

ASX Announcement
30 March 2020

March quarter to be cash flow positive

Key points

- **Company to be cash flow positive for the March 2020 quarter**
- **First cash flow positive quarter in the Company's history**
- **Growth in Assets Under Management (AUM) of over 20% since December 2019 quarter**
- **Underlying investment funds are defensive, well capitalised and continue to perform to expectation**
- **Success achieved despite global market conditions**

Auctus Alternative Investments Limited (ASX: AVC) ('Auctus' or 'the Company') provides the following update regarding the operations of the Company.

Assets Under Management

Auctus Asset Management (Auctus AM) has continued the positive trajectory of Assets Under Management (AUM). The Board of Auctus expect to close the March 2020 Quarter with AUM in excess of \$90M, an improvement of over 20% on the December 2019 Quarter figure.

This growth has been driven by a combination of inflows into our open funds and exchange rate movements. All the current funds managed by Auctus AM are denominated in US dollars, and thus generate revenue in US dollars.

We continue to look for quality investments in both US\$ and A\$ to build our portfolio.

Cash Flow

On the back of our fund inflows and growing AUM, the Company expects it will produce positive Cash Flow from Operations in the March 2020 Quarter. In addition to growth at the revenue line, management has also been extremely conscious of minimising costs. The latter has, to date, been achieved whilst still building for the future via the addition of quality new hires.

Investment Funds

Core to the Auctus thesis is investing in Companies that are 'needed' and therefore somewhat defensive in nature. Areas such as healthcare, energy infrastructure and cyber security are examples of sectors that are crucial parts of our daily lives. Our first two single asset funds in healthcare technology and energy storage are performing well within the current financial landscape.

A strong balance sheet from an equity and debt perspective not only help to achieve their growth aspirations but position them for merger and acquisition opportunities in the current environment.

COVID-19 Business Update

The health and wellbeing of the Company's team members, their families and the broader community is the Company's absolute priority. As such, flexible working arrangements have been implemented with the majority of team members working from home. The Company does not expect these measures to have a major effect on the Company's continued operations.

The Company continues to monitor its investments and we look forward to providing a more detailed update as part of our Appendix 4C in April 2020.

On behalf of the board:

Campbell McComb
Managing Director

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