

Auctus Investment Group Limited (ASX: AVC)

FY23 FINANCIAL RESULTS

18 August 2023



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AGENDA

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CORPORATE AND INVESTMENT STRUCTURE

Auctus Investment Group Ltd

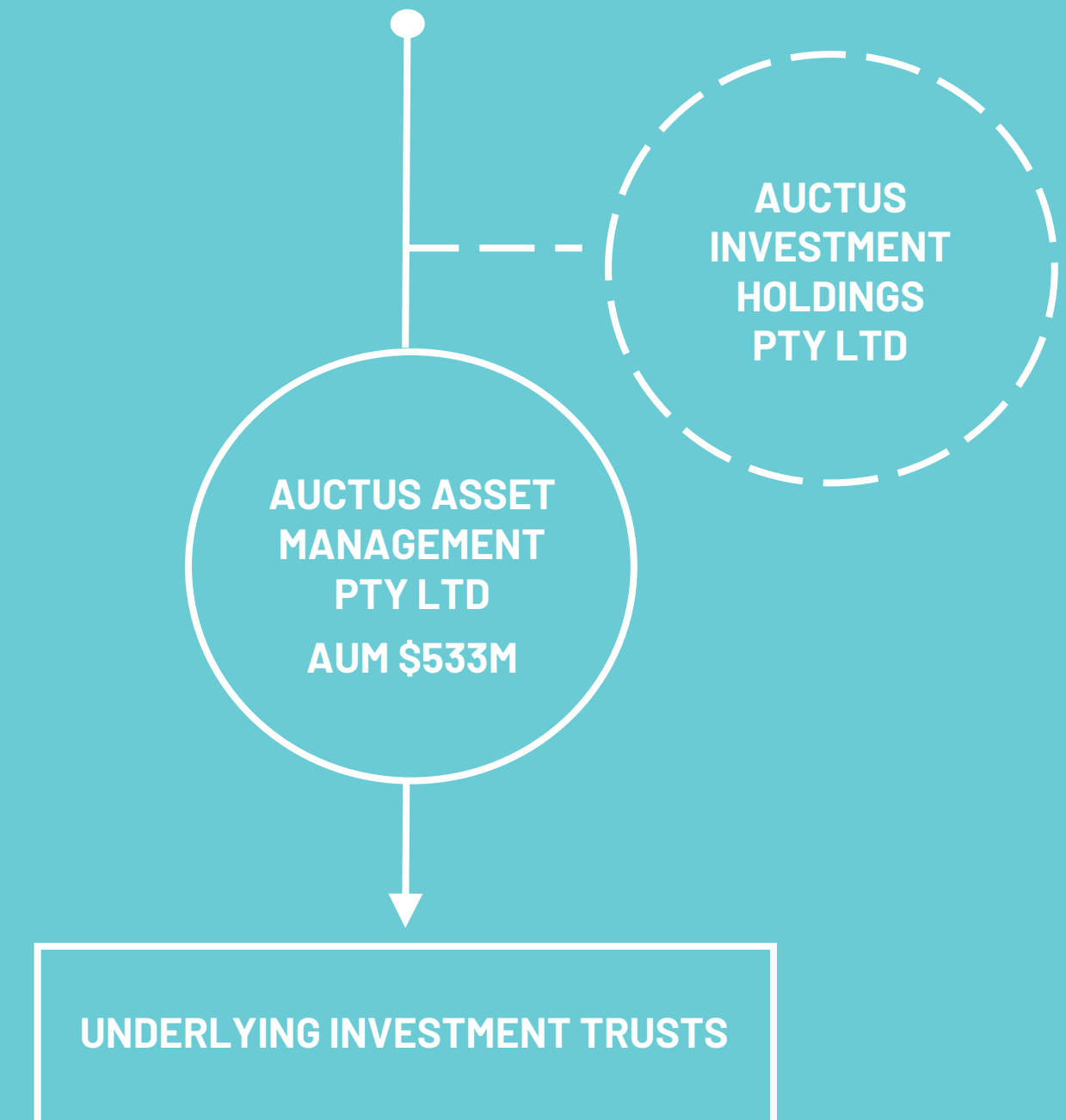
- Group Net Asset backing of \$28.76M
- No debt

