

Auctus Investment Group Limited (ASX: AVC)

AGM Presentation

25 November 2022



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AGENDA

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FINANCIAL HIGHLIGHTS

FY22 HIGHLIGHTS AND ACHIEVEMENTS

- Assets Under Management (AUM) **up 51% to \$527M** (PCP \$343 million)¹
- Cash receipts up **126% to \$10.91M** (PCP \$4.82M)
- **Net cash flow of \$4.05M** up significantly on (PCP -\$0.076M)
- **Adjusted EBITDA of \$3.83M²**
- Grew **perpetual capital AUM to \$245M** up from zero on prior year
- Continued to build **annualised recurring revenue (to \$5.60M³)**

PORTFOLIO AND INVESTMENT ACTIVITY

- Launched Luxury Escapes Fund and **successfully closed capital raise of \$95M⁴**
- **Listed US Student Housing REIT (ASX: USQ)** and acquired two assets for a total of US\$42.75M (\$62M)
- **Launched US Opportunities Limited (“USO”)**, a late-stage / pre-IPO private equity vehicle raising \$35M of seed capital
- Completed **first major exit with the sale of 100% of the equity in esVolta, LP** to Generate Capital, a US based sustainable infrastructure investment and operating platform (process run by Citigroup NY)

CAPITAL MANAGEMENT INITIATIVES

- Announced and paid **\$0.05 (5 cents) per share capital return** to shareholders on 4 August 2022
- Commenced **on-market share buyback** of up to 6.14M shares

All figures in AUD unless otherwise stated

¹ As at 30 June 2022

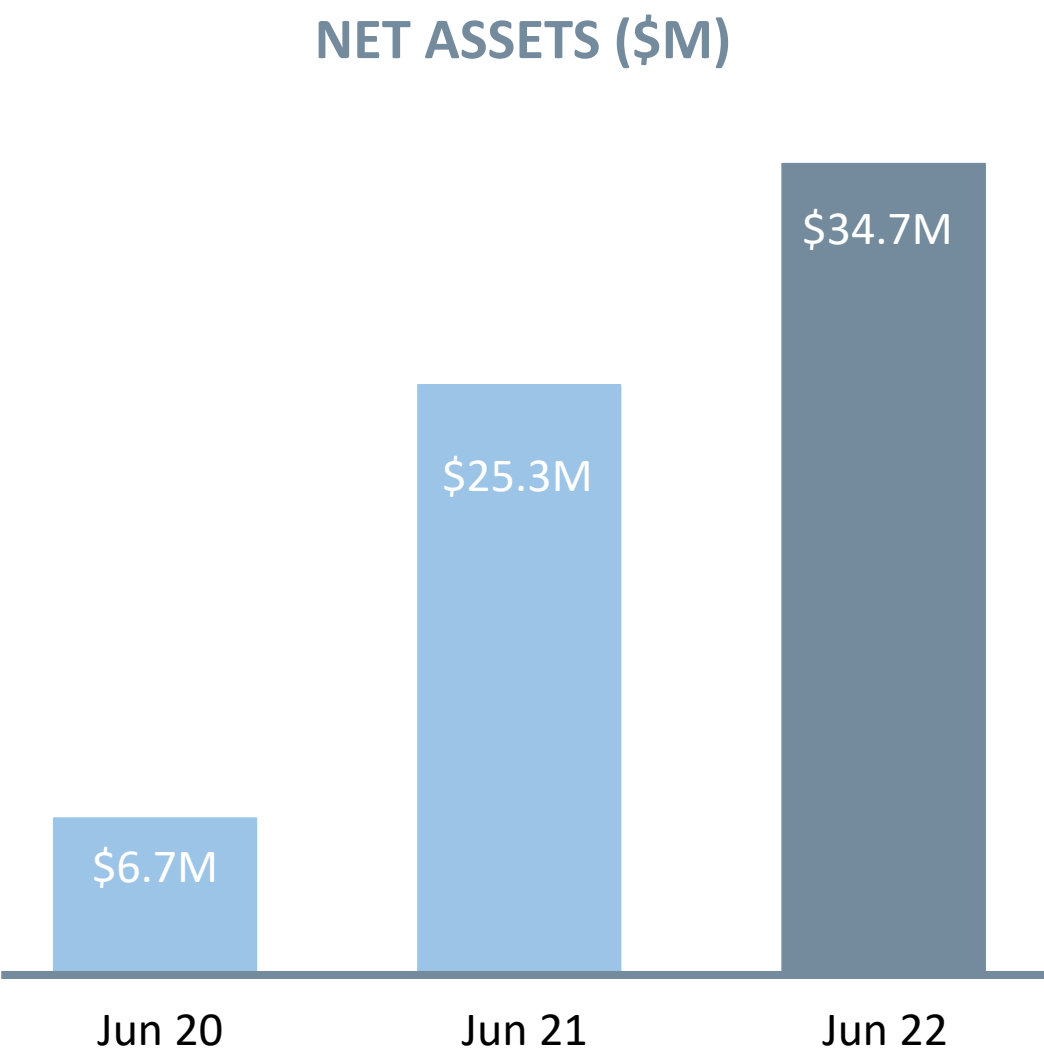
² Excludes non-cash expense for share-based payments of \$5.92M

