

1. Company details

Name of entity:	Auctus Investment Group Limited
ABN:	76 149 278 759
Reporting period:	For the half-year ended 31 December 2020
Previous period:	For the half-year ended 31 December 2019

2. Results for announcement to the market

			\$
Revenues from ordinary activities	down	41.8% to	597,580
Loss from ordinary activities after tax attributable to the owners of Auctus Investment Group Limited	up	120.8% to	(2,471,492)
Loss for the half-year attributable to the owners of Auctus Investment Group Limited	up	120.8% to	(2,471,492)

Dividends

There were no dividends paid, recommended or declared during the current financial period.

Comments

The loss for the consolidated entity after providing for income tax amounted to \$2,471,492 (31 December 2019: \$1,119,510).

Financial performance

During the half-year period, the Company announced that Gophr Limited had signed a subscription agreement with a leading European venture capital firm to invest £4m to take a 20% stake in Gophr. This investment by the third party resulted in a dilution to the Company's investment holding in Gophr. In order for the investment to proceed, the Company agreed to an impairment to the carrying amount of its Convertible Note on issue by £200,000 which has been accounted for in the half-year period.

The Company has reviewed the carrying amount of its investment in Gophr Limited and as the shareholding as at 31 December 2020 was greater than 20% and the Company has a representative on the Board of Gophr, the carrying amount of the Company's investment continued to be recognised using the equity method of accounting. The current market value of the Company's investment is approximately \$6.45m following the recent third party investment.

Revenue from ordinary activities decreased from the previous period by \$428,583 due to the timing of capital raisings conducted by the Company for its current and new funds.

A non-cash share based payment expense amounting to \$1,013,878 (31 December 2019: \$745,709) was accounted for during the half-year period the majority of which represented the share based payment amount relating to the issue of 2 million loan funded shares.

The Company increased its workforce during the half-year period and as a result the employee benefits expense increased from \$723,625 in the previous corresponding period to \$1,307,640 in the half-year ended 31 December 2020.

Financial position

During the half-year period, the Company conducted a capital raising with \$4 million raised to increase the net asset position of the Company with a further \$657,000 raised through a Share Purchase Plan offered to eligible shareholders. The net asset position increased by \$3,312,678 as at 31 December 2020 to \$10,815,055 (30 June 2020: \$7,502,377).

The cash balance as at 31 December 2020 was \$4,131,489 (30 June 2020: \$1,819,155).

3. Net tangible assets

	Reporting period Cents	Previous period Cents
Net tangible assets per ordinary security	14.69	12.73

4. Control gained over entities

Not applicable.

5. Loss of control over entities

Not applicable.

6. Dividends

Current period

There were no dividends paid, recommended or declared during the current financial period.

Previous period

There were no dividends paid, recommended or declared during the previous financial period.

7. Dividend reinvestment plans

Not applicable.

8. Details of associates and joint venture entities

Name of associate / joint venture	Reporting entity's percentage holding		Contribution to profit/(loss) (where material)	
	Reporting period %	Previous period %	Reporting period \$	Previous period \$
RBP Partners LLC	30.00%	30.00%	-	(84,873)
Gophr Limited	20.88%	27.07%	55,744	(9,592)
<i>Group's aggregate share of associates and joint venture entities' profit/(loss) (where material)</i>				
Profit/(loss) from ordinary activities before income tax			55,744	(94,465)
Income tax on operating activities			-	-

9. Foreign entities

Details of origin of accounting standards used in compiling the report:

Not applicable.

10. Audit qualification or review

Details of audit/review dispute or qualification (if any):


The financial statements were subject to a review by the auditors and the review report is attached as part of the Interim Report.

11. Attachments

Details of attachments (if any):

The Interim Report of Auctus Investment Group Limited for the half-year ended 31 December 2020 is attached.

