

8 April 2025

Dear Shareholder,

Auctus Investment Group (ASX: AVC) - Voluntary delisting from the ASX.

On Friday, 28 February 2025, Auctus Investment Group (ASX:AVC, **Auctus** or **the Company**) announced that ASX provided its approval at the Company's request to be removed from the official list of the ASX (**Official List**), subject to the Company complying with certain conditions (which are set out below) (**Delisting**).

The Company held an Extraordinary General Meeting on Thursday, 3 April 2025 (**EGM**) in which the members were able to vote on the Company's special resolution to approve the Delisting. As announced to the ASX on Thursday, 3 April 2025, the members passed the relevant resolution for the Delisting (**Shareholder Approval**).

This letter seeks to provide you, as a holder of shares in the Company (**Shareholder**), with information about the Delisting process, the options available to you in connection with your shareholding in the Company (**Shareholding**), and certain implications which may arise for you because of the Delisting. Full details of the options available to you with respect to your Shareholding are set out in section 6.

The purpose of this letter is to provide confirmation of the Delisting and it is not intended to provide legal or financial advice, nor does it consider your individual investment objectives, financial situation and needs. This letter does not contain financial product advice and should not be relied upon as the sole basis for any investment decision. As a Shareholder, you should consult your financial, legal, tax or other professional advisor in relation to the information contained in this letter and how you should act with respect to your Shareholding.

1. Why is Auctus Delisting from the ASX?

The board of directors of the Company (**Board**) believes that the benefits of maintaining ASX listing no longer outweigh the financial, administrative and compliance obligations to shareholders, and therefore continued ASX listing of the Company is no longer in the best interests of the Company or the Shareholders. This view has been formed by the Board on the basis that:

- Auctus is a small company with a market capitalisation of less than \$50m and around 400 shareholders. It is difficult for Auctus at its current size to attract significant investor attention and representation in Australian index funds. Further, the typical bid/offer spread of shares in the Company is between 10% and 20% which discourages investors from trading as they cannot be sure of the real price (on both entry and exit) which in turn is a factor in the declining liquidity in the Company.
- The low trading volume of shares in the Company (**Shares**) has been steady, with only 3.6% of current issued capital being traded during FY24. This potentially deters professional investors from sourcing the desired volume of Shares upon entry and their exit options in the future.
- The Company has a limited free float, with the top 20 Shareholders accounting for 68.5% of the Shares on issue as of Thursday, 3 April 2025. A number of these Shareholders are employees and Directors of the Company, inherently restricting the number of Shares that can be readily traded.

- Due to the above, the liquidity in the Company is severely limited. Shares have seen a significant decrease in trading volume over the most recent 12-month period as well as their all-time average. The Company has historically had an oversize number of Shareholders holding an unmarketable parcel and have opted out of unmarketable parcel buybacks. Feedback from Shareholders suggests this is on the basis they are interested in the return from the underlying private market funds and less likely to require liquidity.
- Auctus currently deploys significant resources per year maintaining the ASX listing. ASX fees, adviser fees, registry fees and additional costs associated with proxy mailing and general meetings is estimated at \$350,000 per annum. The Board no longer believes that the benefits of the ASX listing are commensurate with the resources required.
- The Board believes that the trading price of Auctus is not reflective of the underlying value in the Company. The trading price in recent years implies a valuation that is significantly below what it should be in light of the fact that the Company has steadily grown its assets and returned \$8.2 million in capital to shareholders and over \$200 million in capital and profits to underlying fund investors.
- All Director and employee Shareholders have indicated that they will continue to hold their Shares in the Company following Delisting. Further, Auctus reasonably expects that all substantial Shareholders (those with >5% of the Shares) will maintain their investment within the Company. The Board believes this on the basis that these investors are long term investors in the Company who have confidence in the fundamental value of the Company and the investing performance of the Company.

