

29 October 2021
ASX Announcement

September 2021 Quarter in Review – Appendix 4C

Key Points

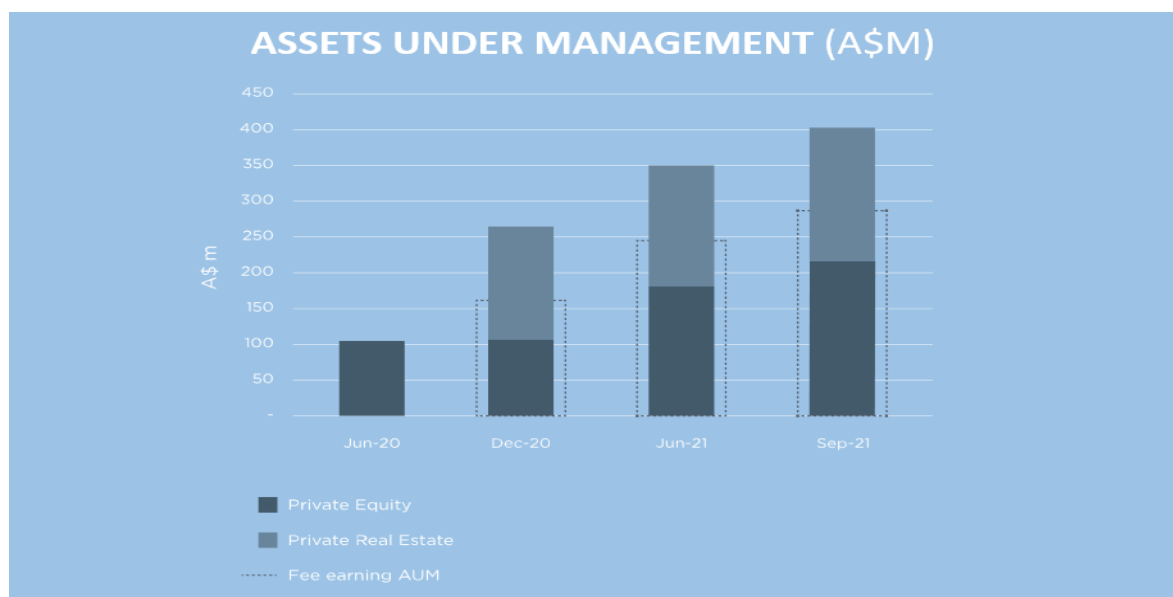
- **Assets Under Management (“AUM”) increased 14% from A\$350M to A\$400M during the quarter**
- **Cash receipts for the Quarter of \$1.14M**
- **Cash balance at the end of September 2021 was \$10.7M**
- **Investment of US\$2.5m into US Opportunities Limited and A\$1.05M into Impact Investment Partners**

Auctus Investment Group Limited (‘AVC’, ‘Auctus’ or ‘the Company’) is pleased to provide the following update in relation to activities for the September quarter of 2021.

Auctus Asset Management Pty Ltd (Auctus AM)

Auctus Asset Management (‘Auctus AM’) increased AUM from A\$350M at the end of June 2021 to A\$400M at the end of September 2021. The entire AUM uplift was fee earning, increasing to \$295M, an uplift of 20%.

The September quarter was predominantly focussed on negotiating and establishing the “Luxury Escapes Fund” to raise between A\$60M-A\$90M as announced to market on the 6th of September. The Fund launched in mid-September and has received significant interest to date, with expectations of closing during the December 2021 quarter.



Cash Flow from Operations and Cash Position

Auctus AM generated \$1.146M in cash receipts from customers for the September Quarter. Net cash used in operating activities for the quarter was only (\$20k).

Approximately 50% of the revenue for the quarter came from our US Student Housing Fund, with a further 25% from our Pet Fund. Importantly, over 60% of the quarterly revenue is recurring in nature which continues to increase with growth in AUM.

Investments made during the Quarter include the finalisation of the Impact Investment Partners 24% holding with the payment of \$1.05M. Additionally, Auctus Investment Holdings invested US\$2.5M into US Opportunities Limited.

The Company ended September 2021 with just over \$10.7M in cash.

All payments noted in Section 6 of the accompanying Appendix 4C for related party payments during the quarter relate to settlement of directors' fees and salaries, including payment of invoices and amounts due from prior periods.

Updates

US Opportunities Limited (USO)

USO was incorporated in late June 2021 and now raised over A\$29M. As announced previously AVC has also invested alignment capital of US\$2.5M into the issued capital of USO during the September 2021 quarter.

USO's US\$15M investment into Voyager Space Holdings (Voyager) is performing well, with a plan for a cross-over capital raising round prior to a traditional S1 listing on the Nasdaq in the next 4-6 months.

In addition, USO continues to review other exciting potential investments in the United States to deploy existing capital.

US Student Housing

Auctus has now closed the SQ Property Opportunities Fund (**SQ Fund**). We are set to deploy the capital raised over coming weeks, including the acquisition of a US\$25.5M asset at Clemson University in South Carolina. The Clemson asset is due to settle in early November 2021.

In addition, Auctus recently contracted two further assets at Texas A&M (US\$27M) and Missouri State University (US\$25.7M) as we continue to build a diversified portfolio at scale.