12. Signed

Signed  _____

Date: 26 February 2021

Campbell McComb
Chairman and Managing Director
Melbourne



AUCTUS
Investment Group

Auctus Investment Group Limited

ABN 76 149 278 759

Interim Report - 31 December 2020

Auctus Investment Group Limited
Corporate directory
31 December 2020

Directors	Campbell McComb (Managing Director and Interim Chairman) Michael Hynes (Executive Director) Brad Harrison (Non-Executive Director)
Company secretary	Justin Mouchacca
Registered office	Level 7, 90 Collins Street Melbourne VIC 3000 Phone: +61 3 9088 8670
Share register	Computershare Investor Services Pty Limited Yarra Falls 45 Johnson Street Abbotsford VIC 3067 Telephone: 1300 850 505 (investors within Australia)
Auditor	Pitcher Partners Level 13, 664 Collins Street Melbourne, Victoria, 3000 Telephone: +61 3 8610 5000
Stock exchange listing	Auctus Investment Group Limited shares are listed on the Australian Securities Exchange (ASX code: AVC)
Website	www.auctusinvest.com

Auctus Investment Group Limited

Contents

31 December 2020

Directors' report	3
Auditor's independence declaration	5
Condensed consolidated Statement of profit or loss and other comprehensive income	6
Condensed consolidated Statement of financial position	7
Statement of changes in equity	8
Statement of cash flows	9
Notes to the financial statements	10
Directors' declaration	18
Independent auditor's review report to the members of Auctus Investment Group Limited	19

Auctus Investment Group Limited
Directors' report
31 December 2020

The directors present their report, together with the Condensed Financial Report of the consolidated entity (referred to hereafter as the 'consolidated entity') consisting of Auctus Investment Group Limited (referred to hereafter as the 'company' or 'parent entity') and the entities it controlled at the end of, or during, the half-year ended 31 December 2020 and the independent review report thereon.

Directors

The following persons were directors of Auctus Investment Group Limited during the whole of the financial half-year and up to the date of this report, unless otherwise stated:

Mr Campbell McComb (Managing Director and Interim Chairman)
Mr Michael Hynes (Executive Director)
Mr Brad Harrison (Non-executive Director)

Principal activities

Auctus Investment Group Limited is global investment manager focusing on opportunities across private equity, infrastructure and private real estate. Its core investment thesis is investing in sectors with strong tailwinds and potential to scale. The Company provides access to these private market opportunities via investment funds for high net worth, family office and wholesale investors.

Review of operations

The loss for the consolidated entity after providing for income tax amounted to \$2,471,492 (31 December 2019: \$1,119,510).

Financial performance

During the half-year period, the Company announced that Gophr Limited had signed a subscription agreement with a leading European venture capital firm to invest £4m to take a 20% stake in Gophr. This investment by the third party resulted in a dilution to the Company's investment holding in Gophr. In order for the investment to proceed, the Company agreed to an impairment to the carrying amount of its Convertible Note on issue by £200,000. which has been accounted for in the half-year period.

The Company has reviewed the carrying amount of its investment in Gophr Limited and as the shareholding as at 31 December 2020 was greater than 20% and the Company has a representative on the Board of Gophr, the carrying amount of the Company's investment continued to be recognised using the equity method of accounting. The current market value of the Company's investment is approximately \$6.45m following the recent third party investment.

Revenue from ordinary activities decreased from the previous period by \$428,583 due to the timing of capital raisings conducted by the Company for its current and new funds.

A non-cash share based payment expense amounting to \$1,013,878 (31 December 2019: \$745,709) was accounted for during the half-year period the majority of which represented the share based payment amount relating to the issue of 2 million loan funded shares.

The Company increased its workforce during the half-year period and as a result the employee benefits expense increased from \$723,625 in the previous corresponding period to \$1,244,626 in the half-year ended 31 December 2020.

Financial position

During the half-year period, the Company conducted a capital raising with \$4 million raised to increase the net asset position of the Company with a further \$657,000 raised through a Share Purchase Plan offered to eligible shareholders. The net asset position increased by \$3,312,678 as at 31 December 2020 to \$10,815,055 (30 June 2020: \$7,502,377).

The cash balance as at 31 December 2020 was \$4,131,489 (30 June 2020: \$1,819,155).

Auctus Investment Group Limited
Directors' report
31 December 2020

Significant changes in the state of affairs

The following changes in the state of affairs took place during the period:

- On 24 August 2020, the consolidated entity issued 10,000,000 shares with an issue price of \$0.40 per share, raising \$4,000,000 before costs.
- On 18 September 2020, the consolidated entity issued 1,642,500 shares with an issue price of \$0.40 per share, raising \$657,000 before costs, through a Share Purchase Plan offer made to eligible shareholders.
- On 2 December 2020, the Company issued 2,000,000 loan funded shares to the Company's Managing Director following shareholder approval granted at the Company's 2020 Annual General Meeting (AGM). The loan is a non-recourse loan and repayable at any time or is repayable immediately if the Managing Director ceases to be an employee. If the employee sells the shares, the shares are payable on the date of receipt of the funds.

