

Auctus Investment Group Limited (ASX: AVC)

CORPORATE UPDATE

May 2022



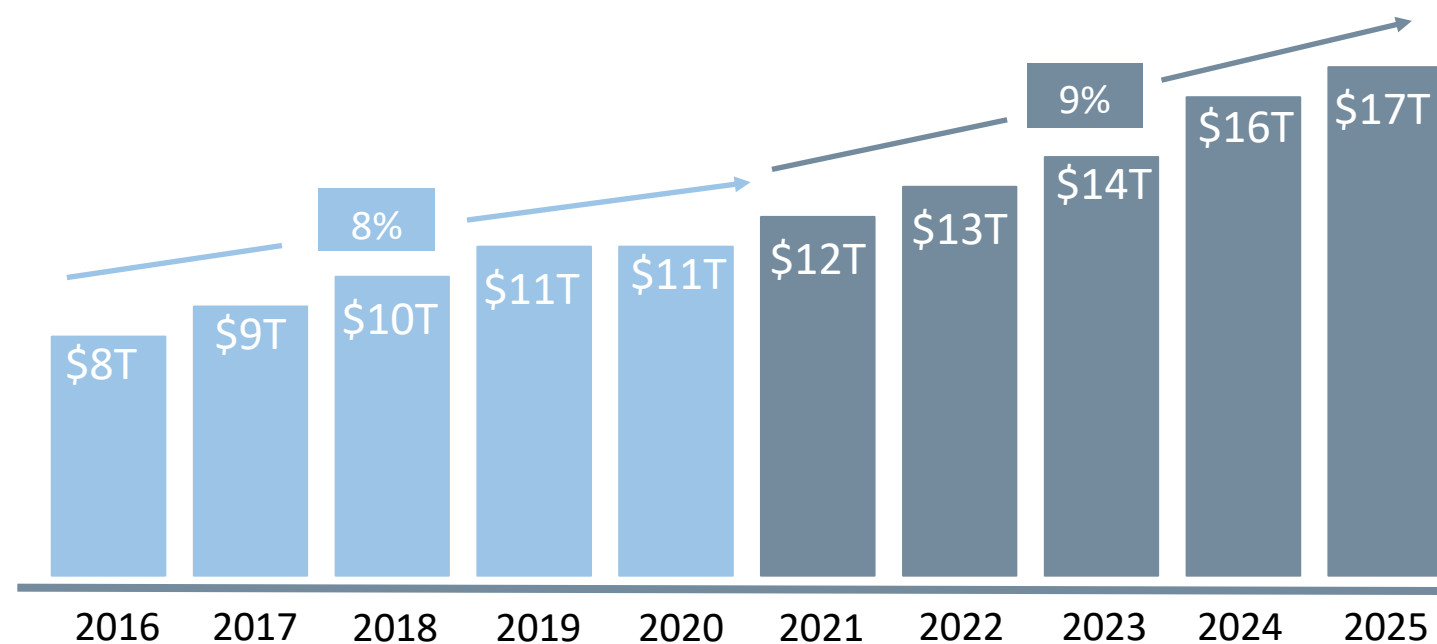
AGENDA

- Corporate Update
- Financial Highlights
- Investment Update
- Our Partners and Strategic Investments
- Governance and Independent Third-Party Providers

WHO WE ARE

- Auctus Investment Group Limited (ASX: AVC) is an ASX listed private markets asset manager based in Melbourne, Australia
- Currently managing A\$479 million as at March 2022 across healthcare technology, travel technology, energy infrastructure, operating real estate & consumer essentials
- Experienced staff of 8 across Melbourne and Sydney and 15+ joint venture investment professionals located across the United States
- Auctus owns minority interests in other asset managers including Impact Investment Partners (IIP) and RBP Partners (US based)
- Alternative investments are growing rapidly with the asset class forecast to grow globally and capture larger allocations of portfolios

ALTERNATIVES AUM AND FORECAST¹



¹ Preqin, Special Report Future of Alternatives 2025, December 4, 2020. 2020 figure is annualised based on data to October, USD trillions. 2021-2025 are Preqin's forecasted figures. Alternatives AUM includes Private Equity, Private Debt, Hedge Funds, Real Estate, Infrastructure and Natural Resources.