Auctus Asset Management Pty Ltd

- Generates revenue for Auctus Investment Group via ongoing management, transaction and performance fees on investments. These fees are charged as a percentage of AUM
- Our goal is to deliver strong investment performance, translating into strong shareholder returns over time

Strong Shareholder Base

- Top 20 shareholders = 65.8%¹ with strong employee representation and alignment



FINANCIAL HIGHLIGHTS:

AUCTUS INVESTMENT GROUP LIMITED



AUM

\$533M¹

Net of \$76M capital return and \$41M profit on esVolta, LP **(+18% fund inflows on PCP)**



REVENUE

Up 40% to \$16.14M
FY22 \$11.53M



ADJUSTED EBITDA²

Up 42% to \$5.45M
FY22 \$3.83M



NET CASH FLOW

\$2.82M
Cashflow positive on a recurring revenue basis
Annualised recurring revenue now \$6.60M³



STRONG BALANCE SHEET

Net Assets of \$28.76M
No debt



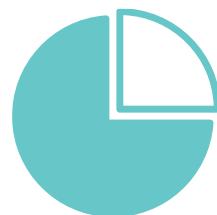
PERPETUAL CAPITAL AUM

Up 18% to \$288M



PERFORMANCE FEES

\$8.02M
\$7.19M+ linked to PETstock exit in FY24⁴



CURRENT CASH

Cash balance of \$6.13M
(net of \$3.77M capital return and \$2.04M share buy-back)

All figures in AUD unless otherwise stated.
¹ AUD: USD exchange rate of 0.663. Net of esVolta, LP. +18% fund inflows is post currency adjustments
² Excludes share of profits / (losses) from associates, unrealised investment gains / (losses) on investments, depreciation and amortisation and non-cash share-based payments expense during FY22. FY23 includes long-term incentive payable in future years
³ Annualised recurring revenue at 30 June 2023
⁴ Transaction remains subject to customary closing conditions including ACCC approval (NZCC approval has been granted)

FINANCIAL HIGHLIGHTS: FINANCIAL SUMMARY

| | FY23 | FY22 | MOVEMENT |
|------------------------------------|-------------------------|------------------------|----------|
| Revenue | \$16.14M | \$11.53M | Up 40% |
| Expenses | (\$11.24M) ¹ | (\$7.90M) ¹ | Up 42% |
| Adjusted EBITDA¹ | \$5.45M | \$3.83M | Up 42% |
| Cash Flow From Operations | \$2.82M | \$4.05M | Down 31% |

- Revenue increased by 40% to \$16.14M with:
 - Management fee revenue up 56% to \$6.24M on PCP
 - Realised cash performance fee of \$2.41M from the sale of esVolta, LP to Generate Capital
 - Accrued performance fee of \$7.19M from the proposed sale of PETstock to Woolworths Group increasing the carrying value of the Pet Fund
- Annualised recurring revenue has increased to \$6.60M up 18% on PCP
- Net cash flow of \$2.82M down on PCP due to lower transactional revenue as a result of conservative deployment
- Fixed remuneration in-line with PCP demonstrating strong cost control

All figures in AUD unless otherwise stated.

¹Excludes share of profits / (losses) from associates, unrealised investment gains / (losses) on investments, depreciation and amortisation and non-cash share-based payments expense during FY22. FY23 includes long-term incentive payable in future years.