There were no other significant changes in the state of affairs of the consolidated entity during the financial half-year.

Matters subsequent to the end of the financial half-year

No matter or circumstance has arisen since 31 December 2020 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

Dividends

There were no dividends paid, recommended or declared during the current or previous financial half-year.

Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out immediately after this directors' report.

This report is made in accordance with a resolution of directors, pursuant to section 306(3)(a) of the Corporations Act 2001.

On behalf of the directors



Campbell McComb
Chairman and Managing Director

26 February 2021
Melbourne

AUCTUS INVESTMENT GROUP LIMITED

ABN 76 149 278 759



**AUDITOR'S INDEPENDENCE DECLARATION
TO THE DIRECTORS OF AUCTUS INVESTMENT GROUP LIMITED**

In relation to the independent auditor's review for the half-year ended 31 December 2020, to the best of my knowledge and belief there have been:

- (i) no contraventions of the auditor independence requirements of the *Corporations Act 2001*; and
- (ii) no contraventions of APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)*.

This declaration is in respect of Auctus Investment Group Limited and the entities it controlled during the period.

A handwritten signature in black ink, appearing to be 'NR Bull'.

N R BULL
Partner

26th February 2021

A handwritten signature in black ink, appearing to be 'Pitcher Partners'.

PITCHER PARTNERS
Melbourne

Auctus Investment Group Limited
Condensed Consolidated Statement of profit or loss and other comprehensive income
For the half-year ended 31 December 2020

		Consolidated	
	Note	31 December 2020	31 December 2019
		\$	\$
Revenue	5	597,580	1,026,163
Share of profits/(losses) of associates accounted for using the equity method	6	55,744	(94,465)
Other income	7	367,347	604,755
Unrealised loss on investments		(83,406)	(587,461)
Expenses			
Cost of sales		(231,797)	(235,319)
Business development		(24,322)	(136,678)
Compliance costs		(242,256)	(113,727)
Computers and communication		(8,640)	(3,360)
Depreciation and amortisation		(62,744)	(38,954)
Employee benefits expenses		(1,307,640)	(723,625)
Finance costs		(151)	(491)
Professional fees		(118,857)	(24,553)
Rent and utilities		2,071	(35,281)
Share based payments expense	13	(1,013,878)	(745,709)
Other expenses		(37,019)	(10,805)
Impairment expense	8	(363,524)	-
Loss before income tax expense		(2,471,492)	(1,119,510)
Income tax expense		-	-
Loss after income tax expense for the half-year attributable to the owners of Auctus Investment Group Limited		(2,471,492)	(1,119,510)
Other comprehensive income			
<i>Items that may be reclassified subsequently to profit or loss</i>			
Foreign currency translation		120,542	(4,867)
Other comprehensive income for the half-year, net of tax		120,542	(4,867)
Total comprehensive income for the half-year attributable to the owners of Auctus Investment Group Limited		<u>(2,350,950)</u>	<u>(1,124,377)</u>
		Cents	Cents
Basic earnings per share	19	(4.47)	(3.14)
Diluted earnings per share	19	(4.47)	(3.14)

The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes

Auctus Investment Group Limited
Condensed Consolidated Statement of financial position
As at 31 December 2020

