

**ASX Announcement**  
**23 November 2020**

## **New A\$50m Fund to invest in PETstock**

**Key points:**

- **Auctus signs indicative Term Sheet with PETstock**
- **Auctus launching a new fund of up to A\$50m to acquire a minority equity stake in PETstock**
- **PETstock is Australia and New Zealand's largest private, family owned, omni-channel pet speciality retailer**
- **PETstock's first external equity capital outside of friends and family in 30 year history**
- **Funds used to strengthen PETstock's balance sheet and support future growth**

Auctus Investment Group Limited (ASX: AVC) ('AVC', 'Auctus' or 'the Company') has signed an indicative Term Sheet ('Term Sheet') with PETstock Pty Ltd ('PETstock').

The Term Sheet grants Auctus the exclusive right to establish a special purpose investment fund ('Fund'), which has the opportunity to acquire a minority equity interest in PETstock until March 31 2021. In respect of this exclusivity and confidentiality obligations, the Term Sheet is binding. The Term Sheet also establishes the non-binding indicative framework under which Auctus will work to establish, and obtain investment in the Fund of between A\$30 million and A\$50 million, which will be used to invest in PETstock to provide equity capital to support future growth. Under the Term Sheet, Auctus is responsible for establishing the structure of, and constituent documents for, the proposed Fund and will provide or procure finance, legal and compliance support. The transaction outlined in the indicative Term Sheet is conditional upon, among other things, due diligence by Auctus, PETstock board and shareholder approval, a minimum investment of A\$30m and execution of definitive investment documentation. Financial close of the investment in PETstock is scheduled for 31 March 2021. Auctus will act as manager of the Fund and obtain management and other fees based on the performance of the Fund.

Auctus has the unique opportunity to work with Australia and New Zealand's largest private, family owned, omni-channel pet specialty retailer. Over the last eighteen months Auctus has undertaken a rigorous investment screening process, including monitoring the growth and execution of the PETstock business and trends in the broader pet industry. We believe that the quality and defensiveness of the PETstock business, experienced management, internal culture, family ownership and growth profile will appeal to the Auctus sophisticated and wholesale investor network. It is expected that the investors in the Fund will be sourced via Auctus' proprietary network.

### **The PETstock Evolution**

The company was established by the Young Family in 1991 with the acquisition of its first store, "Ballarat Produce and Merchandise". In 2002 the Company rebranded as PETstock. Today, PETstock boasts a family of over 2,000 staff members, and 170+ stores (& growing) located across Australia & NZ, providing quality products & services for all pet owners. Under the progressive leadership of CEO, Shane Young, and Managing Director, David Young, expansion has been achieved through new store openings (franchised and owned stores), business acquisitions, the establishment of co-located VET hospitals/clinics and investments in omni-channel sales platforms.

This will be the first time that PETstock has raised external equity capital outside of their friends and family network in its 30-year history. Auctus believes that expansion capital will strengthen the company's balance sheet to support its future growth.

#### **About Auctus**

**Auctus Investment Group Limited ('Auctus')** is an ASX listed global investment manager with in-excess of A\$220M Assets Under Management (AUM), focusing on opportunities across private equity, infrastructure and private real estate. Our core investment thesis is investing in sectors with strong tailwinds and potential to scale. Auctus provides access to these private market investments for wholesale, Family Office and sophisticated investors.

This announcement has been authorised for release by the Board of AVC.

#### **For shareholder enquiries please contact:**

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