

31 October 2019
ASX Announcement

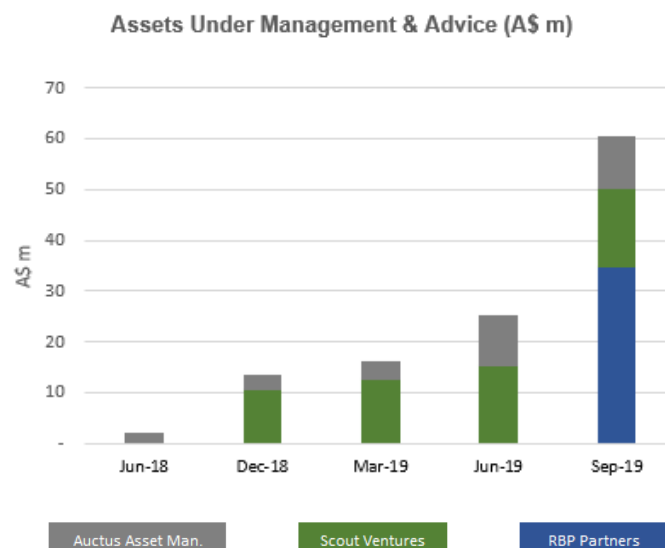
September 2019 Quarter in Review – Appendix 4C

Auctus Alternative Investments Limited ('AVC', 'Auctus' or 'the Company') is pleased to provide the following update in relation to activities for the September quarter of 2019.

Auctus Asset Management Pty Ltd (Auctus AM)

Auctus Asset Management (Auctus AM) had a very strong quarter of growth in Assets Under Management and Advice (AUMA), increasing 140% from \$25m in June to over \$60m at the end of September. Auctus AM generated over \$300,000 in cash receipts for the period (in addition to the previous quarter revenue which was in excess of \$500,000).

Auctus remains focussed on building revenue from upfront and recurring management fees that will underpin the business in the months and years ahead.



RBP Partners LLC

On 29 August 2019, Auctus AM formalised the establishment of RBP Partners LLC (RBP) in partnership with an experienced New York based investment team. Auctus AM holds a 30% equity stake in RBP, which currently manages in excess of US\$25m (A\$36m).

The partnerships' initial investment is in esVolta, a leading battery storage company focused on the development and acquisition of large-scale projects for utility customers in North America.

RBP is currently in due diligence on other expansion opportunities in energy transformation and operational infrastructure.

Unite Us Fund

The Company's first investment offer, Unite Us Fund has continued its strong performance post investment and is currently tracking ahead of our investment case. Unite Us is a US based technology platform that enables real-time coordination between healthcare and community services, specifically comprehensively tracking the Social Determinants of Health. The platform is attracting a high volume of leads from both large enterprise customers and government bodies. We expect 2020 to be another year of significant revenue growth for Unite Us as they continue to expand across the United States.

Scout Ventures Fund III

During the quarter, the Company completed due diligence and documentation on its third investment offer, Scout Ventures Fund III. Launched in October, Scout Ventures Fund III provides investors with unique access to an already established portfolio of companies across the United States. The Fund will raise up to US\$10m (A\$14m) from wholesale and sophisticated investors. The offer was launched with significant commitments from cornerstone investors.

Other

We continue to conduct in-depth due diligence on a pipeline of unique opportunities which we expect to offer to our investors through 2020.

Cash Position

At the end of the quarter, the Company had approximately \$150k in cash.

Further revenue from our Fund offerings has been and will continue to be received during the December quarter.

As announced earlier this morning, the Company has raised \$800,000 from a small group of strategic investors. This raise puts AVC in a strong position to further capitalise on the growing investor appetite for private market investments.

On behalf of the board:

Campbell McComb

For all shareholder enquiries please contact:

enquiries@auctusinvest.com

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

AUCTUS ALTERNATIVE INVESTMENTS LIMITED (ASX:AVC)

ABN

76 149 278 759

Quarter ended (Current quarter)

30 September 2019

Consolidated statement of cash flows

	Current quarter \$A'000	Year to date (3 Months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	307	307
1.2 Payments for:		
(a) research and development	-	-
(b) product manufacturing and operating costs	(57)	(57)
(c) advertising and marketing	-	-
(d) leased assets	-	-
(e) staff costs	(496)	(496)
(f) administration and corporate costs	(466)	(466)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	-	-
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes (paid) / refunded	-	-
1.7 Government grants and tax incentives	-	-
1.8 Other (provide details if material): Legal settlement	-	-
1.9 Net cash from / (used in) operating activities	(712)	(712)
2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) property, plant and equipment	-	-
(b) businesses (see item 10)	-	-
(c) investments	(182)	(182)
(d) intellectual property	-	-
(e) other non-current assets	-	-
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	(182)	(182)

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 Months) \$A'000
3. Cash flows from financing activities			
3.1 Proceeds from issues of shares		535	535
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		(16)	(16)
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		519	519
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		519	519
4.2 Net cash from / (used in) operating activities (item 1.9 above)		(712)	(712)
4.3 Net cash from / (used in) investing activities (item 2.6 above)		(182)	(182)
4.4 Net cash from / (used in) financing activities (item 3.10 above)		519	519
4.5 Effect of movement in exchange rates on cash held		3	3
4.6 Cash and cash equivalents at end of quarter		147	147
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		147	519
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)		147	519
6. Payments to directors of the entity and their associates		Current quarter \$A'000	
6.1 Aggregate amount of payments to these parties included in item 1.2		210	
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			
Directors fees and salaries including payment of invoices and amounts due from prior periods			
7. Payments to related entities of the entity and their associates		Current quarter \$A'000	
7.1 Aggregate amount of payments to these parties included in item 1.2		182	
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			
Payment of additional \$125k USD to Scout Fund II GP, an associated entity of non-executive director Brad Harrison, in relation to additional investment by Auctus.			

8. Financing facilities available	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
Add notes as necessary for an understanding of the position		
8.1 Loan facilities	-	-
8.2 Credit standby arrangements	-	-
8.3 Other (please specify)	-	-
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	-
9.2 Product manufacturing and operating costs	-
9.3 Advertising and marketing	(100)
9.4 Leased assets	-
9.5 Staff costs	(420)
9.6 Administration and corporate costs	(250)
9.7 Other (provide details if material)	-
9.8 Total estimated cash outflows	(770)

10. Acquisitions and disposals of business entities (items 2.1(b) and 2.2(b) above)	Acquisitions	Disposals
10.1 Name of entity	-	-
10.2 Place of incorporation or registration	-	-
10.3 Consideration for acquisition or disposal	-	-
10.4 Total net assets / (deficiency)	-	-
10.5 Nature of business	-	-

Compliance statement

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

Signed: 

Dated: Thursday, 31 October 2019

Company Secretary

Print name: Justin Mouchacca

Notes

- 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.
- 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.
- 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.