		Consolidated	
		31 December	
	Note	2020	30 June 2020
		\$	\$
Assets			
Current assets			
Cash and cash equivalents		4,131,489	1,819,155
Trade and other receivables		365,069	-
Financial assets		1,060,633	1,363,448
Other		119,319	110,951
Total current assets		<u>5,676,510</u>	<u>3,293,554</u>
Non-current assets			
Investments accounted for using the equity method	9	1,431,068	1,375,324
Financial assets	10	3,060,328	2,878,596
Property, plant and equipment		13,584	14,347
Right-of-use assets		78,306	101,970
Intangibles	11	1,720,834	1,757,712
Total non-current assets		<u>6,304,120</u>	<u>6,127,949</u>
Total assets		<u>11,980,630</u>	<u>9,421,503</u>
Liabilities			
Current liabilities			
Trade and other payables		777,942	1,613,265
Lease Liabilities		68,897	69,993
Employee benefits		313,905	198,916
Total current liabilities		<u>1,160,744</u>	<u>1,882,174</u>
Non-current liabilities			
Provisions		63,014	-
Lease Liabilities		-	36,952
Total non-current liabilities		<u>63,014</u>	<u>36,952</u>
Total liabilities		<u>1,223,758</u>	<u>1,919,126</u>
Net assets		<u>10,756,872</u>	<u>7,502,377</u>
Equity			
Issued capital	12	32,272,180	26,592,613
Reserves	13	2,288,790	2,242,370
Accumulated losses		<u>(23,703,018)</u>	<u>(21,231,526)</u>
Equity attributable to the owners of Auctus Investment Group Limited		10,857,952	7,603,457
Non-controlling interest		<u>(101,080)</u>	<u>(101,080)</u>
Total equity		<u>10,756,872</u>	<u>7,502,377</u>

The above statement of financial position should be read in conjunction with the accompanying notes

Auctus Investment Group Limited
Statement of changes in equity
For the half-year ended 31 December 2020

Consolidated	Issued capital \$	Foreign exchange translation reserve \$	Share based payments reserve \$	Accumulated losses \$	Non-controlling interest \$	Total equity \$
Balance at 1 July 2019	23,473,247	(357,539)	1,215,851	(18,267,730)	(262,211)	5,801,618
Loss after income tax expense for the half-year	-	-	-	(1,119,510)	-	(1,119,510)
Other comprehensive income for the half-year, net of tax	-	(4,867)	-	-	-	(4,867)
Total comprehensive income for the half-year	-	(4,867)	-	(1,119,510)	-	(1,124,377)
<i>Transactions with owners in their capacity as owners:</i>						
Contributions of equity, net of transaction costs	2,125,195	-	(814,000)	-	-	1,311,195
Share-based payments (note 20)	-	-	745,709	-	-	745,709
Balance at 31 December 2019	<u>25,598,442</u>	<u>(362,406)</u>	<u>1,147,560</u>	<u>(19,387,240)</u>	<u>(262,211)</u>	<u>6,734,145</u>

Consolidated	Issued capital \$	Foreign exchange translation reserve \$	Share based payments reserve \$	Accumulated losses \$	Non-controlling interest \$	Total equity \$
Balance at 1 July 2020	26,592,613	(503,335)	2,745,705	(21,231,526)	(101,080)	7,502,377
Loss after income tax expense for the half-year	-	-	-	(2,471,492)	-	(2,471,492)
Other comprehensive income for the half-year, net of tax	-	120,542	-	-	-	120,542
Total comprehensive income for the half-year	-	120,542	-	(2,471,492)	-	(2,350,950)
<i>Transactions with owners in their capacity as owners:</i>						
Contributions of equity, net of transaction costs (note 12)	4,591,567	-	-	-	-	4,591,567
Share-based payments (note 20)	-	-	1,013,878	-	-	1,013,878
Transfer of performance rights converted during the year into equity	1,088,000	-	(1,088,000)	-	-	-
Balance at 31 December 2020	<u>32,272,180</u>	<u>(382,793)</u>	<u>2,671,583</u>	<u>(23,703,018)</u>	<u>(101,080)</u>	<u>10,756,872</u>

The above statement of changes in equity should be read in conjunction with the accompanying notes

Auctus Investment Group Limited
Statement of cash flows
For the half-year ended 31 December 2020

		Consolidated	
	Note	31 December 2020	31 December 2019
		\$	\$
Cash flows from operating activities			
Receipts from customers (inclusive of GST)		432,414	1,030,682
Payments to suppliers and employees (inclusive of GST)		(2,169,099)	(2,036,233)
Interest received		218,268	112
Interest and other finance costs paid		(3,932)	(491)
Government grants received		140,923	-
Net cash used in operating activities		<u>(1,381,426)</u>	<u>(1,005,930)</u>
Cash flows from investing activities			
Payments for investments		(133,708)	(539,186)
Payments for property, plant and equipment		(1,439)	-
Loans provided		<u>(728,544)</u>	<u>-</u>
Net cash used in investing activities		<u>(863,691)</u>	<u>(539,186)</u>
Cash flows from financing activities			
Proceeds from issue of shares	12	4,657,000	1,335,500
Share issue transaction costs	12	(65,433)	(24,305)
Repayment of lease liabilities		<u>(34,116)</u>	<u>-</u>
Net cash from financing activities		<u>4,557,451</u>	<u>1,311,195</u>
Net increase/(decrease) in cash and cash equivalents		2,312,334	(233,921)
Cash and cash equivalents at the beginning of the financial half-year		1,819,155	518,627
Effects of exchange rate changes on cash and cash equivalents		<u>-</u>	<u>1,770</u>
Cash and cash equivalents at the end of the financial half-year		<u><u>4,131,489</u></u>	<u><u>286,476</u></u>