AUCTUS

- Our core investment thesis is investing in sectors with strong tailwinds and potential to scale
- Auctus provides access to these private market investments for HNWI, Family Office and wholesale investors

WHY AUCTUS

- We have access to unique investment opportunities via our proprietary networks and joint venture partners
- We focus on scalable technology, energy solutions, infrastructure and real estate
- We aim to deliver excess returns and portfolio diversification

WHAT DO WE DELIVER

- Investments where Auctus and co-investors can deploy between \$20M - \$100M
- Private mid-market investment opportunities with strong management, a proven product, recurring customers and revenue streams

KEY HIGHLIGHTS & ACHIEVEMENTS

- FY22 to date, Auctus has grown Assets Under Management (AUM) from \$343 million to \$479 million*
- Grew perpetual capital AUM to \$221 million* up from zero on prior year with the launch of the following scalable platforms across private equity and real estate:
 - US Opportunities Limited (“USO”) completed a seed capital raise of \$35 million
 - Listed US Student Housing REIT (ASX:USQ) in March 2022 (55M units on issue) representing \$186 million of perpetual AUM for Auctus Investment Group
- Launched Luxury Escapes Fund and successfully closed capital raise of ~\$73 million in December 2021
- Settled on two US student housing assets, “District at Clemson” at Clemson University for US\$25.5 million (\$35M) and “Lofts on 8th” at Arizona State University for US\$17.25 million (\$24M)
- Signed binding Purchase and Sale Agreement for the sale of 100% of the equity in esVolta, LP (process run by Citigroup New York)
- Continued to build recurring revenue
- Strong cashflow generation as the business starts to mature and see benefits of scale
- Enhanced governance & board structure with the appointment of an additional independent, non-executive director taking the board to 3 non-executives / independents and one executive



