

22 January 2021
ASX Announcement

December 2020 Quarter in Review – Appendix 4C

Key Points

- **Assets Under Management (“AUM”) up 14% over the quarter to \$266M.**
- **Fee earning AUM up 9% over the quarter to \$166M (post FX movements).**
- **Cash balance at the end of December \$4.1M (ex \$1m receipt from Gophr).**
- **New Fund launched to invest in Petstock Pty Ltd.**
- **esVolta secures Macquarie’s Green Investment Group (GIG) as an investor.**
- **Gophr completes Series A and repays Auctus convertible note.**

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

Auctus Asset Management Pty Ltd (Auctus AM)

Auctus Asset Management (‘Auctus AM’) increased Assets Under Management (AUM) from A\$233M at the end of September to A\$266M at the end of December, a 14% improvement. Fee earning AUM over the period increased to \$166M, an uplift of 9%. This growth in AUM was recorded after a 7.5% weakening of the USD vs AUD. All existing AUM is in USD.



Cash Flow from Operations and Cash Position

Auctus AM generated \$154k in cash receipts from customers for the quarter. During the quarter Auctus AM continued to focus on the settlement of the first asset in the SQ Property Opportunities Fund along with the process of launching a Fund to take an equity stake in Petstock Pty Ltd. The payments for the December 2020 quarter were slightly up on previous quarters, resulting in an operating cash outflows of \$832k. The Company ended the quarter with approximately \$4.1M in cash.

Unaudited net assets at the end of December increased significantly to approximately \$16M. This is a result of an increase in the carrying amount of the Company's investment in Gophr Limited.

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

Student Quarters

The SQ Property Opportunities Fund has settled its first asset - The Edge at Texas Tech University (TTU). The Edge is a 288-bed asset in Lubbock, Texas and was valued at US\$28.1M. The equity component of the transaction was US\$9.1M, funded 90% by the Fund and a 10% co-investment by Student Quarters. Debt on the property is locked in at 3.18% for 31 years.

Student Quarters and Auctus Asset Management have a number of additional properties currently under review that, subject to due diligence, we would expect to be in a position to settle in the March and June quarters.

EsVolta, LP (Energy Storage Fund)

Auctus Investment Group and our US based subsidiary, RBP Partners were delighted to inform investors in the Energy Storage Fund that Macquarie's Green Investment Group (GIG) announced that it will make a substantial investment in esVolta.

In addition to the US\$140M project finance facility announced in February 2020, this transaction is a significant milestone for the business.

"With this agreement and support from the Green Investment Group, we are positioned to rapidly grow our energy storage business across North America," said Randolph Mann, founder and chief executive officer of esVolta. "Demand for energy storage in our home state of California remains strong, and we see vast opportunities for geographic expansion as well as additional product and service offerings. Our relationship with GIG will further broaden our expertise and unlock additional growth opportunities."

The transaction is subject to receipt of regulatory approvals, including CFIUS (The Committee on Foreign Investment in the United States) and FERC (Federal Energy Regulatory Commission).

We look forward to providing further updates throughout the year.

Petstock Pty Ltd

Auctus AM officially launched its Fund to invest in Petstock Pty Ltd on 17 December 2020.

Petstock is Australia and New Zealand's largest private, family owned, omni-channel pet specialty retailer. The funds raised will be used to strengthen the balance sheet and support the companies exciting growth prospects.

The initial demand for the Fund has been extremely strong and is expected to be filled before the indicative close date.

Acquisitions**Impact Investment Partners Pty Ltd**

As announced to the ASX on 23 December 2020, Auctus Asset Management has signed a binding term sheet to purchase up to 24% of Impact Investment Partners Pty Ltd (Impact IP). Impact IP is an investment manager focused on infrastructure and social infrastructure investments in Australia's indigenous communities.

Auctus AM is currently moving towards final documentation and the first tranche of the investment is expected to be completed in the coming weeks.

Auctus Investment Holdings Pty Ltd (Auctus IH)**Gophr Ltd**

Final binding documentation for the Series A into Gophr Ltd (Gophr) was completed as announced to the ASX on 24 December 2020. The transaction settled at the end of December.

From an Auctus IH perspective, this has led to the cash repayment of a £600,000 (\$A 1m) Convertible Note in the first week of January 2021 and a revaluation of the holding on balance sheet.

The Gophr business has continued to outperform expectations and is now well capitalised to grow even more rapidly over the coming 12 months.

- Ends -

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

For all shareholder enquiries please contact:

Campbell McComb
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 December 2020**

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (6 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	154	366
1.2 Payments for		
(a) research and development	-	-
(b) product manufacturing and operating costs	(50)	(167)
(c) advertising and marketing	-	-
(d) leased assets	-	-
(e) staff costs	(599)	(1,063)
(f) administration and corporate costs	(380)	(607)
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	43	141
1.8 Other (provide details if material)	-	-
1.9 Net cash from / (used in) operating activities	(832)	(1,330)
2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) businesses	-	-
(c) property, plant and equipment	(2)	(2)
(d) investments	-	-
(e) intellectual property	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 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	(52)	(138)
	(e) intellectual property	-	-
	(f) other non-current assets	-	-
2.3	Cash flows from loans to other entities	(6)	(731)
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
2.6	Net cash from / (used in) investing activities	(60)	(871)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	4,657
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	(47)	(55)
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	(47)	4,602

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	5,120	1,818
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(832)	(1,330)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(60)	(871)

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(47)	4,602
4.5	Effect of movement in exchange rates on cash held	(51)	(89)
4.6	Cash and cash equivalents at end of period	4,130	4,130

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	4,130	5,120
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)	4,130	5,120

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	209
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)	(832)
8.2	Cash and cash equivalents at quarter end (item 4.6)	4,130
8.3	Unused finance facilities available at quarter end (item 7.5)	-
8.4	Total available funding (item 8.2 + item 8.3)	4,130
8.5	Estimated quarters of funding available (item 8.4 divided by item 8.1)	4.96
	<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: 22 January 2021

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.