The above statement of cash flows should be read in conjunction with the accompanying notes

Note 1. General information

The financial statements cover Auctus Investment Group Limited as a consolidated entity consisting of Auctus Investment Group Limited and the entities it controlled at the end of, or during, the half-year. The financial statements are presented in Australian dollars, which is Auctus Investment Group Limited's functional and presentation currency.

Auctus Investment Group Limited is a listed public company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business are:

Level 7, 90 Collins Street
Melbourne VIC 3000
+61 3 9088 8670

A description of the nature of the consolidated entity's operations and its principal activities are included in the directors' report, which is not part of the financial statements.

The financial statements were authorised for issue, in accordance with a resolution of directors, on 26 February 2021.

Note 2. Significant accounting policies

These general purpose financial statements for the interim half-year reporting period ended 31 December 2020 have been prepared in accordance with Australian Accounting Standard AASB 134 'Interim Financial Reporting' and the Corporations Act 2001, as appropriate for for-profit oriented entities. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'.

These general purpose financial statements do not include all the notes of the type normally included in annual financial statements. Accordingly, these financial statements are to be read in conjunction with the annual report for the year ended 30 June 2020 and any public announcements made by the company during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

The principal accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, unless otherwise stated.

New or amended Accounting Standards and Interpretations adopted

The consolidated entity has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

Note 3. Critical accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

Share-based payment transactions

The consolidated entity measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by using either the Binomial or Black-Scholes model taking into account the terms and conditions upon which the instruments were granted. The accounting estimates and assumptions relating to equity-settled share-based payments would have no impact on the carrying amounts of assets and liabilities within the next annual reporting period but may impact profit or loss and equity.

Note 3. Critical accounting judgements, estimates and assumptions (continued)

Fair value measurement hierarchy

The consolidated entity is required to classify all assets and liabilities, measured at fair value, using a three level hierarchy, based on the lowest level of input that is significant to the entire fair value measurement, being: Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date; Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly; and Level 3: Unobservable inputs for the asset or liability. Considerable judgement is required to determine what is significant to fair value and therefore which category the asset or liability is placed in can be subjective.

Goodwill and other indefinite life intangible assets

The consolidated entity tests annually, or more frequently if events or changes in circumstances indicate impairment, whether goodwill and other indefinite life intangible assets have suffered any impairment, in accordance with the accounting policy stated in note 2. The recoverable amounts of cash-generating units have been determined based on value-in-use calculations. These calculations require the use of assumptions, including estimated discount rates based on the current cost of capital and growth rates of the estimated future cash flows.

Income tax

The consolidated entity is subject to income taxes in the jurisdictions in which it operates. Significant judgement is required in determining the provision for income tax. There are many transactions and calculations undertaken during the ordinary course of business for which the ultimate tax determination is uncertain. The consolidated entity recognises liabilities for anticipated tax audit issues based on the consolidated entity's current understanding of the tax law. Where the final tax outcome of these matters is different from the carrying amounts, such differences will impact the current and deferred tax provisions in the period in which such determination is made.

Note 4. Operating segments

Identification of reportable operating segments

AASB 8 requires operating segments to be identified on the basis of internal reports about the components of the consolidated entity that are regularly reviewed by the chief operating decision maker in order to allocate resources to the segment and to assess its performance. The board reviews the Company as a whole in the business segment of asset management within Australia for the current and comparative periods.