\$73M investment in Lux Group | Luxury Escapes Fund



Launched US Opportunities Limited | US late-stage private equity vehicle



Listed US Student Housing REIT | ASX: USQ

All figures in AUD unless otherwise stated.
* AUM to 31 March 2022

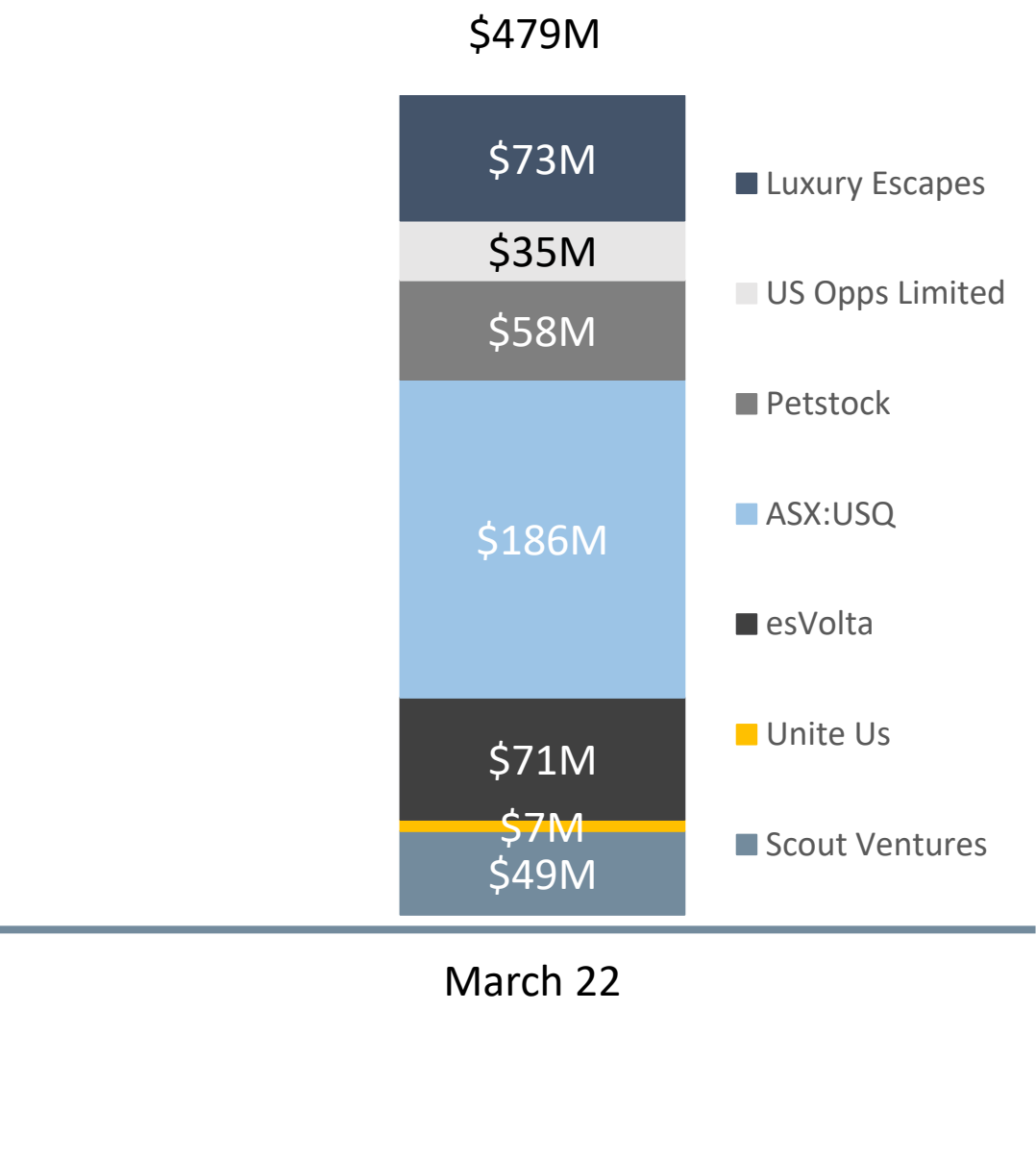
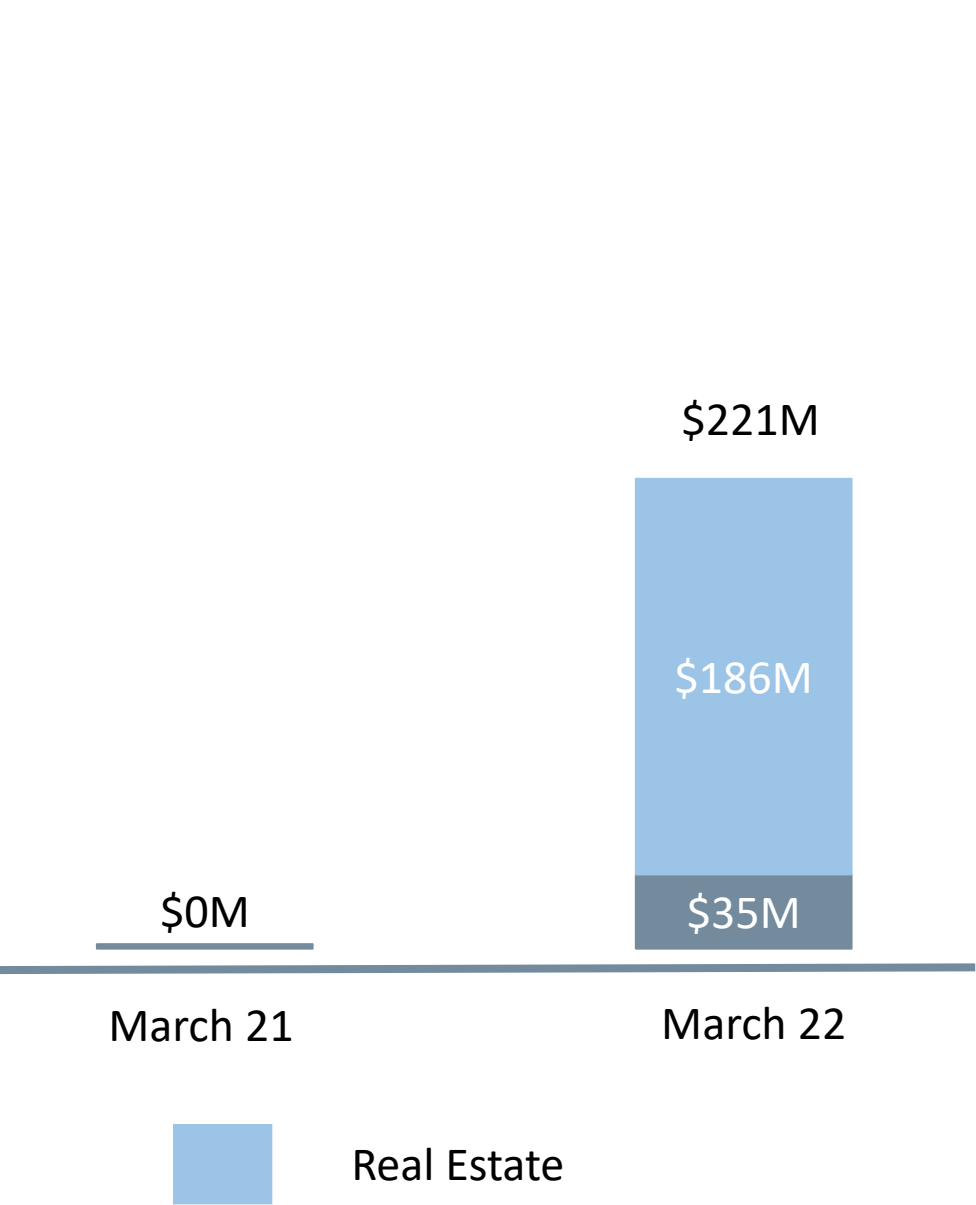
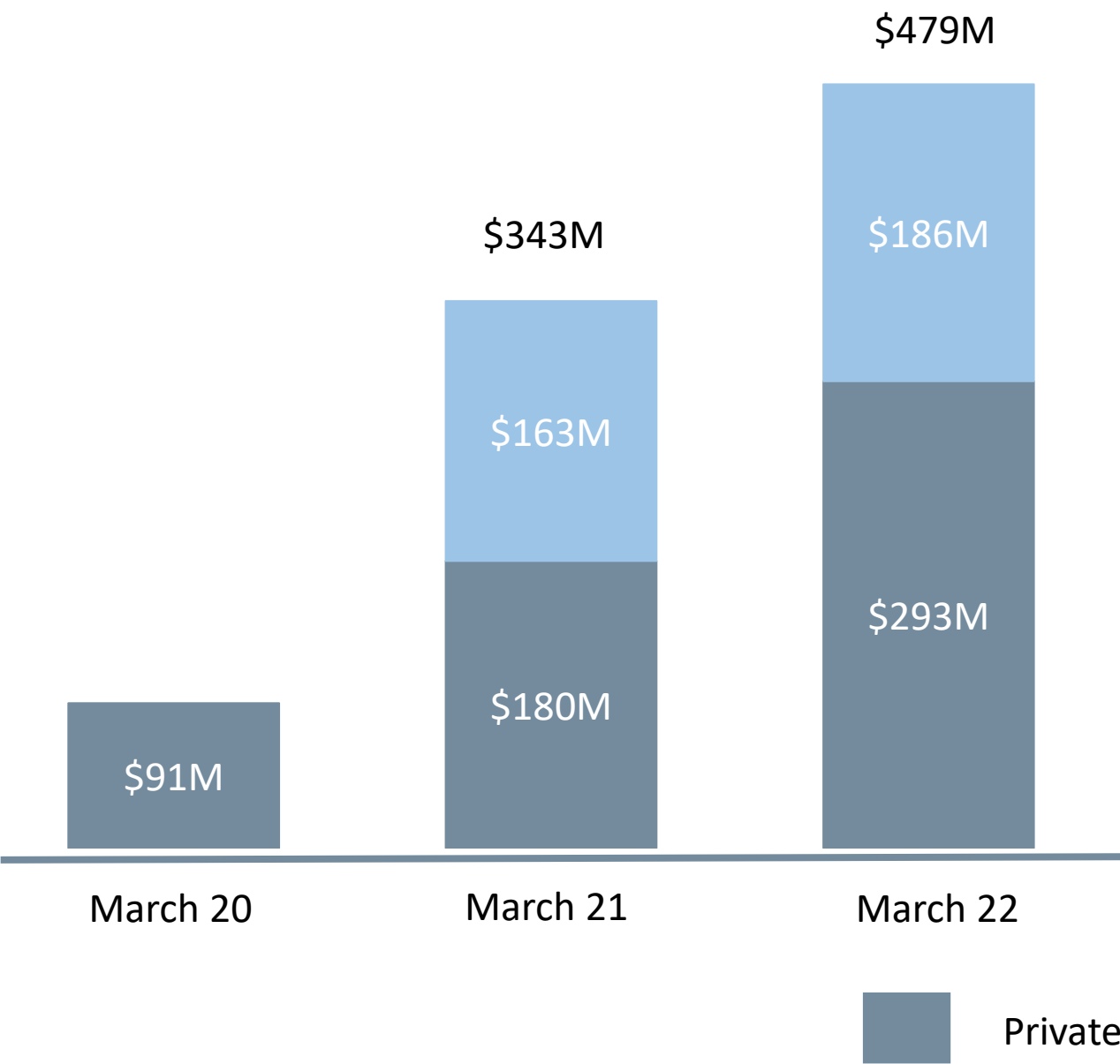
ASSETS UNDER MANAGEMENT

