

## **Quarter in Review – June 2018 Appendix 4C**

Since new management was appointed at the beginning of March, significant work has gone into reviewing the Company's current investments. Part of this review has involved determining the ability of the underlying investments to hit specific hurdles around growth metrics, reach a position of cash flow break-even and attract external capital if required (reviewed below).

Importantly at the Auctus corporate level, a strong focus has been on Cash Flow.

Net Cash used in operating activities was -\$256k. This reflects a 30% cost saving from the March quarter and over 60% from the December quarter. The cost savings have been predominantly driven by a reduction in staff and corporate costs, particularly external service providers.

### **Gophr**

Gophr had another strong quarter with revenue of £640k (\$1.136m) driven by HelloFresh and Marks & Spencer. Gophr continues to onboard new clients, which the Company expects will drive revenue growth in the lead up to the peak months at the end of the calendar year.

As part of the review of the Gophr accounts, a larger than forecast VAT liability (approximately £330k) was identified. The Company understands that Gophr has now entered into a payment plan with HMRC to repay this VAT over the next 3 months. This payment and the short-term funding of the business are intended to be covered by a capital raise proposed by Gophr of up to £750k. Auctus will likely take some part in the Gophr capital raise, although the terms and extent of its participation are yet to be determined.

### **Beyond Media ("BM")**

In reviewing with Lenovo the upscaling technology provided by BM, it has been determined that, while the technology has been loaded onto 1m devices, it is unlikely sales will extend beyond that number.

In the June quarter, sales were approximately 78,000 units, down from an average of approximately 100,000 in the previous two quarters. The pre-payment of US\$250,000 has now been covered by sales, so any further sales will result in cash flow of US\$1 per device.

### **Boppl**

Boppl grew Total Transaction Volume to over \$800k in the June quarter (+21%), which led to revenue growth of approximately 7.5%. Auctus and Boppl management are continuing to look at ways to scale the business further.



## ASX ANNOUNCEMENT (ASX: AVC)

### High Line

High Line has been consolidated into Auctus and is progressing a number of potential opportunities to grow Funds Under Management both domestically and offshore.

### Other

During the quarter Auctus;

- Sold its shareholding in Prism Digital (announced 29/6/18).
- Converted the principal sum of its debt in SuperMyWay into equity, which will result in a small negative (non-cash) fair value adjustment to the full year results.

### On behalf of the board:

Campbell McComb  
Managing Director

**For all shareholder enquiries please contact:**  
[enquiries@auctusinvest.com](mailto:enquiries@auctusinvest.com)

# Appendix 4C

## Quarterly report for entities subject to Listing Rule 4.7B

Introduced 31/03/00 Amended 30/09/01, 24/10/05, 17/12/10, 01/09/16

Name of entity

**AUCTUS ALTERNATIVE INVESTMENTS LIMITED (ASX:AVC)** *Formerly Yonder & Beyond Group Limited (ASX:YNB)*

ABN

**76 149 278 759**

Quarter ended (Current quarter)

**30 June 2018**

### Consolidated statement of cash flows

**1. Cash flows from operating activities**

- 1.1 Receipts from customers
- 1.2 Payments for:
  - (a) research and development
  - (b) product manufacturing and operating costs
  - (c) advertising and marketing
  - (d) leased assets
  - (e) staff costs
  - (f) administration and corporate costs
- 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) / refunded
- 1.7 Government grants and tax incentives
- 1.8 Other (provide details if material):
- 1.9 **Net cash from / (used in) operating activities**

Current quarter \$A'000	Year to date (12 Months) \$A'000
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2,226	8,137
-	-
-	-
(1,377)	(5,175)
(31)	(237)
-	-
(526)	(2,501)
(532)	(2,201)
-	-
-	2
(2)	(17)
(14)	(17)
-	337
-	-

(256)	(1,672)
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**2. Cash flows from investing activities**

- 2.1 Payments to acquire:
  - (a) property, plant and equipment
  - (b) businesses (see item 10)
  - (c) investments
  - (d) intellectual property
  - (e) other non-current assets
- 2.2 Proceeds from disposal of:
  - (a) property, plant and equipment
  - (b) businesses (see item 10)
  - (c) investments
  - (d) intellectual property
  - (e) other non-current assets
- 2.3 Cash flows from loans to other entities
- 2.4 Dividends received (see note 3)
- 2.5 Other (provide details if material)

(15)	(29)
-	-
-	-
-	(159)
-	(931)

-	-
(43)	(43)
-	-
-	-
-	-
-	-
-	-
-	-

(58)	(1,162)
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**2.6 Net cash from / (used in) investing activities**

