

ASX Announcement
26 February 2021

FY21 Half-year results

Auctus Investment Group Limited (ASX: AVC, 'the Company' or 'Auctus') is pleased to deliver its half year accounts to the market today. The consolidated entity has reported a net accounting loss for the half-year amounting to \$2,471,492.

As part of this disclosure Management and the Board thought it important to fully inform the market of the various accounting treatments that have impacted upon the reported result.

On 24 December 2020, the Company announced that Gophr Ltd (Gophr) had attracted an investment from a leading European VC firm (Nauta Capital) in the order of £4m for a 20% stake. At the time the Company announced that it expected an uplift in the fair value of its investment in the Statement of Financial Position. Following this investment, the fair value of the Company's investment has increased from approximately \$1.1m to \$6.45m but as a result of implementing the accounting standards, this uplift is not able to be recognised as at 31 December 2020.

Due to the Company's holding in Gophr being greater than 20% (20.8% to be exact) on an un-diluted basis and AVC having a representative on the Board, as opposed to ~18.5% on a fully diluted basis, the accounting standards require the Company's investment to be equity accounted rather than at fair value through profit or loss. The difference in the holding is purely related to un-vested employee options at Gophr designed to ensure staff motivation to continue to build what is already an amazing business. Gophr recently ranked #15 in Deloitte's 50 fastest growing UK Tech companies.

If the Company was to account for its investment at fair value through profit or loss, with the uplift, Auctus would have reported a \$2.7m profit.

While pleased with the performance of Gophr, in the Company's view cash flow is king, and we did report a negative \$1.3m cash flow from operations. There is no doubt that at times our cash flow will be perceived to be lumpy as we deliver new deals and as some of these deals come to fruition, delivering performance fees. Having said that, our goal remains to deliver high quality, differentiated private market investments to our underlying clients.

During the half to December 2020 the Auctus team focussed on building out our portfolio of new deals, having closed out a very successful investment in our Energy Storage Fund in June 2020. These opportunities include Pet Fund, an investment in PETstock Pty Ltd, and our US Student Housing Fund in joint-venture with Student Quarters.

While a lot of the structuring work for these opportunities was done in the first half of FY21, these two Funds alone are expected to deliver more than \$3m in cash flow in the second half of the financial year.

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The quality of our investments is the key to the success of Auctus and we have every confidence that we will continue to deliver on this front.

The Auctus team have continued to work tirelessly throughout the period to establish an extremely solid foundation for the business going forward.

Auctus would like to take this opportunity to thank our shareholders for their solid support. We look forward to the second half of FY21 being a rewarding one as we continue to grow the business.

-Ends

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

For shareholder enquires please contact:

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