- Total AUM increased to \$479 million, up **\$136 million or 40% year-over-year** (as announced on 29 April, all AUM is now fee earning)
- Importantly, the company grew its **perpetual capital AUM to \$221 million** with the listing of USQ and launch of USO
- **AUM is diversified** across asset classes, funds (7) and sectors

TOTAL AUM

PERPETUAL CAPITAL AUM

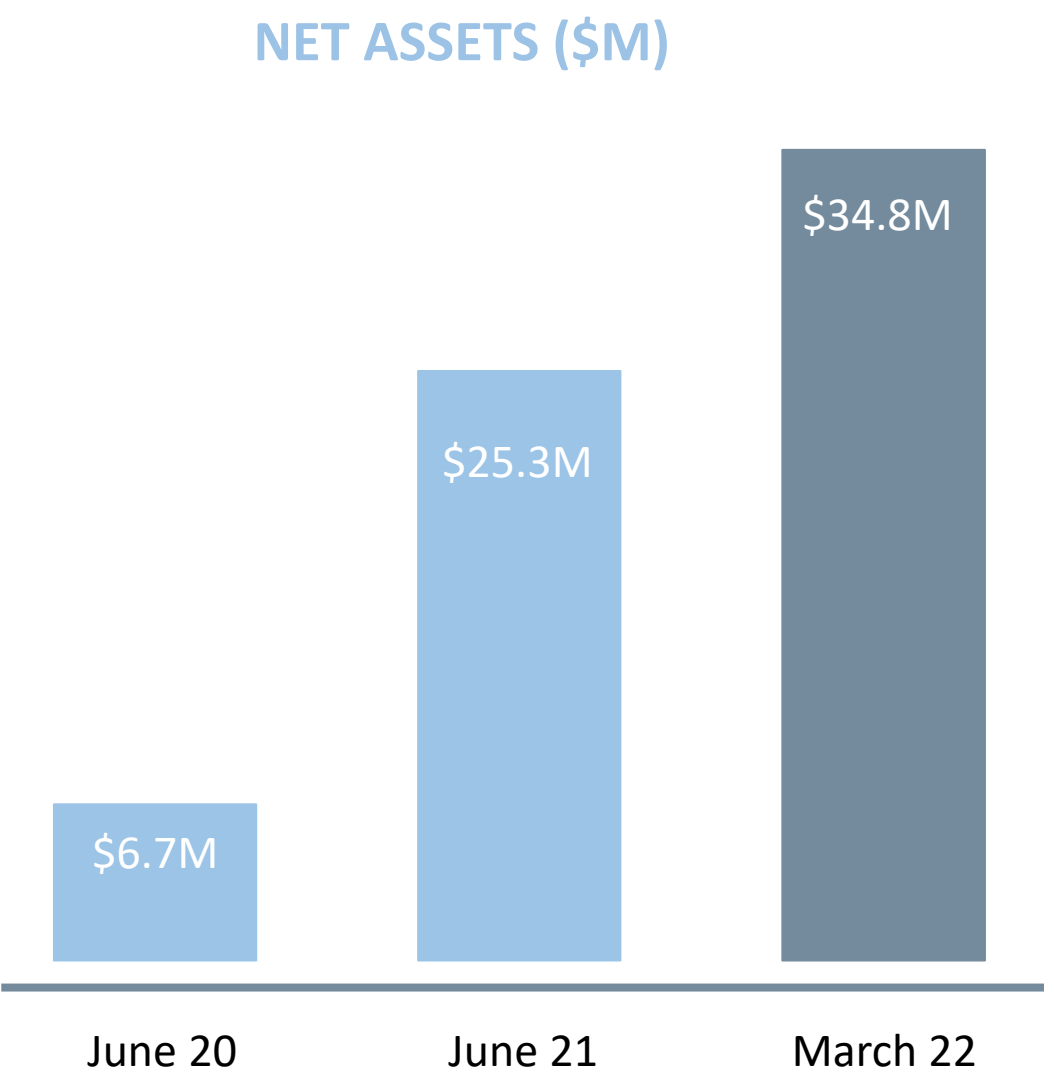
AUM DIVERSIFIED BY FUND



All figures in AUD unless otherwise stated.
AUM to 31 March 2022

BALANCE SHEET

- **Increased net assets by ~37%** (\$9.5M) in the 9 months to 31 March 2022
- Cash balance of \$6.4M at 31 March 2022*
- **No debt**
- **Deployed \$11.8 million** into new investments:
 - US\$2.5 million (\$3.45M) co-investment into USO
 - Second tranche investment of \$1.05 million into Impact Investment Partners
 - \$1.5 million alignment capital into Luxury Escapes Fund
 - \$5.8 million alignment capital into US Student Housing REIT (ASX:USQ) or 7.42% of issued capital
- esVolta bridge loan to be repaid 17 May with \$5.6 million cash back to balance sheet (not included above)
- Other assets of note on balance sheet include Gophr Limited, UK based last mile delivery business (currently own 20.8%)



All figures in AUD unless otherwise stated.
* Cash balance is prior to \$5.6M from esVolta Loan. March 22 net assets are unaudited.