As previously announced, it is now the Company's intention to pursue an ASX listing of our entire US Student Housing portfolio over coming months.

Impact Investment Partners (Impact)

As announced to the ASX on 16 March 2021, Auctus entered into a binding agreement to purchase approximately 24% of Impact. Auctus has since made both the Tranche 1 and 2 payments, totalling \$2.1M in exchange for a combined 14% holding in Impact and completed the share swap for the remaining 10%.

esVolta – Energy Storage Fund

We are pleased to announce that esVolta has appointed Citigroup (Citi) New York to run a broadly marketed process which we believe will result in a significantly improved outcome for investors. esVolta continues to make substantial progress and together with strong sector tailwinds we believe it is the right time to look to exit the investment. This process will potentially lead to a near term full (or partial) exit, to be completed during the first quarter of 2022.

As part of funding esVolta during this sale process, Auctus Investment Holdings (AIH) and other parties have agreed to loan them up to US\$6.5M. As at today, AIH has lent US\$1.5M and a further investor has lent US\$1M. These loans are unsecured and will accrue a 30% fixed interest payment, with repayment latest 31 March 2022. Further updates on additional funds lent will be provided in due course.

We look forward to keeping the market up to date on this process.

Unite Us Fund

Since March 2021, Unite Us has closed a further US\$40M capital raise at US\$1.65BN (post-money) and another US\$135M at US\$2.2BN (post-money). Most of this capital came from ICONIQ and will be used to accelerate the Company's organic growth as well as closing two major strategic acquisitions. The Unite Us Funds investment was at a US\$210M (post-money) back in May 2019.

These acquisitions of Carrot Health and NowPow give Unite Us exposure across all 50 states in the USA.

- **Ends**

This announcement has been authorised for release by the Board of AVC.

For all shareholder enquiries please contact:

Campbell McComb
Managing Director

enquiries@auctusinvest.com

AUCTUS INVESTMENT GROUP LIMITED (ASX: AVC)

Appendix 4C**Quarterly cash flow report for entities
subject to Listing Rule 4.7B****Name of entity****AUCTUS INVESTMENT GROUP LIMITED (ASX: AVC)****ABN****76 149 278 759****Quarter ended ("current quarter")****30 September 2021**

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (3 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	1,146	1,146
1.2 Payments for		
(a) research and development	-	-
(b) product manufacturing and operating costs	(132)	(132)
(c) advertising and marketing	-	-
(d) leased assets	-	-
(e) staff costs	(641)	(641)
(f) administration and corporate costs	(393)	(393)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	-	-
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	-
1.8 Other (provide details if material)	-	-
1.9 Net cash from / (used in) operating activities	(20)	(20)
2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) businesses	-	-
(c) property, plant and equipment	-	-
(d) investments	(4,508)	(4,508)
(e) intellectual property	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$A'000
	(f) other non-current assets	-	-
2.2	Proceeds from disposal of:		
	(a) entities	-	-
	(b) businesses	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) intellectual property	-	-
	(f) other non-current assets	-	-
2.3	Cash flows from loans to other entities	(267)	(267)
2.4	Dividends received (see note 3)	-	-
2.5	Other	-	-
2.6	Net cash from / (used in) investing activities	(4,775)	(4,775)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	793	793
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	(10)	(10)
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.10	Net cash from / (used in) financing activities	783	783

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	14,536	14,536
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(20)	(20)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(4,775)	(4,775)

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$A'000
4.4	Net cash from / (used in) financing activities (item 3.10 above)	783	783
4.5	Effect of movement in exchange rates on cash held	209	209
4.6	Cash and cash equivalents at end of period	10,733	10,733

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	10,733	14,536
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	10,733	14,536

6.	Payments to related parties of the entity and their associates	Current quarter \$A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	242
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-
Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments		

7.	Financing facilities <i>Note: the term "facility" includes all forms of financing arrangements available to the entity.</i> <i>Add notes as necessary for an understanding of the sources of finance available to the entity.</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
7.1	Loan facilities	-	-
7.2	Credit standby arrangements	-	-
7.3	Other (please specify)	-	-
7.4	Total financing facilities	-	-
7.5	Unused financing facilities available at quarter end	-	
7.6	Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.		

8.	Estimated cash available for future operating activities	\$A'000
8.1	Net cash from / (used in) operating activities (item 1.9)	(20)
8.2	Cash and cash equivalents at quarter end (item 4.6)	10,733
8.3	Unused finance facilities available at quarter end (item 7.5)	-
8.4	Total available funding (item 8.2 + item 8.3)	10,733
8.5	Estimated quarters of funding available (item 8.4 divided by item 8.1)	536.65
<i>Note: if the entity has reported positive net operating cash flows in item 1.9, answer item 8.5 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.5.</i>		
8.6	If Item 8.5 is less than 2 quarters, please provide answers to the following questions:	
8.6.1	Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	
Answer: N/A		
8.6.2	Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?	
Answer: N/A		
8.6.3	Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?	
Answer: N/A		
<i>Note: where item 8.5 is less than 2 quarters, all of questions 8.6.1, 8.6.2 and 8.6.3 above must be answered.</i>		

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date: 29 October 2021

Authorised by: The Board of Directors

(Name of body or officer authorising release – see note 4)

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standard applies to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg *Audit and Risk Committee*]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.