Note 5. Revenue

	Consolidated	
	31 December 2020	31 December 2019
	\$	\$
<i>Revenue from contracts with customers</i>		
Fees earned	<u>597,580</u>	<u>1,026,163</u>

Note 6. Share of profits/(losses) of associates accounted for using the equity method

	Consolidated	
	31 December 2020	31 December 2019
	\$	\$
Share of profit / (loss) - associates	<u>55,744</u>	<u>(94,465)</u>

Note 7. Other income

	Consolidated	
	31 December 2020	31 December 2019
	\$	\$
Interest revenue	218,268	196,014
Gain on forgiveness of debts	-	295,000
Unrealised foreign exchange gain / (loss)	-	116,823
Realised foreign exchange gain / (loss)	8,156	(3,082)
Government grants	140,923	-
	<u>367,347</u>	<u>604,755</u>

Note 8. Expenses

	Consolidated	
	31 December 2020	31 December 2019
Impairment expense	<u>363,524</u>	<u>-</u>

An impairment expense has been booked during the half-year following an agreement to settle a Convertible Note receivable from Gophr Limited for £200,000 (A\$363,524) less than the face value of the note.

Note 9. Non-current assets - investments accounted for using the equity method

	Consolidated	
	31 December 2020	30 June 2020
	\$	\$
Investment in Gophr	1,177,208	1,121,464
Investment in RBP Partners	253,860	253,860
	<u>1,431,068</u>	<u>1,375,324</u>

The investment in Gophr consists of a 20.88% equity interest in Gophr Ltd, a company incorporated in the UK. The investment in RBP Partners consists of a 30.0% equity interest in RBP Partners LLC, a company incorporated in the USA.

Both investments are accounted for using equity accounting as the consolidated entity has significant influence over this entity. There were no commitments or contingent liabilities in relation to the entities at the end of the reporting period. A roll-forward of the carrying amount of the investment is noted below.

	Consolidated	
	31 December 2020	30 June 2020
	\$	\$
<i>Gophr - reconciliation to carrying amount:</i>		
Opening carrying value	1,121,464	1,331,171
Share of profit / (loss) for the period	55,744	(209,707)
Closing carrying value	<u>1,177,208</u>	<u>1,121,464</u>

Note 9. Non-current assets - investments accounted for using the equity method (continued)

	Consolidated	
	31 December	30 June 2020
	2020	
<i>RBP Partners - reconciliation to carrying amount:</i>		
Opening carrying value	253,860	597,117
Share of profit / (loss) for the period	-	(343,257)
Closing carrying value	<u>253,860</u>	<u>253,860</u>

Note 10. Non-current assets - financial assets

	Consolidated	
	31 December	30 June 2020
	2020	
	\$	\$
Vendor loan receivable - amortised cost	1,672,822	1,573,339
Managed investments - fair value through profit or loss	710,421	576,713
Loans receivable	677,085	728,544
	<u>3,060,328</u>	<u>2,878,596</u>

Note 11. Non-current assets - intangibles

	Consolidated	
	31 December	30 June 2020
	2020	
	\$	\$
Goodwill - acquisition	1,157,482	1,157,482
Contractual right to cashflows from management fees - at cost (i)	712,902	712,902
Less: Accumulated amortisation	(149,550)	(112,672)
	<u>563,352</u>	<u>600,230</u>
	<u>1,720,834</u>	<u>1,757,712</u>

(ii) Contractual right to cashflows from management

The Company maintains a contractual right to future cashflows related to the Scout Fund III GP. The maximum amount payable for the contractual right was \$1,000,000 USD.

This is payable in three portions as follows:

- \$250,000 USD initial payment: This was paid during the period to 31 December 2018.
- \$250,000 USD subsequent payment: \$125,000 USD of this was paid during the six months to 31 December 2019, and \$125,000 USD was paid in April 2020.
- \$500,000 USD is payable upon Scout Fund III reaching an aggregate of \$50M USD in capital commitments. This payment will be reduced proportionately in the event Scout Fund III does not meet this threshold at its final closing. The timing and amount of this payment is uncertain, and as at 31 December 2020 the fund has not reached \$50M in capital commitments and is not expected to in the near future. Accordingly this payment has not been included in the cost base of the contractual right. The future possible payment is a contingent liability as noted in Note 16.

Note 11. Non-current assets - intangibles (continued)

The 10% contractual right to cashflow related to the Scout Fund III GP allows the Group a minimum of 10% of the management fees earned by the fund once it closes, increasing based on the size of the capital commitments at close. The contractual right to cashflow in Scout Fund II GP will be adjusted at the close of Scout Fund II GP to account for any committed capital raised by Auctus at this time. As such it has been accounted for as an intangible asset, being the contractual right to future cashflows. The fund has a finite life of 10 years from incorporation, and the intangible asset is accordingly being amortised over this life.