AUCTUS INVESTMENT GROUP LIMITED

CASH FLOW (9 MONTHS TO 31 MARCH)

	FYTD22	PCP	MOVEMENT
Receipts from Customers	\$6.73M	\$3.74M	Up 80%
Cash outflows from operating activities	\$4.30M	\$3.523M	Up 22%
Net cash from / (used in) operating activities	\$2.43M	\$0.217M	Up 102%

- Net cash flow up 102% or \$2.21 million year on year
- Annualised recurring revenue has increased substantially to \$5 million
- Administration and corporate costs increased marginally (employee costs remained flat)
- Transaction and performance fee revenue are important, but the key focus is recurring revenue and therefore positive cash flow

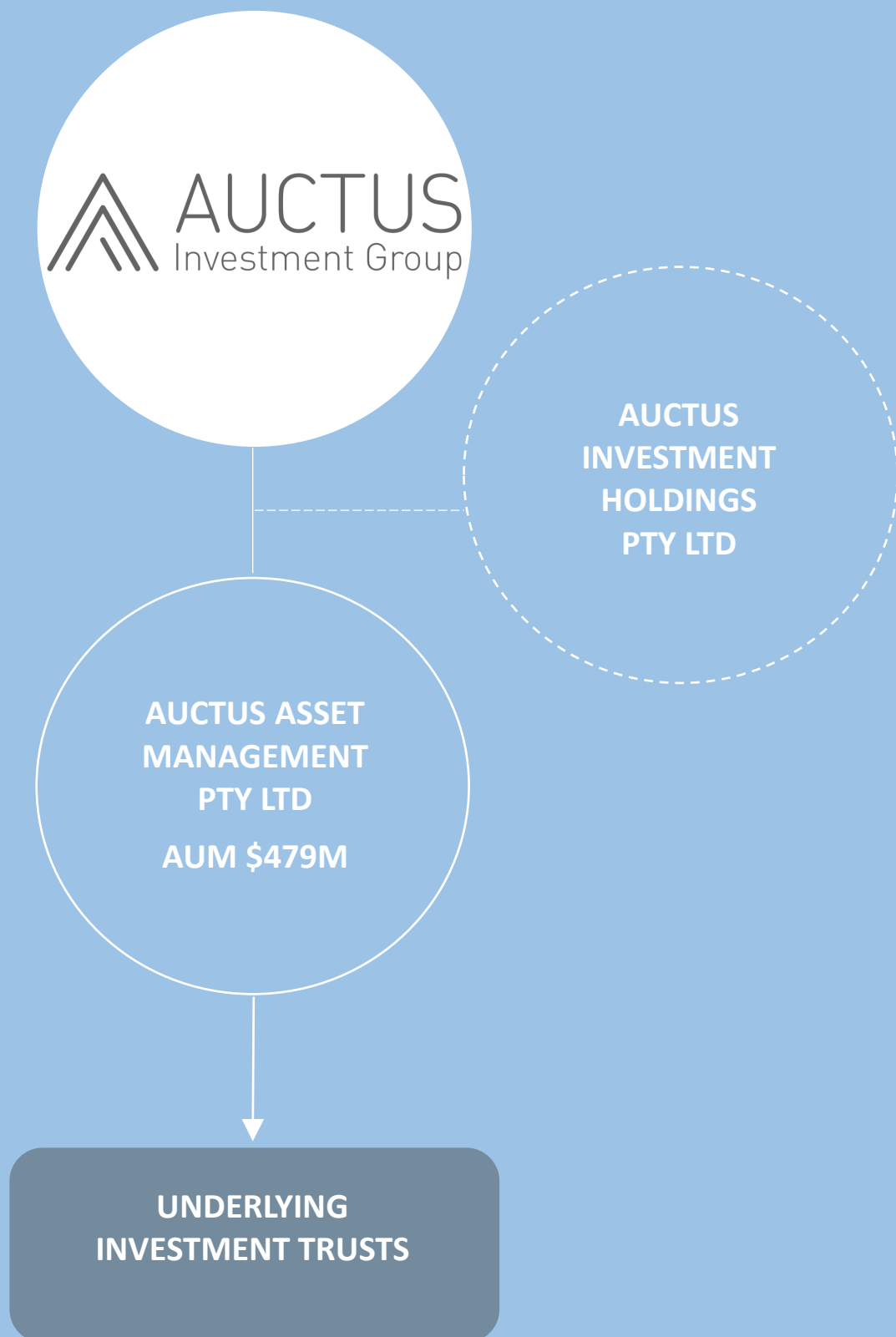
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9 MONTH CASH FLOW BREAKDOWN

Recurring Revenue	\$3.75M
Transaction Revenue	\$3.02M
Receipts from Customers	\$6.73M
Annualised Recurring Revenue	\$5.00M ¹

Recurring revenue growth coincides with increase in AUM over the period.