³ Annualised recurring revenue at 30.06.22

⁴ \$90M reflected in the 30 June 2022 AUM numbers with the remaining \$5M closed during Q1 FY23

BALANCE SHEET AT 30 JUNE

- **Increased net assets by ~37%** (\$9.4M) to \$34.7M
- Strong balance sheet to support future growth
- **No debt**
- End of FY cash balance of \$10.57M (prior to capital return of \$3.87M paid on 4 August 2022)
- **Continued investment** on balance sheet to provide alignment capital with underlying investors and build on our exposure to other private market asset managers
- **Deployed \$11.8M** into new investments:
 - US\$2.5M (\$3.45M) alignment capital into US Opportunities Limited
 - Second tranche investment of \$1.05M into Impact Investment Partners
 - \$1.5M alignment capital into Luxury Escapes Fund
 - \$5.8M alignment capital into US Student Housing REIT (ASX:USQ) or ~7.95% of issued capital
- Other assets of note on balance sheet include Gophr Limited, a UK based last-mile delivery business (currently own 20.8%)



FIRST REALISED EXIT

CONTINUED MOMENTUM IN FY23

- **Delivered investors an 18% p.a. Internal Rate of Return (IRR)** from the sale of esVolta, LP with the potential for future earnouts to enhance returns
- **Realised \$1.8M cash performance fee** from the sale of esVolta, LP in H1 FY23

STRONG CASH FLOW

- Ended FY22 with **annualised recurring revenue of \$5.6M** with quarterly management fees now covering fixed costs
- Including performance fee, will deliver **strong positive cash flow for first Half of FY23**
- Solid platform upon which to build on already positive cash flow with potential for one-off performance fees across the portfolio

PORTFOLIO

- Continued capital raise for USO in difficult market conditions
- Anticipate closing current raise in early 2023 making **USO a \$100M evergreen US late-stage private equity vehicle**
- **Settled US\$10M in ID.me in early November**
- Current portfolio in good shape with significant portions protected by government contracts
- Portfolio companies continue to grow revenue and profitability despite market backdrop

NEW HEADQUARTERS

- Moved into new Melbourne headquarters providing enhanced amenities for company presentations and the hosting of events whilst also helping to attract and retain talent

INVESTMENT TIMELINE



- First transaction that raised US\$4.8M to invest in Unite Us a NYC based healthcare technology company
- Invested at US\$210M post-money valuation with the company's latest funding round completed at a post money valuation of US\$2.2BN
- Ranked in the top 5% on @Inc5000's fastest growing private companies in the US in 2022



- Raised US\$10M fund to invest in Scout Ventures Fund III
- Scout Ventures is a US based, early-stage venture capital firm, that is making the world a better, safer place by cultivating standout frontier technologies built by hard-to-access founders



- Raised \$58M fund to invest in Australia & New Zealand's largest private, family owned, omni-channel pet specialty retailer PETstock
- Minority stake to provide growth capital for future acquisitions and continued growth across all markets