2. What are the Conditions?

ASX advised the Company that its approval of the Delisting is subject to certain conditions being met. These conditions are summarised as follows:

- (a) *The request for removal of the Company from the Official List is approved by way of a special resolution by the Shareholders of the Company;*
- (b) *The notice of meeting seeking shareholder approval include the following:*
 - (i) *A timetable of key dates, including the time and date at which the Company will be removed from ASX, if approval is given;*
 - (ii) *A statement to the effect that the Company will not be removed from the Official List no earlier than one month after approval is granted;*
 - (iii) *A statement to the effect that if Shareholders wish to sell their shares on the ASX that they must do so before the Company is removed from the Official List; and if they do not do so then details of the processes that will exist after the Company is removed from the Official List allowing disposal of their holdings are provided;*
 - (iv) *To ASX's satisfaction, all other information prescribed in section 2.11 of ASX Guidance Note 33.*
- (c) *That the removal of the Company from the Official List take place no earlier than one month after Shareholder approval is granted, to allow Shareholders to sell their shares on ASX if desired;*
- (d) *That the Company must apply for its Shares to be suspended from quotation at least two business days before the proposed removal date;*

- (e) *The Company releases the full terms of this decision to market upon making a formal application to ASX for removal from the Official List.*

The Company:

- (a) satisfied Condition (a) above by virtue of the Shareholder Approval;
- (b) satisfied Condition (b) by issuing the notice meeting to Shareholders on 4 March 2025 with respect to the EGM which contains required information noted above;
- (c) will satisfy Condition (c) by virtue of the proposed Delisting date of the Company being no earlier than Thursday, 8 May 2025 (**Removal Date**), which is one month after its receipt of Shareholder Approval;
- (d) will satisfy Condition (d) by applying for the Shares to be suspended from quotation at least two business days before the proposed Removal Date; and
- (e) satisfied Condition (e) by virtue of the ASX announcement dated Friday, 28 February 2025 releasing the full terms of ASX's decision.

3. What are the consequences?

The consequences of the Delisting are as follows:

Trading of Shares

The Shares will cease to be quoted and traded on ASX. Shareholders will have their CHESS holdings converted to the certified sub-register on the Company's register and Shareholders will receive certificates for their Shares. No action will be taken by Shareholders to effect this conversion.

Sales via off-market transactions

Following the Company's Delisting, Shares will only be able to be sold via off-market private transactions. Shareholders will be required to identify and agree terms with potential purchasers of Shares in accordance with the Company's constitution and the Corporations Act 2001 (Cth) (**Corporations Act**).

The Company intends to provide Shareholders with periodic access to liquidity following the Delisting and will consider ongoing capital management initiatives to provide periodic liquidity, however, the Company cannot guarantee that a liquid market for Shares will exist.

Ongoing Compliance Obligations

The ASX Listing Rules will no longer apply to Auctus and Shareholders will no longer enjoy the benefit of the protections in those rules. The Company will also not be required to act in accordance with the ASX Corporate Governance Principles and Recommendations on an 'if not, why not?' basis.

The Company will still be subject to its Constitution and to certain applicable provisions within the Corporations Act that relate to unlisted public companies. Some applicable provisions are summarised below:

- For as long as the Company has more than 50 members, it will continue to be subject to the "takeover" provisions in Chapter 6 of the Corporations Act (Chapter 6) and, as such, increases in voting power in the Company will continue to be regulated by Chapter 6 for Shareholders who hold between 20% and 90% of the voting power in the Company;
- For as long as it has at least 100 members, the Company will be subject to the continuous disclosure obligations in section 675 of the Corporations Act (which require lodgement of certain material information with ASIC) and will be an unlisted 'disclosing entity' subject to half-yearly and annual reporting. As noted in Section 4 of ASX Guidance Note 33, these obligations are substantively the same as those imposed under ASX Listing Rule 3.1;
- The Company will still be required to hold an annual general meeting each year; and
- The Company's constitution may be amended in the future following the Delisting to reflect the fact that the Company is no longer listed on ASX. Shareholders will also continue to have the right to:
 - Exercise voting rights attached to Shares;
 - Receive notices of meetings and other notices issued by the Company; and
 - Receive any dividends paid by the Company from time to time.