1. Annualised recurring revenue at 31.03.22



CORPORATE AND INVESTMENT STRUCTURE

AUCTUS ASSET MANAGEMENT PTY LTD

- Generates revenue for Auctus Investment Group via ongoing management, transaction and performance fees on investments. These fees are charged as a percentage of AUM
- Our goal is to deliver strong investment performance, translating into strong shareholder returns over time

AUCTUS INVESTMENT HOLDINGS

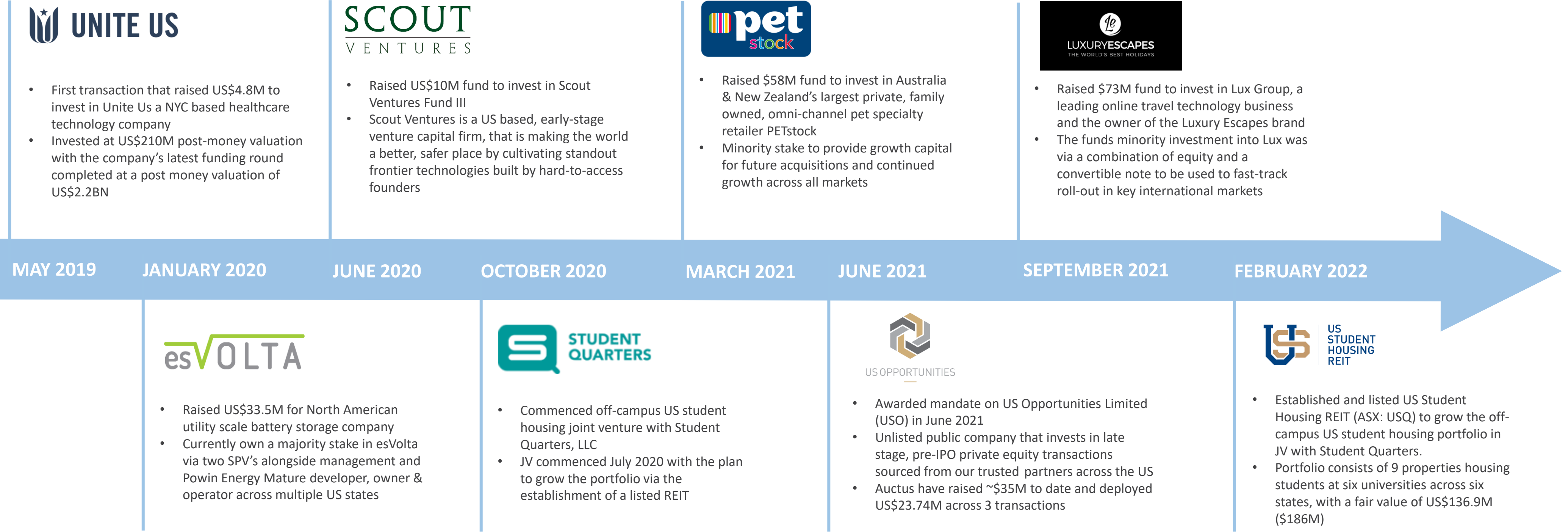
- Holds balance sheet co-investments in growth assets on behalf of Auctus Investment Group
- Group Net Asset backing of ~\$34.8 million

STRONG SHAREHOLDER BASE

- Top 20 shareholders = 63.8%* with strong employee representation and alignment (~15%)

All figures in AUD unless otherwise stated. *As at 10 May 2022

INVESTMENT TIMELINE



All figures in AUD unless otherwise stated.

CURRENT PORTFOLIO

PORTFOLIO & INVESTMENT ACTIVITY (FYTD)

- Current portfolio is well positioned and performed well during Covid due to its defensive characteristics
- Petstock business performing extremely well with strong sector tailwinds and the “pet humanisation” trend continuing to surge globally (recently opened 200th store and now employs 3000 staff)
- Unite Us completed raise at US\$2.2BN post-money valuation (Unite Us Fund acquired original stake at US\$210M valuation)
- Signed Purchase & Sale Agreement for sale of esVolta, LP. Transaction subject to US energy regulatory approval

NEW TRANSACTIONS

- Launched Luxury Escapes Fund and successfully closed capital raise of ~\$73M
 - Raising a further ~\$21.5M to increase stake in Lux Group
- Looking at a range of unique opportunities across our proprietary network
- Continue to build on scalable perpetual platforms (USO & USQ)

US OPPORTUNITIES LIMITED (USO)

- Deployed US\$22.8M across two transactions: US\$7.8M late-stage investment in leading healthcare technology company Unite Us in January 2022, in addition to US\$15M investment in Voyager Space Holdings in July 2021
- Seed investors received \$1 options exercisable up until 28 February 2023 (representing \$35M of new capital)

CONTINUE TO INVEST IN
US STUDENT HOUSING

- Settled new assets at Clemson University (US\$25.5M) and Arizona State University (US\$17.25M)
- Listed US Student Housing REIT on the ASX during March 2022
- Successfully disposed of two assets with a total Gross Asset Value of US\$34.6M

All figures in AUD unless otherwise stated.

