

ASX Announcement
23 December 2020

Auctus to acquire up to 24% of Impact Investment Partners Pty Ltd (Impact IP)

Key Points:

- **Impact IP is an investment manager focused on infrastructure and social infrastructure investments in Australia's Indigenous communities**
- **Projects totalling between \$1bn - \$2bn in Indigenous infrastructure have been identified**
- **Impact IP has launched and is the investment manager for the Indigenous Infrastructure Investment Fund (IIIF) with a focus on building total AUM to \$500m**

Auctus Investment Group Limited (ASX: AVC, 'the Company' or 'Auctus') is pleased to announce that it has signed a binding term sheet (Term Sheet) with Impact Investment Partners Pty Ltd (Impact IP) for the proposed acquisition of up to a 24% interest in Impact IP by Auctus Asset Management.

Impact IP is an investment manager focussed on identifying and building essential infrastructure and social infrastructure assets in and for Indigenous communities through their Community-Led Infrastructure Model. These projects will span across essential infrastructure such as energy generation and storage, water supply solutions and social infrastructure such as health facilities, university accommodation and community hubs.

Impact IP is currently engaged with a number of potential investors across superannuation funds, family offices and Indigenous fund investors.

Auctus proposes to acquire its initial 14% interest through 2 separate subscriptions as noted below:

- **Subscription 1** - The first subscription will be completed following payment of \$1.05 million for a 7% interest in shares of Impact IP. Following completion of this Subscription Auctus will be provided Board observer rights; and
- **Subscription 2** - The second subscription, 3 months after Subscription 1, will be completed following payment of \$1.05 million for a further 7% interest (total 14%) in shares of Impact IP. Following completion of this Subscription Auctus will be provided a Board seat at Impact IP.

These funds will provide a working capital injection for Impact IP to increase the efficiency of their Community-Led Infrastructure Model by expanding their existing investment management and build implementation teams. Equally importantly, funds will also be deployed to direct community engagement and involvement in these projects.

The remaining 10% holding is proposed to be carried out through a share swap with existing Impact IP holders being offered new shares in Auctus with an implied value of \$1.5 million. The exact quantum of Auctus shares to be issued will be determined prior to formal documentation being sent to Impact IP shareholders and based on the 5-day Volume Weighted Average Share Price (VWAP) prior to the offer to Impact IP Shareholders being made. The proposed acquisition of the remaining 10% holding would be subject to all applicable laws and listing rules. All shares to be issued to the holders of Impact IP will be escrowed for a period of 6 months from the date of issue.

Commenting on the investment Managing Director of Auctus, Mr Campbell McComb said, “Auctus is excited by the opportunity presented by Impact IP. Chris Croker (MD of Impact IP) and his team have a unique position in improving Indigenous economic participation in and access to these infrastructure services. For Auctus, there is significant alignment with our existing funds and relationships across healthcare, energy infrastructure and student housing.”

Managing Director of Impact IP, Chris Croker, commented, “Our IIIF will improve Indigenous economic participation and access to infrastructure services such as reliable electricity, clean and safe drinking water, improved health care and act as a catalyst for addressing the long-term disadvantage of Indigenous people in Australia. The Auctus investment will assist Impact IP to increase our engagement with Indigenous communities and delivering on our Community-Led Infrastructure Model. Auctus’ experience with aligned social infrastructure investments also compliments our expertise in community engagement, funds management and infrastructure delivery.”

Completion of the proposed acquisition is subject to finalisation of definitive documents including an Implementation Deed, Share Subscription Agreement and Share Purchase Agreement, along with final due diligence being completed by Auctus.

About Auctus

Auctus Investment Group Limited (‘Auctus’) is an ASX listed global investment manager with approximately A\$250M Assets Under Management (AUM), focusing on opportunities across private equity, infrastructure and private real estate. Our core investment thesis is investing in sectors with strong tailwinds and potential to scale. Auctus provides access to these private market investments for wholesale, Family Office and sophisticated investors.

This announcement has been authorised for release by the Board of AVC.

For shareholder enquiries please contact:

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