²Based on independent valuations of portfolio companies including transactions. Total performance fee receivable of \$10.79M (non-cash and adjusted for FX)

³Annualised recurring revenue at 30 June 2023

REVENUE BREAKDOWN

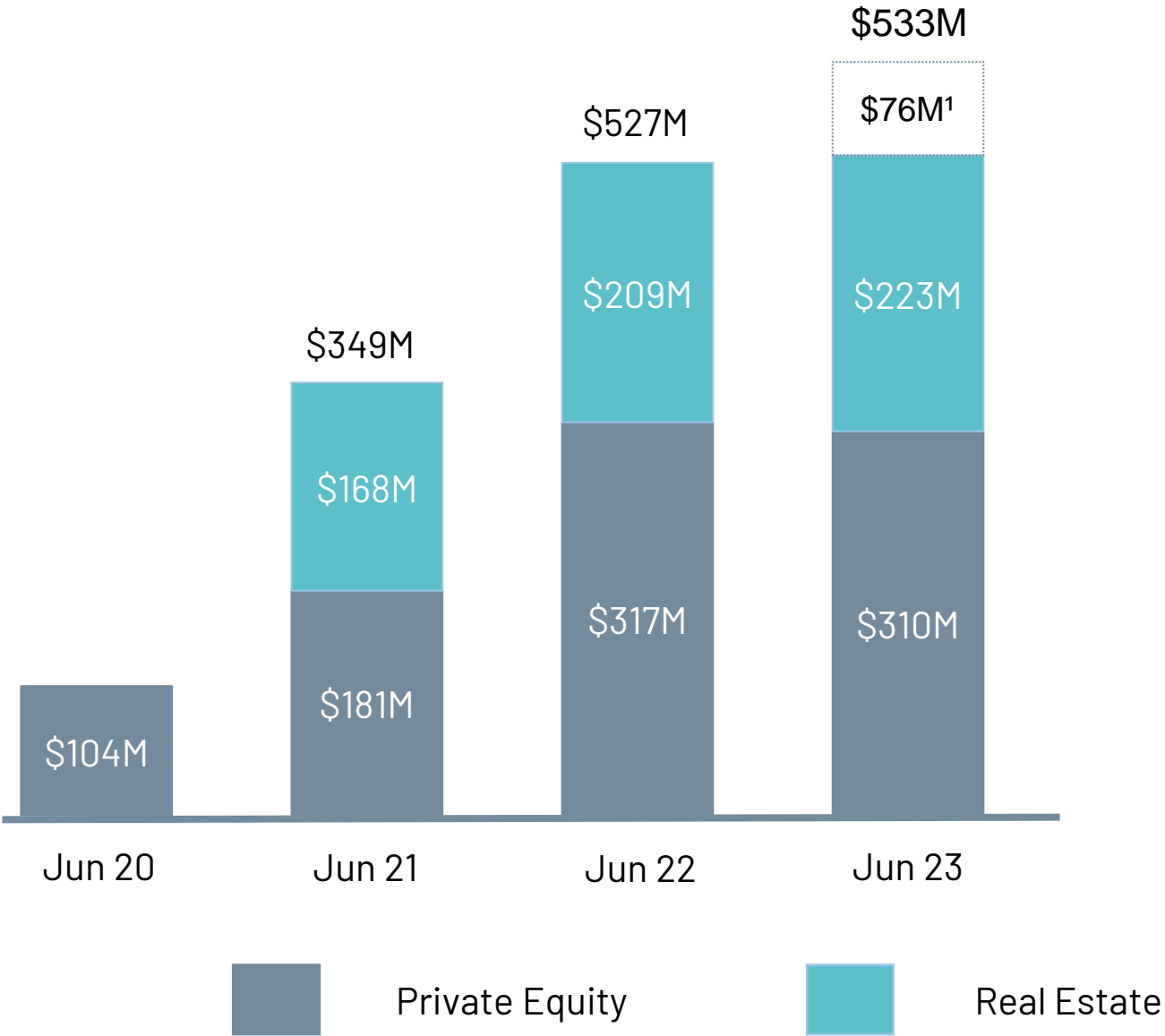
| | FY23 | FY22 |
|---|----------|----------|
| Cash Receipts | \$10.71M | \$10.91M |
| Management Fees | \$6.24M | \$3.98M |
| Transaction Revenue | \$1.88M | \$4.76M |
| New Accrued Performance Fees² | \$8.02M | \$0.77M |
| Cash Performance Fees Received | \$2.41M | \$0.00M |
| Annual Recurring Revenue³ | \$6.60M | \$5.60M |

Recurring revenue growth coincides with increase in AUM over the period.