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 Months) \$A'000
<b>3. Cash flows from financing activities</b>			
3.1 Proceeds from issues of shares		303	2,815
3.2 Proceeds from issue of convertible notes		-	-
3.3 Proceeds from exercise of share options		-	-
3.4 Transaction costs related to issues of shares, convertible notes or options		-	(103)
3.5 Proceeds from borrowings		70	398
3.6 Repayment of borrowings		-	(239)
3.7 Transaction costs related to loans and borrowings		-	-
3.8 Dividends paid		-	-
3.9 Other (provide details if material)		-	-
<b>3.10 Net cash from / (used in) financing activities</b>		<b>373</b>	<b>2,871</b>
<b>4. Net increase / (decrease) in cash and cash equivalents for the period</b>			
4.1 Cash and cash equivalents at beginning of quarter/year to date		225	237
4.2 Net cash from / (used in) operating activities (item 1.9 above)		(256)	(1,672)
4.3 Net cash from / (used in) investing activities (item 2.6 above)		(58)	(1,162)
4.4 Net cash from / (used in) financing activities (item 3.10 above)		373	2,871
4.5 Effect of movement in exchange rates on cash held			11
<b>4.6 Cash and cash equivalents at end of quarter</b>		<b>284</b>	<b>285</b>
<b>5. Reconciliation of cash and cash equivalents</b> at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts		<b>Current quarter \$A'000</b>	<b>Previous quarter \$A'000</b>
5.1 Bank balances		284	225
5.2 Call deposits		-	-
5.3 Bank overdrafts		-	-
5.4 Other (provide details)		-	-
<b>5.5 Cash and cash equivalents at end of quarter</b> (should equal item 4.6 above)		<b>284</b>	<b>225</b>
Not included above is an investment in Lancing Liquid Fund amounting to approximately \$700k USD. This Fund holds cash and has a monthly redemption facility.			
<b>6. Payments to directors of the entity and their associates</b>		<b>Current quarter \$A'000</b>	
6.1 Aggregate amount of payments to these parties included in item 1.2		75	
6.2 Aggregate amount of cash flow from loans to these parties included in item 2.3		-	
6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2			
Directors fees and salaries including payment of invoices and amounts due from prior periods			
<b>7. Payments to related entities of the entity and their associates</b>		<b>Current quarter \$A'000</b>	
7.1 Aggregate amount of payments to these parties included in item 1.2		-	
7.2 Aggregate amount of cash flow from loans to these parties included in item 2.3		-	
7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2			
Nil			

**8. Financing facilities available**

Add notes as necessary for an understanding of the position

Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
-	-
-	-
-	-

8.1 Loan facilities

8.2 Credit standby arrangements

8.3 Other (please specify)

8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.

Following the sale of Prism, there are no finance facilities in place. At sale date the balance in the finance facility was approximately £152,000.

**9. Estimated cash outflows for next quarter**

**\$A'000**

9.1 Research and development

9.2 Product manufacturing and operating costs

9.3 Advertising and marketing

9.4 Leased assets

9.5 Staff costs

9.6 Administration and corporate costs

9.7 Other (provide details if material)

9.8 **Total estimated cash outflows**

-  
(800)  
(100)  
-  
(400)  
(400)  
-

(1,700)

**10. Acquisitions and disposals of business entities**  
(items 2.1(b) and 2.2(b) above)

10.1 Name of entity

10.2 Place of incorporation or registration

10.3 Consideration for acquisition or disposal

10.4 Total net assets / (deficiency)

10.5 Nature of business

Acquisitions	Disposals
	Prism Digital Limited (UK)
	United Kingdom
	£20,000*
	£35,161
	Labour Recruitment

\* Net cash outflow shown in the cashflows from investing activities statement of \$43,000 includes disposal of cash held in Prism approximating £44,300. It does not include any amounts related to the disposal of the finance facility.

**Acquisition of High Line Alternative Investments Pty Ltd**

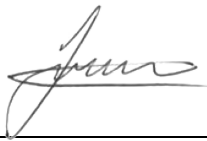
The Company completed the acquisition of High Line Alternative Investments Pty Ltd during the previous quarter. As at the date of this report 22,500,000 Milestone Shares remain outstanding in respect of the acquisition of High Line Alternative Investments Pty Ltd. The Company obtained waivers from the ASX under Listing Rule 7.3.2 to issue these Milestone Shares upon satisfaction of Milestone Targets. These are detailed as follows:

- 7,500,000 ordinary fully paid shares to be issued if funds held in managed investment trusts or similar entities which are managed by the YNB group or held funds in respect of which the YNB Group acts as investment advisor (Funds Under Management or Advice) exceeds \$10 million on or before 31 December 2018 (**Milestone 1 Shares**).
- 7,500,000 ordinary fully paid shares to be issued if Funds Under Management or Advice exceed \$17.5 million on or before 30 June 2019 (**Milestone 2 Shares**).
- 7,500,000 ordinary fully paid shares to be issued if Funds Under Management or Advice exceed \$25 million on or before 31 December 2019 (**Milestone 3 Shares**).

Each of the tranches of shares referred to above, will be subject to voluntary escrow for a period of 12 months from their respective issue dates.

### **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.

Signed:  Dated: Tuesday, 31 July 2018

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Company Secretary

Print name: Justin Mouchacca

**Notes**

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly 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 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.