

15 July 2020
ASX Announcement

June 2020 Quarter in Review – Appendix 4C

Key Points

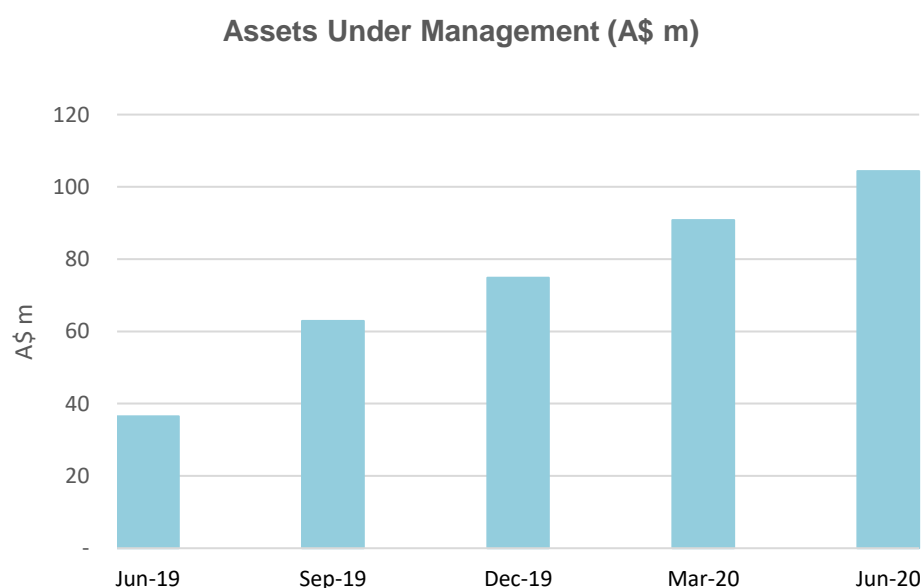
- **Assets Under Management up 15% over the quarter to \$105m**
- **Cash receipts over \$1.1m for June quarter and \$2.7m for the 12 months to June**
- **Cash flow from operating activities \$346,000 for the quarter**
- **Cash on hand at the end of the quarter in-excess of \$1.8m**

Auctus Investment Group Limited ('AVC', 'Auctus' or 'the Company') is pleased to provide the following update in relation to activities for the June quarter of 2020.

Auctus Asset Management Pty Ltd (Auctus AM)

Auctus Asset Management ('Auctus AM') increased Assets Under Management (AUM) from A\$91m at the end of March to A\$105m at the end of June 2020, a 15% improvement. This improvement comes despite a positive 12.5% move in the \$A over the quarter and all our AUM being denominated in US\$.

The Company believes that it is very well positioned to continue this growth in FY21 with the launch of new investment opportunities.



Cash Flow from Operations and Cash Position

Auctus AM generated over \$1.1m in cash receipts from customers for the quarter, an improvement of over 66% on that recorded in the March quarter. Receipts from customers for the 12 months to June 2020 were approximately \$2.7m.

Positive cash flow of \$346,000 for the June 2020 quarter was an 86% improvement on the March 2020 quarter. When combining the June and March quarters, the second half of FY2020 resulted in a positive cash flow in-excess of \$530k.

The Company ended the quarter with approximately \$1.8m 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.

Fund Updates

Energy Storage Fund

As announced on 1 July 2020, the Energy Storage Fund closed oversubscribed at US\$33.5m.

The Energy Storage Fund was established to provide investors with access to esVolta, LP – a leading battery storage company focused on the development and acquisition of large-scale projects for utility customers in North America.

Scout Ventures Fund III

Scout Ventures Fund III provides investors with unique access to an already established portfolio of technology companies across the United States. The Fund remains open, with a target to raise between US\$10 – 15m from wholesale and sophisticated investors.

Student Quarters

As announced on 13 July 2020, Auctus has signed a joint venture with US-based specialist student housing asset manager, Student Quarters, LLC ("SQ"). Auctus will initially launch a US\$50m multi-asset Fund to invest in value add and opportunistic deals, with the intention to build the portfolio to ~US\$250m over the next 3 years. The Fund will aim to deliver a total asset backed net IRR of 15% per annum including an anticipated yield to investors of ~6% per annum payable quarterly.

We intend to launch the SQ Property Opportunities Fund in the coming weeks.

Auctus Investment Holdings**Balance Sheet Investments**

As announced to market on 9 July 2020, Gophr Limited ('Gophr') started the first half of 2020 extremely well and they are now building towards a Series A in the second half. We will continue to keep investors informed during this process, with a view to revaluing our investment at completion.

Positioning for continued growth

Auctus continues to selectively grow our team with the hiring of experienced staff to assist with our growth plans. Post the end of the quarter we have added additional capital raising capabilities in Sydney with the appointment of a senior executive with over 20 years' experience. This will enable Auctus to position into a market that we have yet to gain significant penetration.

The Company's Managing Director, Mr Campbell McComb, was appointed in March 2018 and following a review of his annual remuneration, an increase to \$420,000 plus statutory superannuation has been approved, effective 1 March 2020. All other key terms of his employment agreement will remain as per the Company's announcement on 7 March 2018.

The above have both been factored into budgets for FY20/21.

-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 June 2020

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (12 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	1,101	2,715
1.2 Payments for		
(a) research and development	-	-
(b) product manufacturing and operating costs	(180)	(465)
(c) advertising and marketing	-	-
(d) leased assets	-	-
(e) staff costs	(456)	(1,637)
(f) administration and corporate costs	(205)	(1,170)
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	86	86
1.8 Other (provide details if material)	-	-
1.9 Net cash from / (used in) operating activities	346	(471)

2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) businesses	-	-
(c) property, plant and equipment	-	-
(d) investments	(174)	(713)
(e) intellectual property	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 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	213	213
	(e) intellectual property	-	-
	(f) 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)	-	-
2.6	Net cash from / (used in) investing activities	39	(500)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	1,000	2,335
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	(6)	(35)
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	994	2,300

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	477	519
4.2	Net cash from / (used in) operating activities (item 1.9 above)	346	(471)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	39	(500)

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
4.4	Net cash from / (used in) financing activities (item 3.10 above)	994	2,300
4.5	Effect of movement in exchange rates on cash held	(38)	(30)
4.6	Cash and cash equivalents at end of period	1,818	1,818

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	1,818	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)	1,818	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	158
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)	346
8.2	Cash and cash equivalents at quarter end (item 4.6)	1,818
8.3	Unused finance facilities available at quarter end (item 7.5)	-
8.4	Total available funding (item 8.2 + item 8.3)	1,818
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: 15 July 2020

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.