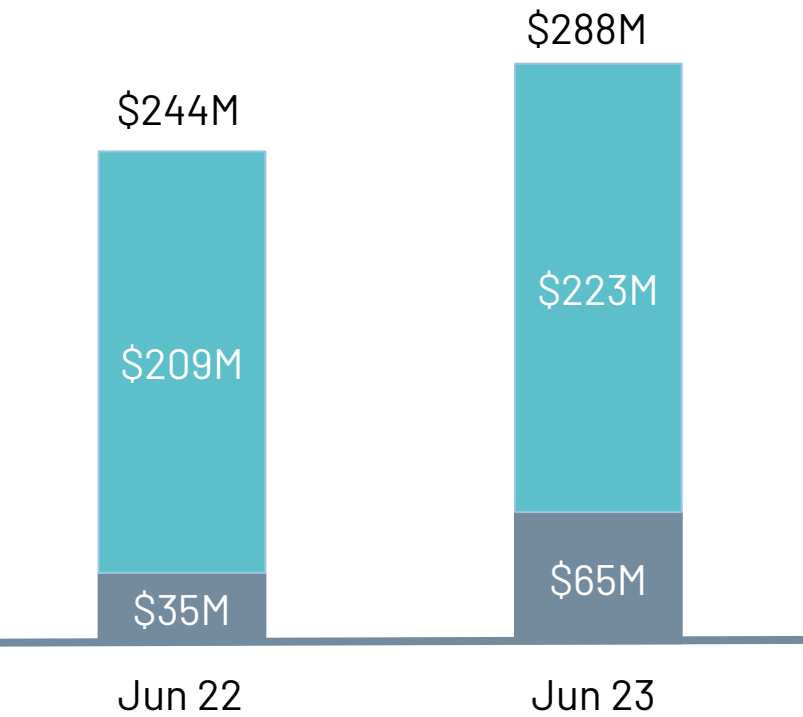
ASSETS UNDER MANAGEMENT: GROWTH IN AUM DESPITE CHALLENGING CONDITIONS

- Total AUM increased to \$533M, net of \$76M¹ capital return on esVolta **(+18% fund inflows on PCP)**
- **Perpetual capital AUM up 18% on PCP to \$288M** with further fund flows into US Opportunities Limited
- **AUM diversified** across asset classes, funds (6) and sectors