- Raised \$95M fund to invest in Lux Group, a leading online travel technology business and the owner of the Luxury Escapes brand
- The funds minority investment into Lux was via a combination of equity and a convertible note to be used to fast-track roll-out in key international markets



- Via USO, invested US\$10M in ID.me further diversifying the portfolio
- ID.me is the next-generation digital identity platform that enables trusted and convenient interactions between individuals and organizations and has now signed multiple \$1bn+ contracts including US Internal Revenue Service (IRS)

MAY 2019

JAN 2020

JUN 2020

OCT 2020

MAR 2021

JUN 2021

SEP 2021

FEB 2022

NOV 2022



- Raised US\$33.5M for North American utility scale battery storage company
- Currently own a majority stake in esVolta via two SPV's alongside management and Powin Energy Mature developer, owner & operator across multiple US states
- Completed sale of 100% of esVolta equity (process run by Citigroup New York)



- Commenced off-campus US student housing joint venture with Student Quarters, LLC
- JV commenced July 2020 with the plan to grow the portfolio via the establishment of a listed REIT



US OPPORTUNITIES

- Awarded mandate on US Opportunities Limited (USO) in June 2021
- Unlisted public company that invests in late stage, pre-IPO private equity transactions sourced from our trusted partners across the US
- Deployed approx. \$50M across 4 investments



- Established and listed US Student Housing REIT (ASX: USQ) to grow the off-campus US student housing portfolio in JV with Student Quarters.
- Portfolio consists of 9 properties housing students at six universities across six states, with a fair value of US\$144.6M (\$215M)

DEAL ORIGATION

STRATEGIC FOCUS

- Auctus has a track record of delivering **unique offshore and onshore investment opportunities** (e.g., *esVolta*, *LP* and *Unite Us* in the United States and **strong brand names** in *Petstock* and *Luxury Escapes* in Australia)
- We will **continue to identify high quality, niche opportunities** for wholesale, family office and sophisticated investors
- Strong deal flow coming from our US partners, Scout Ventures and Cross Creek

GROW RECURRING REVENUE

- **Annual recurring revenue currently at \$5.60M¹ up 167% on PCP**
- **Building on our two scalable perpetual platforms** (USO & USQ) and delivering returns to investors and therefore shareholders is our highest priority
- By early 2023, **we anticipate USO being a \$100M** evergreen vehicle investing in US, late-stage private equity/pre-IPO opportunities sourced through our trusted US partners, Scout Ventures and Cross Creek
- **Strategically look at accretive acquisition opportunities** that will scale the US student housing portfolio and improve liquidity on market

GROW INVESTOR BASE

- **Grow investor channels in the US** whilst continuing to broaden our presence in Australia
- Continued investment in brand awareness, distribution capabilities & marketing

FIND ACCRETIVE BALANCE SHEET OPPORTUNITIES

- Explore new asset management opportunities and strategic partners

OUR PARTNERS

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



Scout Ventures is 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 based in Salt Lake City, Utah, 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.



Student Quarters (SQ) is 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. SQ has \$1.2bn in gross assets under management, 36 properties, > 12,400 beds across 24 campuses and a realised net IRR of 23%¹.



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.

¹ As of 31 December 2021

GOVERNANCE

Auctus Investment Group Limited board

- During FY22 we enhanced the governance and board structure with the appointment of an additional independent, non-executive director, Brian Delaney taking the board to two non-executives / independents and one executive
 - Brian brings more than 35 years of funds management experience including his most recent role at the Queensland Investment Corporation (QIC) as an Executive Director of Strategy, Clients & Global Markets in Australia and the US.
- In conjunction with AON, the Remuneration Committee comprising our two NED's recently undertook a remuneration review across the business including a structured STI & LTI program

Independent third-party providers



- 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



- Apex Fund Services (formerly Mainstream) offers a leading fund administration and custody service for fund managers and listed companies
- Apex provide custody, middle office, investment administration, fund accounting and unit registry service

Governance across all levels of the business is the highest priority

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



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