

21 March 2018

### **RESTRUCTURE OF GOPHR LTD**

- **Auctus to sell-down 42.5% of Gophr to management on a vendor financed loan at a pre-money valuation of £2.75m.**
- **Gophr to raise up to £500,000 at the same pre-money valuation.**
- **Auctus to restructure existing debt in Gophr into a Convertible Note.**
- **Gophr positive trajectory continued over 2018 calendar year growing revenue 138% YOY.**
- **Accounting impact of the deconsolidation is expected to be a profit of ~A\$4m and an improvement of ~A\$5.5m on the net assets of Auctus.**

Auctus Alternative Investments Ltd (“Auctus” or “the Company”) is pleased to announce that it has, via its wholly owned subsidiary Yonder and Beyond Pty Ltd, signed a binding Term Sheet to enable the restructure of Gophr Limited (“Gophr”) and to better align Gophr management’s interests to the success of the business. This is a crucial step in the realisation of value for Auctus shareholders.

Auctus currently owns 75% of Gophr and has agreed via the Terms Sheet to sell 42.5% of Gophr to Sebastian Roberts and Krzysztof Worsa (management) for a combined £1.169m. This sale is to be completed via a vendor financed loan (i.e. non-cash) and is repayable under certain “exit” and “leaver” events.

In conjunction with this sell down, Gophr is currently in the process of raising up to £500,000 of new investor capital to assist its continued growth. Gophr continued its positive trajectory over the 2018 calendar year growing revenue at 138% YOY. It is expected that a further Series A round will be completed over the coming 6-12 months.

As a condition of the transaction, Auctus will adjust the current balance sheet debt it has in Gophr into a Convertible Note.

Further details of the terms of the Terms Sheet, and related transactions including the Convertible Note, are set out in the Annexure to this announcement.

The overall impact of the deconsolidation of Gophr is expected to be, subject to audit review and foreign exchange differences, a profit of approximately A\$4m and an improvement of in excess of A\$5.5m on the net assets of Auctus. The indicative illustrative financial results noted above are based on Auctus’ investment in Gophr being accounted for through an equity accounted investment post the transaction, rather than through consolidation of the results.

At completion of the proposed transaction it is anticipated that Auctus will retain an interest of approximately 29% in Gophr.

On behalf of the board:

Campbell McComb  
Managing Director

## **Annexure**

### **Overview of Key Transaction Terms**

#### Conditions

The Terms Sheet is subject to a number of conditions precedent including:

- Gophr completing a preliminary capital raising of not less than £350,000 to be completed within 30 days.
- The parties obtaining any regulatory, third party and shareholder approvals or consents (to the extent required).
- The purchasers entering into employments with Gophr (or varying their existing arrangements) on terms acceptable to the Company.

Except where stated otherwise the parties have agreed to seek to satisfy the conditions within 120 days of the date of the Terms Sheet.

#### Vendor Finance – Key Terms

- The vendor loan is interest free and secured by a first ranking charge over the shares the subject of the sale.
- The vendor loans are repayable upon the earlier of an “Exit Event” or “Cash Event” which, in summary, are triggered upon the sale or transfer of the purchaser’s Gophr shares (in which case the repayment obligation is several and proportionate to the number of shares sold), a listing of Gophr on a stock exchange, a change in control of Gophr (subject to certain exceptions) or satisfaction of certain capital raising milestones. The vendor loans are also repayable (or relevant shares must be surrendered) within 180 days of the occurrence of a “Leaver Event” being, in summary, the director ceasing to be an employee of Gophr.

#### Convertible Notes – Key Terms

- The Company’s outstanding loan of approx. £1.07m will be exchanged for Convertible Notes with a face value of £800k.
- The Convertible Notes will be interest free and unsecured.
- The Convertible Notes will convert to share in Gophr at agreed valuations on the earlier of either: (a) 14 months from completion of the sale contemplated in the Terms Sheet; or (b) the completion of the Series A capital raising of not less than £2.5m provided that Gophr will first have 30 days in which to elect to redeem the Convertible Notes for cash.