Note 12. Equity - issued capital

	31 December 2020 Shares	Consolidated 31 December 2020 30 June 2020 Shares	31 December 2020 \$	30 June 2020 \$
Ordinary shares - fully paid	<u>61,433,891</u>	<u>44,341,391</u>	<u>32,272,180</u>	<u>26,592,613</u>

Movements in ordinary share capital

Details	Date	Shares	Issue price	\$
Balance	1 July 2019	44,341,391		26,592,613
Conversion of performance rights	2 July 2020	2,107,142	-	824,571
Conversion of performance rights	20 July 2020	342,858	-	63,429
Conversion of performance rights	21 August 2020	500,000	-	100,000
Issue of shares for capital raising	24 August 2020	10,000,000	\$0.40	4,000,000
Issue of Share Purchase Plan Shares	18 September 2020	1,642,500	\$0.40	657,000
Issue of loan funded shares	2 December 2020	2,000,000	-	-
Conversion of performance rights	30 December 2020	500,000	-	100,000
Capital raising costs			-	(65,433)
Balance	31 December 2020	<u>61,433,891</u>		<u>32,272,180</u>

Ordinary shares

Ordinary shares entitle the holder to participate in dividends and the proceeds on the winding up of the company in proportion to the number of and amounts paid on the shares held. The fully paid ordinary shares have no par value and the company does not have a limited amount of authorised capital.

On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

Share buy-back

There is no current on-market share buy-back.

Note 13. Equity - reserves

	Consolidated 31 December 2020 \$	30 June 2020 \$
Foreign currency reserve	(382,793)	(503,335)
Share-based payments reserve	<u>2,671,583</u>	<u>2,745,705</u>
	<u>2,288,790</u>	<u>2,242,370</u>

Note 13. Equity - reserves (continued)

Movements in reserves

Movements in each class of reserve during the current financial half-year are set out below:

	Share-based payments reserve \$	Foreign exchange translation reserve \$	Total \$
Consolidated			
Balance at 1 July 2020	2,745,705	(503,335)	2,242,370
Foreign currency translation	-	120,542	120,542
Share-based payments	1,013,878	-	1,013,878
Transfer to issued capital	(1,088,000)	-	(1,088,000)
Balance at 31 December 2020	<u>2,671,583</u>	<u>(382,793)</u>	<u>2,288,790</u>

Note 14. Equity - dividends

There were no dividends paid, recommended or declared during the current or previous financial half-year.

Note 15. Fair value measurement

Fair value hierarchy

The following tables detail the consolidated entity's assets and liabilities, measured or disclosed at fair value, using a three level hierarchy, based on the lowest level of input that is significant to the entire fair value measurement, being:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly

Level 3: Unobservable inputs for the asset or liability

	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
Consolidated - 31 December 2020				
<i>Managed investments - fair value through profit or loss</i>				
Managed investments - Mobilicom Limited (ASX: MOB)	142,355	-	-	142,355
Managed investments - other	-	-	568,066	568,066
Total	<u>142,355</u>	<u>-</u>	<u>568,066</u>	<u>710,421</u>
Consolidated - 30 June 2020				
<i>Managed investments - fair value through profit or loss</i>				
Managed investments - Mobilicom Limited (ASX: MOB)	60,398	-	-	60,398
Managed investments - other	-	-	516,315	516,315
Total	<u>60,398</u>	<u>-</u>	<u>516,315</u>	<u>576,713</u>

There were no transfers between levels during the financial half-year.

A fair value adjustment amounting to \$4,043 has been recorded for the half-year period to 31 December 2020 for Level 1 assets.

Note 15. Fair value measurement (continued)

Valuation techniques for fair value measurements categorised within level 2 and level 3

The managed funds have been classified as Level 3 fair values in the fair value hierarchy due to the inclusion of unobservable inputs including the last capital raise price. The value of investments valued as Level 3 investments as at 31 December 2020 is \$568,066.

