

29 April 2022

ASX Announcement

March 22 Quarter in Review – Appendix 4C

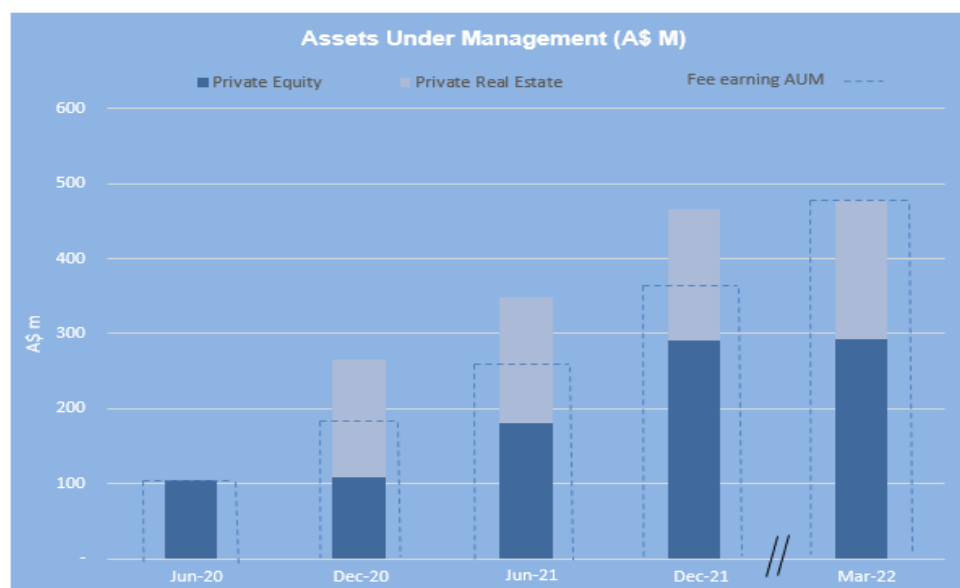
Key Points

- Strong cash receipts for the March quarter of \$2.06M
- Positive Cash from Operations for the quarter of \$0.35M
- Cash balance at the end of December was \$6.4M
- Listing of US Student Housing REIT (ASX:USQ) in March
- Binding PSA entered into to sell 100% of portfolio Company esVolta, LP

Auctus Investment Group Limited ('AVC', 'Auctus' or 'the Company') is pleased to provide the following update in relation to activities for the March 2022 quarter.

Auctus Asset Management Pty Ltd (Auctus AM)

Auctus Asset Management ('Auctus AM') increased AUM from A\$466M at the end of December 2021 to A\$479M at the end of March 2022. The key driver behind this growth was the listing of the US Student Housing REIT on the 8 March 2022. Importantly, post this listing, all Assets Under Management (AUM) are now fee earning*. This should lead to a continual improvement in recurring revenue in Auctus AM over coming quarters.



*As all AUM is fee earning, Auctus AM will not report this figure from June 2022.

Cash Flow from Operations and Cash Position

Auctus generated \$2.06M in cash receipts from customers for the March 2022 Quarter. While product manufacturing costs were higher, the on-going costs (staff and corporate) were consistent with the last two quarters. Overall, Auctus generated a positive cash from operations of \$0.35M for the quarter.

Revenue for the quarter predominantly came from the US Student Housing REIT, the Pet Fund and the Luxury Escapes Fund.

Total cash receipts for the 9 months to March were \$6.7M and positive cash from operations \$2.4M.

After investing approximately \$7.3M as outlined below, the Company ended March 2022 with just over \$6.4M 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

esVolta, LP

esVolta is a leading developer, owner and operator of U.S. utility-scale energy storage projects.

As previously advised, Citigroup was engaged to run a sale process for the esVolta business in September 2021. Auctus is pleased to announce that esVolta, LP has signed a binding Purchase & Sale Agreement for 100% of the equity in the business.

The transaction is subject to regulatory approval. We look forward to sharing more details of the transaction upon closing.

During previous quarters, the Company provided a short-term working capital loan to esVolta. As updated to the market on 7 December 2021, this loan for US\$2.5M was expected to be repaid towards the end of Q1 2022. As part of this sale process, the Company has agreed to extend the repayment date of this short-term loan to no later than 30 June 2022. Additional interest charges have been agreed on the outstanding amount.

US Student Housing REIT (ASX: USQ)

During the quarter, US Student Housing REIT (ASX: USQ) listed on ASX forming the base of what we intend to be a growing percentage of 'perpetual' AUM. The Company is the appointed investment manager of this trust and generates investment fee revenue based on the gross asset value of the trust.

The Company also made a direct investment in USQ during the period totalling \$5.8M, representing a unit holding of 7.62%.

Luxury Escapes

During the quarter, the Company also made an equity investment into the Luxury Escapes Fund totalling \$1.5M.

The travel sector is currently experiencing a faster rebound than many expected, with most countries winding back Covid restrictions. Luxury Escapes (Lux) has benefited from this 're-opening' in particular with Fiji, Bali and the Maldives attracting significant tourist numbers.

In addition to the sector rebound, Lux has continued to build out its marketplace division enabling it to attract new customers to the brand.

- **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")****31 March 2022**

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (9 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	2,055	6,731
1.2 Payments for		
(a) research and development	-	-
(b) product manufacturing and operating costs	(428)	(627)
(c) advertising and marketing	-	-
(d) leased assets	-	-
(e) staff costs	(693)	(2,016)
(f) administration and corporate costs	(577)	(1,660)
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	357	2,428
2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) businesses	-	-
(c) property, plant and equipment	-	-
(d) investments	(7,304)	(11,812)
(e) intellectual property	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 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	-	(2,970)
2.4	Dividends received (see note 3)	-	-
2.5	Other	-	-
2.6	Net cash from / (used in) investing activities	(7,304)	(15,532)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	-
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	5,008
3.4	Transaction costs related to issues of equity securities or convertible debt securities	(2)	(33)
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	(2)	4,975

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	13,477	14,536
4.2	Net cash from / (used in) operating activities (item 1.9 above)	357	2,428
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(7,304)	(15,532)

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(2)	4,975
4.5	Effect of movement in exchange rates on cash held	(106)	15
4.6	Cash and cash equivalents at end of period	6,422	6,422

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	6,422	13,477
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)	6,422	13,477

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	145
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)	357
8.2	Cash and cash equivalents at quarter end (item 4.6)	6,422
8.3	Unused finance facilities available at quarter end (item 7.5)	-
8.4	Total available funding (item 8.2 + item 8.3)	6,422
8.5	Estimated quarters of funding available (item 8.4 divided by item 8.1)	N/A
<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 April 2022

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.