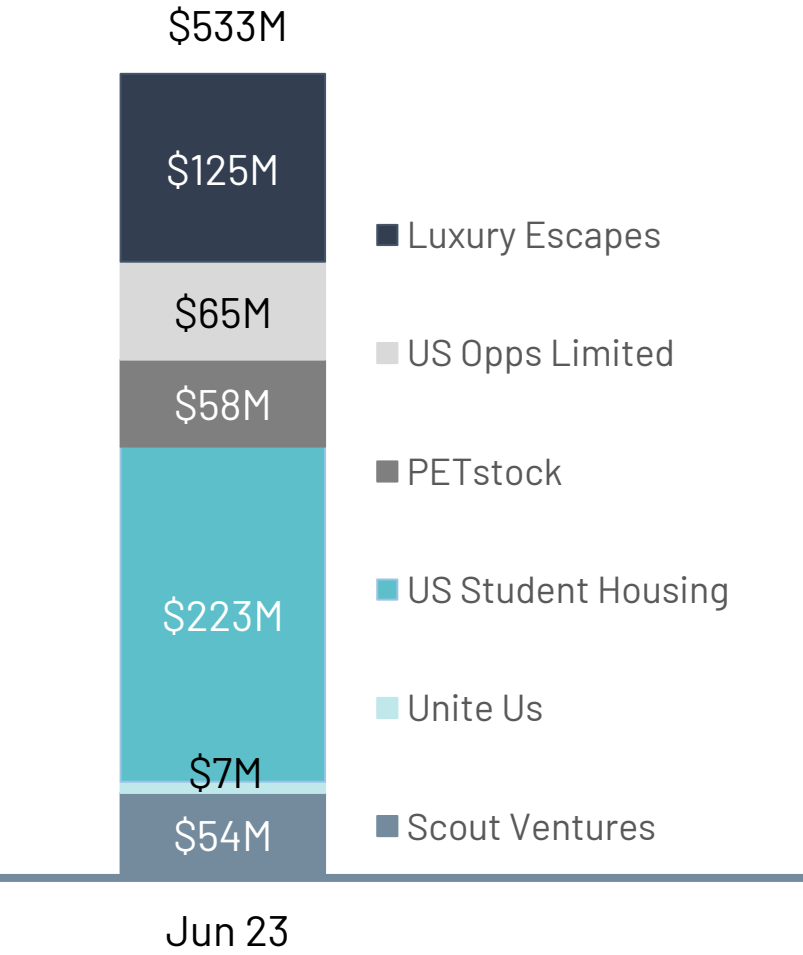
TOTAL AUM



PERPETUAL CAPITAL AUM



AUM DIVERSIFIED BY FUND

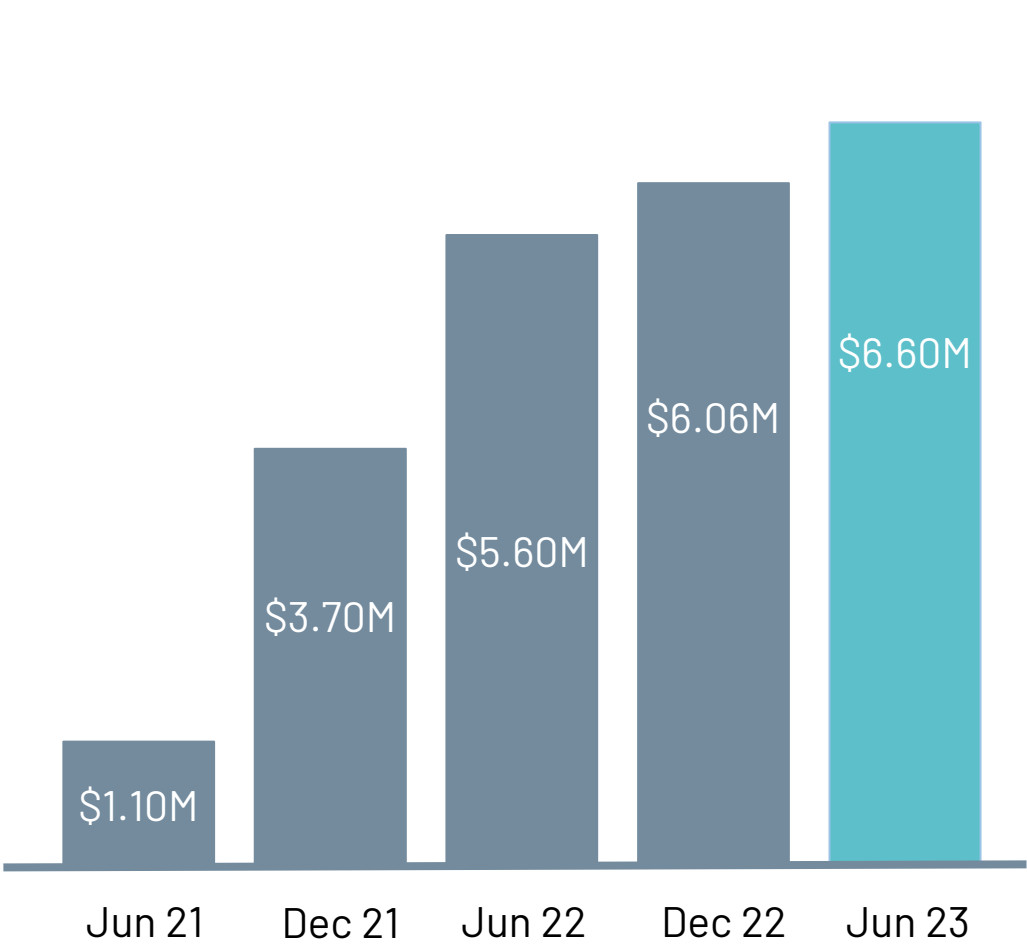


All figures in AUD unless otherwise stated. AUM to 30 June 2023: AUD:USD = 0.6630
¹Return of investors original capital in esVolta (excludes return on invested capital). Not included in total AUM.