Raising new capital

As an unlisted public company, the Company will no longer be able to raise capital by issuing securities to investors via a limited disclosure fundraising document or a cleansing notice regime. If the Company wishes to raise capital following the Delisting, it will be required to offer Shares pursuant to a full prospectus, offer information statement or by way of a disclosure-exempt placement under section 708 of the Corporations Act.

4. What is the Delisting process and timetable

On-market BuyBack

The company is conducting an On-market buyback process (**On-market BuyBack**) prior to the Company being removed from the Official List.

The Company confirms that Removal Date is at least one month after it obtained Shareholder Approval in order to provide Shareholders with sufficient time to participate in the On-market BuyBack process if they wish to do so. The On-market BuyBack will run for a 30-day period commencing Friday, 4 April 2025 and is proposed to be completed on Monday, 5 May 2025.

Section 257B of the Corporations Act enables the Company to buy-back up to 10% of its issued shares in any 12-month period (**10/12 limit**) without shareholder approval (with "issued shares" being the smallest number of voting shares in the Company during the prior 12 months). Accordingly, the Company may buy-back and cancel up to approximately 7.5 million Shares under the On-market BuyBack without shareholder approval as set out in the below table:

Auctus Capital Structure	
Existing Shares on issue	80,280,316
Current Market Capitalisation (at \$0.56 / Share)	\$45.0 million
Proposed On-market BuyBack	
Lowest number of voting shares on issue during prior 12 month period	75,531,741
Maximum share buy-back allowable (10%)	7,550,000

The On-market BuyBack will be self-funded by the Company using balance sheet capital and therefore no capital or debt will need to be raised to effect it.

The Company has appointed Canaccord Genuity (Australia) Limited (ACN 075 071 466) (**Agent**) to act as its Agent for the purposes of the On-market BuyBack.

The Agent will acquire Shares in the ordinary course of trading on ASX on behalf of the Company at a price that is not more than 5% above the volume weighted average price, calculated over the last 5 days on which sales in the Shares were recorded before the day on which the purchase under the On-market BuyBack was made (**Buyback Price**) in accordance with ASX Listing Rule 7.33.

The number of Shares that will be bought back under the On-market BuyBack will not exceed the maximum share buy-back amount allowable under the 10/12 limit, being 7,550,000 Shares.

The Company will pay the Agent a management fee of \$10,000 on the commencement of the On-market BuyBack and will reimburse the Agent for out-of-pocket expenses in the course of the Agent carrying out its duties. The Company will also pay brokerage to the Agent at the rate of 1.0% of the total value of Shares acquired, subject to a minimum brokerage of \$80 per contract note (together with any applicable statutory charges and other imposts).

Delisting Process

Shareholders will be able to trade Shares on the ASX until the close of trading on the Suspension Date, currently intended to be Tuesday, 6 May 2025. After Shares are suspended from quotation, Shareholders will no longer be able to trade their Shares on ASX. It is expected that two business days following the Suspension Date that the Company will be Delisted.

Shareholders who retain their Shares following the Delisting will be issued share certificates, which will be proof of ownership of the Shares and therefore these certificates should be kept in safe-keeping.

5. Indicative dates for the Delisting process

Date	Event
Friday, 4 April 2025	Launch of On-market BuyBack
Monday, 5 May 2025	Completion of On-market BuyBack
Tuesday, 6 May 2025	Suspension from quotation (Suspension Date)
Thursday, 8 May 2025	Removal of Auctus from the Official List

These dates and times are indicative only and subject to change. Auctus will announce any amendment to those dates and times.