Note 16. Contingent liabilities

As noted in note 11, \$500,000 USD is payable upon Scout Fund III reaching an aggregate of \$50m USD in capital commitments. This payment will be reduced proportionately in the event Scout Fund III does not meet this threshold at its final closing. The timing and amount of this payment is uncertain and as at 31 December 2020 the fund has not reached \$50m in capital commitments and is noted expected to in the near future.

There are no other contingent liabilities as at 31 December 2020 (December 2019: none aside from that mentioned above).

Note 17. Commitments

The Group has no material commitments as at 31 December 2020 (31 December 2019: nil).

Note 18. Events after the reporting period

No matter or circumstance has arisen since 31 December 2020 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

Note 19. Earnings per share

	Consolidated	
	31 December 2020	31 December 2019
	\$	\$
Loss after income tax attributable to the owners of Auctus Investment Group Limited	<u>(2,471,492)</u>	<u>(1,119,510)</u>
	Number	Number
Weighted average number of ordinary shares used in calculating basic earnings per share	<u>55,347,090</u>	<u>35,678,716</u>
Weighted average number of ordinary shares used in calculating diluted earnings per share	<u>55,347,090</u>	<u>35,678,716</u>
	Cents	Cents
Basic earnings per share	(4.47)	(3.14)
Diluted earnings per share	(4.47)	(3.14)

As at 31 December 2020, the Group had 17,942,607 unissued shares under options and 400,000 performance shares that were out of the money which are anti-dilutive (31 December 2019: 10,542,607 options, 2,050,000 performance shares).

Note 20. Share-based payments

	Consolidated	
	31 December 2020	31 December 2019
	\$	\$
Share-based payment expense	<u>1,013,878</u>	<u>745,709</u>

Loan Funded Shares

During the half year and following receipt of shareholder approval at the Company's 2020 Annual General Meeting (AGM) of shareholders held on 30 November 2020, the Company issues 2,000,000 Loan Funded Shares (LFS) to Managing Director, Mr Campbell McComb, by way of a non-recourse loan. The loan is repayable at any time or is repayable immediately if the participant ceases to be an employee. If the employee sells the shares, the shares are payable on the date of receipt of the funds. The 2,000,000 shares was issued at \$0.54 (54 cents) on 2 December 2020 and considered to have vested on that date. The share-based payment expense recognised relates to the full value of the payment as at 2 December 2020.

A share based payment expense has been recorded on the issue date for the issue of LFS amounting to \$938,140.

Unlisted options

On 18 September 2020, the Company issued 500,000 unlisted options with 250,000 exercisable at \$0.60 (60 cents) per option, expiring 27 December 2021 and 250,000 options exercisable at \$1.00 per option, expiring 27 December 2021. A share based payment expense has been recorded on the issue date amounting to \$54,770 as the unlisted options vested immediately.

Other share based payments expenses relating to the vesting of performance rights over time amounted to \$20,966.

Auctus Investment Group Limited
Directors' declaration
31 December 2020

In the directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, Australian Accounting Standard AASB 134 'Interim Financial Reporting', the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes give a true and fair view of the consolidated entity's financial position as at 31 December 2020 and of its performance for the financial half-year ended on that date; and
- there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of directors made pursuant to section 303(5)(a) of the Corporations Act 2001.

On behalf of the directors



Campbell McComb
Chairman and Managing Director

26 February 2021
Melbourne

**INDEPENDENT AUDITOR'S REVIEW REPORT
TO THE MEMBERS OF AUCTUS INVESTMENT GROUP LIMITED**

Report on the Half-Year Financial Report

Conclusion

We have reviewed the half-year financial report of Auctus Investment Group Limited, "the Company" and its controlled entities "the Group", which comprises the consolidated statement of financial position as at 31 December 2020, the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half-year ended on that date, a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the accompanying half-year financial report of Auctus Investment Group Limited does not comply with the *Corporations Act 2001* including:

- (a) giving a true and fair view of the Auctus Investment Group Limited financial position as at 31 December 2020 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Basis for Conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Financial Report* section of our report. We are independent of the Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001* which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's review report.

Responsibility of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

**INDEPENDENT AUDITOR'S REVIEW REPORT
TO THE MEMBERS OF AUCTUS INVESTMENT GROUP LIMITED**

Auditor's Responsibility for the Review of the Financial Report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2020 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.



N R BULL
Partner



PITCHER PARTNERS
Melbourne

26th February 2021