

ASX Announcement
16 March 2021

Impact Investment Partners - Update

Key Points:

- **Impact Investment Partners is an investment manager focused on infrastructure and social infrastructure investments in Australia's Indigenous communities**
- **Projects totalling between \$1bn - \$2bn in Indigenous infrastructure have been identified**
- **Impact Investment Partners has launched and is the investment manager for the Indigenous Infrastructure Investment Fund (IIIF), with a focus on building total AUM to \$500m**
- **Binding Agreements executed with the first stage to be completed by no later than 18 March 2021**

Further to its 23 December 2020 announcement, Auctus Investment Group Limited (ASX: AVC, 'the Company' or 'Auctus') is pleased to announce that it has now executed a binding Implementation Deed and a binding Share Subscription Agreement with Impact Investment Partners Pty Ltd (Impact IP) in respect of the acquisition of up to a 24% interest in Impact IP by Auctus' wholly owned subsidiary, Auctus Asset Management Pty Ltd (AAM).

Impact IP is an investment manager focussed on identifying and building essential infrastructure and social infrastructure assets in and for Australia's Indigenous communities through their Community-Led Infrastructure Model. These projects will span across essential infrastructure such as energy generation and storage, water supply solutions and social infrastructure such as health facilities, university accommodation and community hubs.

Impact IP is currently engaged with a number of potential investors for the IIIF across superannuation funds, family offices and Indigenous trusts.

Direct subscription by Auctus to obtain a guaranteed 14% interest in Impact IP

Under the Subscription Agreement, Auctus will acquire a 14% interest in Impact IP through two separate tranches as noted below:

- **Tranche 1** – Tranche 1 is expected to be completed no later than 18 March 2021 and will involve an investment of \$1.05 million for a 7% interest in Impact IP. Following Tranche 1 completion Auctus will be provided with observer rights to the Impact IP Board; and
- **Tranche 2** – Tranche 2 will complete three months after Tranche 1 and involve a further investment of \$1.05 million for an additional 7% interest (total 14%) in Impact IP.

The Tranche 1 and Tranche 2 funds will provide a working capital injection for Impact IP to increase their Community-Led Infrastructure Model's efficiency by expanding their existing investment management and implementation teams. Equally important, funds will also be deployed to direct community engagement and involvement in these projects.

Ability to obtain up to a further 10% interest in Impact IP

The Implementation Deed provides a mechanism for Auctus to acquire up to a further 10% interest (for a total stake of 24%) via a share swap process (**Share Swap**) under which existing qualifying Impact IP shareholders can swap their Impact IP shares in exchange for the issue of AVC shares at an implied value of \$1.5 million for the 10% interest in Impact IP.

The exact quantum of AVC shares to be issued under the Share Swap will be dependent on the uptake of existing Impact IP shareholders under the Share Swap (capped a maximum of 10% stake in Impact IP). In addition:

- The AVC issue price under the Share Swap will be based on the 5-day Volume Weighted Average Share Price (VWAP) prior to the date the offer to participate in the Share Swap is made to Impact IP Shareholders under the Implementation Deed; and
- All AVC shares issued to Impact IP shareholders under the Share Swap will be voluntarily escrowed for six months from the date of issue.

Board seat for Auctus at 15%

Assuming that Auctus gains at least a 15% interest in Impact IP (i.e. a minimum additional 1% via the Share Swap), it will have the right to appoint a director to the Impact IP Board under the Impact IP Shareholders Agreement which Auctus will accede to as part of the completion of Tranche 1.

About Auctus

Auctus Investment Group Limited ('Auctus') is an ASX listed global investment manager with approximately 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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