US STUDENT HOUSING REIT (ASX: USQ) UPDATE

- Listed on the ASX on the 8th of March 2022
- Acquisition of *Lofts on 8th at Arizona State University* with IPO proceeds on 30th of March 2022. Total acquisition price of US\$17.25M
- Portfolio consists of 9 properties, 1,239 beds and a Gross Asset Value of US\$136.9M across 6 universities in 6 states
- Announced maiden pro-rata quarterly distribution of US\$0.41 cents per unit (in line with PDS forecasts) or 7.1%* annualised based on current share price
- 94% current portfolio occupancy
- As at end of March portfolio is 73.1% pre-leased (pre-leasing 15.8% ahead of the prior year) with an annual rental increase of 7.8% (prior year 4.3%) across the 9 assets on current pre-leasing
- Refinanced 6 assets fixed for 10 years at 3.99% p.a. enhancing the portfolio's long-term debt profile
- Largest player in the US student housing sector, American Campus Communities (NYSE: ACC) is to be acquired by Blackstone Inc (NYSE: BX).
- The transaction values ACC at US\$12.8 billion which is a 14% premium to their prior close (and assumes a <3% yield based on the prior year's dividend)

*“Now the sector looks poised to benefit from a number of tailwinds. There is relatively little new student-housing construction, which means that property owners face little new competition. A national shortage is pushing up rents near campus, too, and a return of more international students could boost demand further.” ***

THE WALL STREET JOURNAL.

*Based on IPO Issue price and assuming Full Utilisation of Foreign Tax Credit divided by NAV. \$1.26 share price as at 12 May 2022.
All figures in AUD unless otherwise stated. ** The Wall Street Journal article 'Blackstone Bets on Campus Housing with US\$13 Billion Acquisition', April 19 2022



District at Clemson | Clemson, SC



Balcony MSU | Starkville, MS



200 Edgewood | Atlanta, GA

OUR PARTNERS

Our asset management partnerships provide proprietary deal flow typically unavailable to Australian investors



Scout Ventures are based in Austin, Texas, and invest in standout, frontier technologies built by hard-to-access founders that are making the world a better, safer place. Partnership with Scout has generated proprietary opportunities including Unite Us & Voyager Space Holdings.

CROSS CREEK

Cross Creek is a US venture capital investor with deep networks and an extensive track record of successful venture investments and exits including DocuSign and Bill.com. USO has invested in Cross Creek Capital III Fund with late-stage opportunities out of Cross Creek's stable under due diligence.



RBP Partners is a US based private investment firm focused on energy transformation and operational infrastructure investment. RBP specialise in scalable infrastructure investments supported by strong sector fundamentals. Auctus holds a 30% stake in RBP Partners with esVolta investment sourced via this partnership.



Student Quarters are an Atlanta, Georgia based specialist student housing asset manager with a demonstrated track record of value generation and execution. Joint venture agreement announced in July 2020 with 3 new acquisitions worth a total Gross Asset Value (GAV) of US\$70M and 2 successful exits (GAV US\$34.6M) achieved during this period.



Impact Investment Partners (IIP) is an Australian based investment manager focussed on identifying and building essential infrastructure and social infrastructure assets in and for Australia's Indigenous communities through their Indigenous Infrastructure Investment Fund (IIIF). Auctus holds a 24% stake in IIP.

GOVERNANCE

Independent third-party providers

EQUITY TRUSTEES LIMITED

- Equity Trustees was established as an independent Trustee and Executor company in 1888 and has become one of Australia's largest specialist trustee companies
- Providing specialist corporate trustee services and independent funds governance services in Australia, the UK and Europe to international and Australian fund managers

MAINSTREAM GROUP HOLDINGS LIMITED

- Mainstream offers a leading fund administration and custody service for fund managers and listed companies.
- Mainstream provide custody, middle office, investment administration, fund accounting and unit registry services



Auctus outsource trustee, administration and custodial services to independent and respected third-party organisations

These trusted third-parties provide additional oversight to our Fund investors

Outsourcing these elements of “back office” provides our business with scalability in operations and ensures we are focused on delivering high quality investment opportunities to our investors



CONTACTS

AUCTUS INVESTMENT GROUP LIMITED

Level 7, 90 Collins Street

Melbourne VIC 3000

ABN: 76 149 278 759

E: enquiries@auctusinvest.com

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