

**ASX: AVC**

**10 March 2021**

## **Auctus expands Asset Management into Asia**

### **Key points**

- **Auctus has agreed to take an initial 9.9% stake in Odyssey Group Limited**
- **Odyssey is an Asian based private market investment manager**
- **Odyssey has Gross Assets Under Management and Advice of ~US\$180m**
- **Auctus can move to 100% control of Odyssey over a staggered 2-year period**
- **Joint launch of the Student Quarters Fund in Asia**

Auctus Investment Group Limited ('AVC', 'Auctus' or 'the Company') is pleased to announce that it has signed binding agreements to make an initial investment (via its wholly owned subsidiary Auctus Asset Management Pty Ltd (AAM)) of US\$500k (to be made via a cash payment) in Odyssey Group Limited ('OGL' or 'Odyssey') in exchange for a 9.9% stake in Odyssey (First Tranche). The initial investment funds will be used as working capital by Odyssey as it continues to grow across Asia. Auctus' Managing Director, Campbell McComb, will be appointed to the Odyssey Board.

Odyssey is a global private market investment manager with total assets under management and advice of US\$180m. Odyssey has licensed operations in both Singapore and Hong Kong employing over 25 experienced staff.

From an Auctus perspective the investment in Odyssey will significantly expand the Company's distribution capacity and allow it to offer its high quality, differentiated investment offerings into Asia.

Asset allocation trends across Asia are showing similar signs to Australia, with significantly more investors increasing their weightings towards private market investments.

Subject to Auctus attaining regulatory approval in the coming months from the Monetary Authority of Singapore (MAS) and the Securities and Futures Commission in Hong Kong (SFC), Auctus will increase its holding in Odyssey to 20%. The additional 10.1% interest (Second Tranche) will be achieved via:

- a direct subscription by Auctus for a further US\$500k in cash to acquire shares in Odyssey, with funding to be used for working capital purposes; and
- a simultaneous share swap with Alex Walker and Daniel Vovil (Odyssey's Founders) which will see Auctus issue a total of 560,000 AVC shares as part of the completion of the acquisition of the Second Tranche.

In addition to the above:

- the Founders have an ability (subject to hitting the Third and Fourth Tranche triggers set out below) to sell down (in equal proportions) further shares in Odyssey such that the Company's holding in Odyssey would increase to 26.5% (Third Tranche Completion) and 33% (Fourth Tranche Completion); and
- whether or not the triggers for the Third Tranche and Fourth Tranche Completion are hit, Auctus has the option (but will not be obligated) to take Auctus' holding in Odyssey to 51% (Call Option 1) and then finally to 100% (Call Option 2) via the acquisition from the Founders of their shares in Odyssey over the next 2 years.

The triggers for requiring the Third and Fourth Tranche acquisitions to occur are linked to the ability for Odyssey to raise funds into Auctus associated investments. The table below summarises the thresholds for Auctus' potential investment in Odyssey.

Tranche	Trigger	Stake in Odyssey held following completion of relevant Tranche
First	Within 7 days of signing	9.9%
Second	MAS and SFC Regulatory Approvals	20%
Third	US\$12.5m of investment by Odyssey investors	26.5%
Fourth	An aggregate of US\$25m of investment by Odyssey investors (inclusive of any amounts attributed to Third Tranche Completion)	33%
Call Option 1	At Auctus' option	51%
Call Option 2	At Auctus' option	100%

Third and Fourth Tranche Completion will be completed via a share swap mechanism involving the issue of a total of A\$420k in AVC shares at each Tranche Completion (i.e. a maximum of \$840K for Third and Fourth Completion) at an agreed AVC issue price per share, based on the 5-day VWAP prior to the date of Third and Fourth Tranche Completion (as applicable).

Call Option 1 and Call Option 2 will be settled by a combination of cash and the issue of AVC shares to be agreed at the time of the relevant completion and based on an agreed EBITDA multiple mechanism for each of Calendar year 2021 and 2022.

Auctus, Odyssey and its Founders have also entered into a Shareholders Deed that will dictate the management of Odyssey following the completion of the issue of the First Tranche shares in Odyssey to Auctus.

In commenting on the transaction Auctus Managing Director, Campbell McComb said "We have high conviction in the outlook for Asian investors' appetite for private market investments. Equally, we are excited to be working with Alex, Dan and the Odyssey team to assist them in the continued growth of their business."

Odyssey Co-Founder and CEO, Alex Walker said “Odyssey has been seeking the right strategic investor for the past 12 months and believe we have found this in Auctus. The two companies share a focus on delivering high quality investment returns to clients in the private market space. We look forward to working with the Auctus team in providing these investments to high net worth, family office and institutional investors across the Asia Pacific region.”

#### **Joint launch of the Student Quarters Fund**

Auctus’ first step into Asia is via the joint launch of the US Student Housing Fund S.P with Odyssey.

This Fund will offer investors in Asia access to the same investment profile currently offered via Auctus’ existing Australian Unit Trust – The SQ Property Opportunities Fund, which settled its first asset at Texas Tech in early January 2021.

- Ends

#### **About Auctus**

**Auctus Investment Group Limited (‘Auctus’)** is an ASX listed global investment manager with in-excess of A\$320M 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.

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