 unlisted options (exercisable at \$0.11 each on or before 31 December 2017) had lapsed.
- On 24 January 2018, the Company announced that 104,622,645 ordinary fully paid shares which were previously restricted, were released from escrow effective 20 January 2018.
- On 5 February 2018, the Company appointed Mr Sam Almaliki as an Executive Director.
- On 9 February 2018, Ramon Soares resigned as Company Secretary and Carlie Hodges and Charly Duffy were appointed Joint Company Secretaries.
- On 12 February 2018, Activistic Limited announced that it had received firm commitments to raise \$2.5 million (before costs) through a private placement to various unrelated, professional and sophisticated investors at \$0.01 per share as follows:
  - Tranche 1: 62,500,000 shares issued under the Company's existing capacity under the ASX Listing Rule 7.1.
  - Tranche 2: 187,500,000 shares to be issued subject to shareholder approval under ASX Listing Rule 7.1. Shareholder approval will be sought at a general meeting anticipated to be held in March 2018.

There are no other matters or circumstances which have occurred subsequent to period end that has significantly affected, or may significantly affect, the operations of the Company, the results of those operations or the state of affairs of the Company or Group in subsequent financial periods.

**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 2017 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.



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Paul Crossin  
28 February 2018

**INDEPENDENT AUDITOR'S REVIEW REPORT**

To the members of Activistic Limited

**Report on the Condensed Half-Year Financial Report***Conclusion*

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 2017, 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.

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 2017 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*.

*Material uncertainty relating to going concern*

Without modifying our conclusion, we draw attention to Note 1 "Going concern" in the financial report which indicates the existence of a material uncertainty that may cast significant doubt on the Group's ability to continue as a going concern. Our conclusion is not modified in respect of this matter.

*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 2017 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,

**HLB Mann Judd (WA Partnership) ABN 22 193 232 714**

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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*.

*HLB Mann Judd*

**HLB Mann Judd  
Chartered Accountants**



**L Di Giallonardo  
Partner**

**Perth, Western Australia  
28 February 2018**