

Appendix 4C and Quarterly Update

The Board of Activistic Limited (ASX: ACU) (**Plus Connect** or the **Company**) wishes to provide shareholders with the following information regarding the ongoing funding of the Company given the further delays in resolving ASX's concerns regarding the Company's re-compliance with Chapters 1 & 2 of the ASX Listing Rules (**Re-compliance**).

Cost Reductions

The Board determined to review current operating costs to identify line items which could be deferred or suspended pending completion of a substantial capital raising. As a result of the review, a 30% reduction in underlying monthly operating costs is being implemented. These reductions include staff terminations, deferral of Directors' fees, deferral of international market expansion, and suspension of discretionary marketing and product development spending.

Whilst some of the reductions impact the current Appendix 4C in Section 9 "Estimated Cash Outflows for Next Quarter", the full impact of the reductions will appear in the Appendix 4C for the quarter ending 30 September 2018.

These actions provide the Company with additional time to conclude its investigations regarding the Re-compliance and, if necessary, engage with shareholders to identify alternative strategic options to maximise shareholder value.

Re-compliance

Work is continuing to address ASX's concerns about the Re-compliance. We understand that uncertainty surrounding the Interactive Gambling Amendment (Lottery Betting) Bill 2018 (**Bill**) which is currently before the Federal Parliament, and the Bill's possible impact on the legality of the Plus Connect business model, is the cause for the ongoing delays. Plus Connect is confident that its business model has the flexibility to continue despite any changes contemplated by the Bill and we are seeking supporting documentation from the appropriate third-party authorities to that effect. Once that documentation is received, we will request ASX reconsider our application for in-principle advice regarding the Re-compliance (**Application**).

We hope to be in a position to re-submit our Application to the ASX by late May 2018. Should we not receive ASX's support for that Application, the Board intends to call an extraordinary general meeting of shareholders to vote on the future direction of the Company.

The Board will update investors in due course in accordance with its continuous disclosure obligations.

– ENDS –

For more information, contact:

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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 2018

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	11	60
1.2 Payments for		
(a) research and development	(17)	(77)
(b) operating costs	(251)	(635)
(c) advertising and marketing	(66)	(168)
(d) leased assets	-	-
(e) staff costs	(185)	(688)
(f) administration and corporate costs	(245)	(754)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	2	7
1.5 Interest and other costs of finance paid	(48)	(111)
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	-
1.8 Other (lottery winnings paid)	(2)	(9)
1.9 Net cash from / (used in) operating activities	(801)	(2,375)

2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) property, plant and equipment	-	-
(b) businesses (see item 10)	-	-
(c) investments	-	-
(d) intellectual property	-	-
(e) other non-current assets	-	(48)

Appendix 4C
Quarterly report for entities subject to Listing Rule 4.7B

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	-	-
2.4 Dividends received (see note 3)	-	-
2.5 Other (provide details if material)	-	-
2.6 Net cash from / (used in) investing activities	-	(48)

3. Cash flows from financing activities		
3.1 Proceeds from issues of shares	2,499	2,499
3.2 Proceeds from issue of convertible notes	-	-
3.3 Proceeds from exercise of share options	-	-
3.4 Transaction costs related to issues of shares, convertible notes or options	-	-
3.5 Proceeds from borrowings	-	1,150
3.6 Repayment of borrowings	(250)	(250)
3.7 Transaction costs related to loans and borrowings	-	(54)
3.8 Dividends paid	-	-
3.9 Other (provide details if material)	-	-
3.10 Net cash from / (used in) financing activities	2,249	3,345

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	80	606
4.2 Net cash from / (used in) operating activities (item 1.9 above)	(801)	(2,375)
4.3 Net cash from / (used in) investing activities (item 2.6 above)	-	(48)
4.4 Net cash from / (used in) financing activities (item 3.10 above)	2,249	3,345
4.5 Effect of movement in exchange rates on cash held	-	-
4.6 Cash and cash equivalents at end of quarter	1,528	1,528

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	1,528	80
5.2 Call deposits	-	-
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)	1,528	80

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
-
-

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)	2,400	2,400
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.		

Convertible note facility 1:

- Amount: \$2,000,000;
- Interest rate: 8% per annum accrued daily and payable quarterly in arrears;
- Conversion: 30% discount to VWAP for the preceding 20 trading days and a floor price of \$0.05 per Share. Subject to Shareholder approval.

Convertible note facility 2:

- Amount: \$200,000;
- Interest rate: 8% per annum accrued daily and payable quarterly in arrears;
- Conversion: 20% discount to the issue price of Shares issued pursuant to the Capital Raising. Subject to Shareholder approval.

Convertible note facility 3:

- Amount: \$200,000;
- Interest rate: 8% per annum accrued daily and payable quarterly in arrears;
- Conversion: 20% discount to the issue price of Shares issued pursuant to the Capital Raising. Subject to Shareholder approval.

9. Estimated cash outflows for next quarter	\$A'000
9.1 Research and development	(56)
9.2 Product manufacturing and operating costs	(178)
9.3 Advertising and marketing	(160)
9.4 Leased assets	-
9.5 Staff costs	(57)
9.6 Administration and corporate costs	(436)
9.7 Other (provide details if material)	-
9.8 Total estimated cash outflows	(887)

10. Acquisitions and disposals of business entities (items 2.1(b) and 2.2(b) above)	Acquisitions	Disposals
10.1 Name of entity	N/A	N/A
10.2 Place of incorporation or registration	N/A	N/A
10.3 Consideration for acquisition or disposal	N/A	N/A
10.4 Total net assets	N/A	N/A
10.5 Nature of business	N/A	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: Date: 30 April 2018
(Company director)

Print name: Paul Crossin

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.