6. What are my Options?

As a Shareholder, you have the following options available to you (**Options**) in relation to the Delisting:

OPTION 1: Sell your Shares on the ASX before the Suspension Date

You can sell your Shares on the ASX at any time prior to the close of trading on the Suspension Date, which is currently expected to be Tuesday, 6 May 2025. You should contact your stockbroker or financial advisor to arrange the sale. Please note that Shares offered for sale on ASX may be bought by the Agent as part of the On-market BuyBack.

After the Suspension Date, you will not be able to sell your Shares on the ASX.

If you elect to sell your Shares on the ASX prior to the Suspension Date, you will be responsible for all costs associated with the sale, including any broker commission.

OPTION 2: No action – Retain Shares

If you do nothing (i.e. do not elect to proceed with Option 1) by the close of trading on the Suspension Date, Tuesday, 6 May 2025, then you will retain your Shares but they will no longer be quoted, or be able to be traded on ASX and your Shareholding will become a certificated holding.

A share certificate will be issued for your Shares and be sent to you by post within [10] business days of the Delisting Date. This must be kept in a safe place as it is proof of your ownership of Shares.

OPTION 3: You disagree with the Delisting – Shareholder Remedies

The Corporations Act provides for protection that Shareholders may pursue if they consider that the Delisting is not in the best interests of the Shareholders.

Part 2F.1 of the Corporations Act

If you consider the Delisting to be contrary to the interests of the Shareholders as a whole or oppressive to, unfairly prejudicial to, or unfairly discriminatory against a Shareholder or Shareholders, you may apply to the court for an order under Part 2F.1 of the Corporations Act. Under section 233 of the Corporations Act, the court can make any order that it considers appropriate in relation to the Company, including an order that the Company be wound up or an order regulating the conduct of the Company's affairs in the future.

Part 6.10 Division 2 Subdivision B of the Corporations Act

If you consider the Delisting involves “unacceptable circumstances”, you may apply to the Takeovers Panel for a declaration of unacceptable circumstances and other orders under Part 6.10 Division 2 Subdivision B of the Corporations Act (refer also to Guidance Note 1: Unacceptable Circumstances issued by the Takeovers Panel). Under section 657D of the Corporations Act, if the Takeovers Panel has declared circumstances to be unacceptable, it may make any order that it thinks appropriate to protect the rights or interests of any person or group of persons, where the Takeovers Panel is satisfied that those rights or interests are being affected, or will be or are likely to be affected, by the circumstances.

7. Risks

If you wish to sell your Shares on ASX during the On-market BuyBack, it is advised to action this as soon as practicable, as it is possible that if a significant number of other Shareholders participate, the Company may reach its limit of buying back 7,550,000 Shares and that you may be forced to either sell your Shares on ASX after the expiry of the On-market BuyBack or retain them following the Delisting.

There are risks associated with the sale of Shares on ASX. Your total proceeds will depend on the level of buyer demand, buyer pricing constraints (noting the gap in the bid/offer spread) and general liquidity issues in the trading of Shares.

There are other risks associated with each Option. This letter does not purport to provide you with any legal or financial advice. The Company strongly encourages you to obtain your own legal and financial advice based on your individual circumstances before deciding which Option to elect.

8. Tax implications

Shareholders will be responsible for any personal tax including personal income tax or capital gains tax which results from the sale of their Shares on ASX.

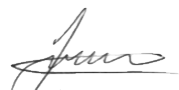
The Company strongly encourages you to obtain your own tax advice based on your individual circumstances before deciding which Option to elect. This letter does not purport to provide you with any tax advice.

9. Further information

If you have any further queries about the Delisting, you can contact the Company Secretary, Justin Mouchacca, on (03) 8630 3321 or the Company's Managing Director, Campbell McComb, via email on enquiries@auctusinvest.com.

The Company thanks Shareholders for their ongoing support.

For and on behalf of the Board:



Justin Mouchacca
Company Secretary