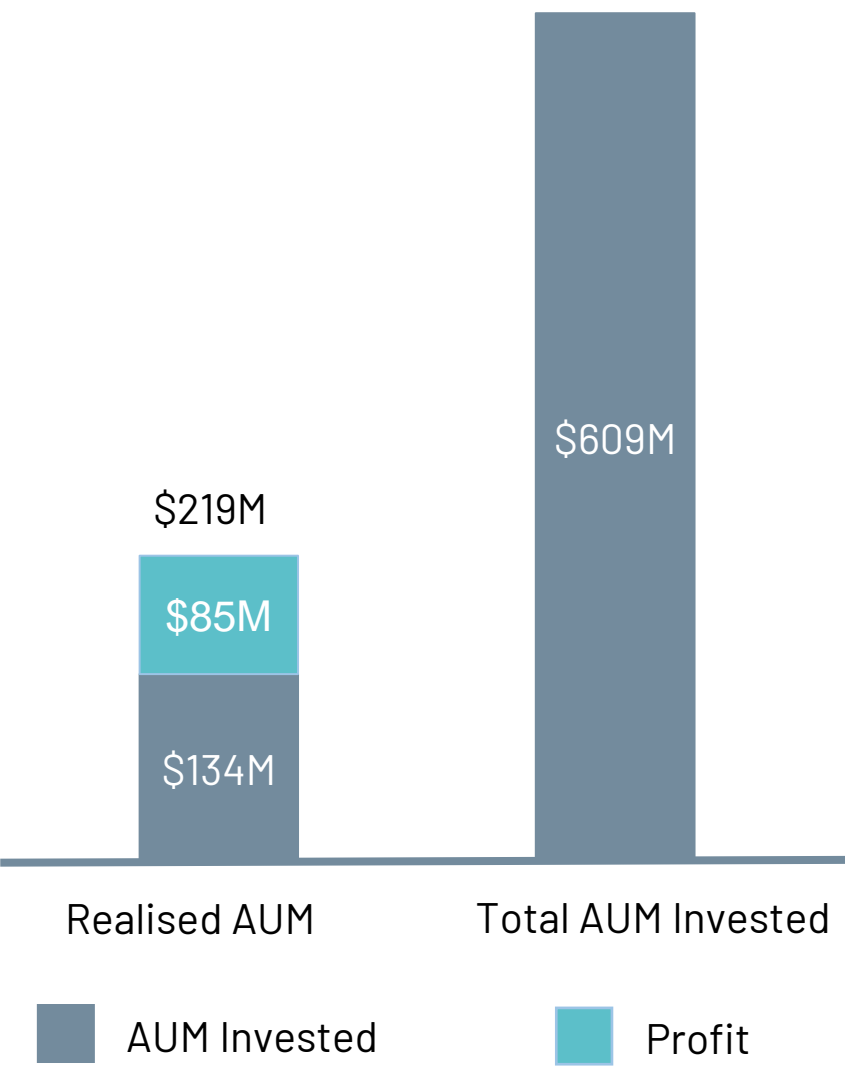
HIGHLIGHTS AND ACHIEVEMENTS: BUSINESS CONTINUES TO EVOLVE

- **Annualised recurring revenue continues to grow** year-on-year as AUM grows with perpetual capital underpinning future recurring revenue
- **Investment track record:** realised track record building with two significant transactions announced in FY23 delivering strong investor returns
- **Performance fees:** realisations as investment portfolio matures (\$7.19M PETstock PF anticipated to be received and has been accrued in full year accounts)³

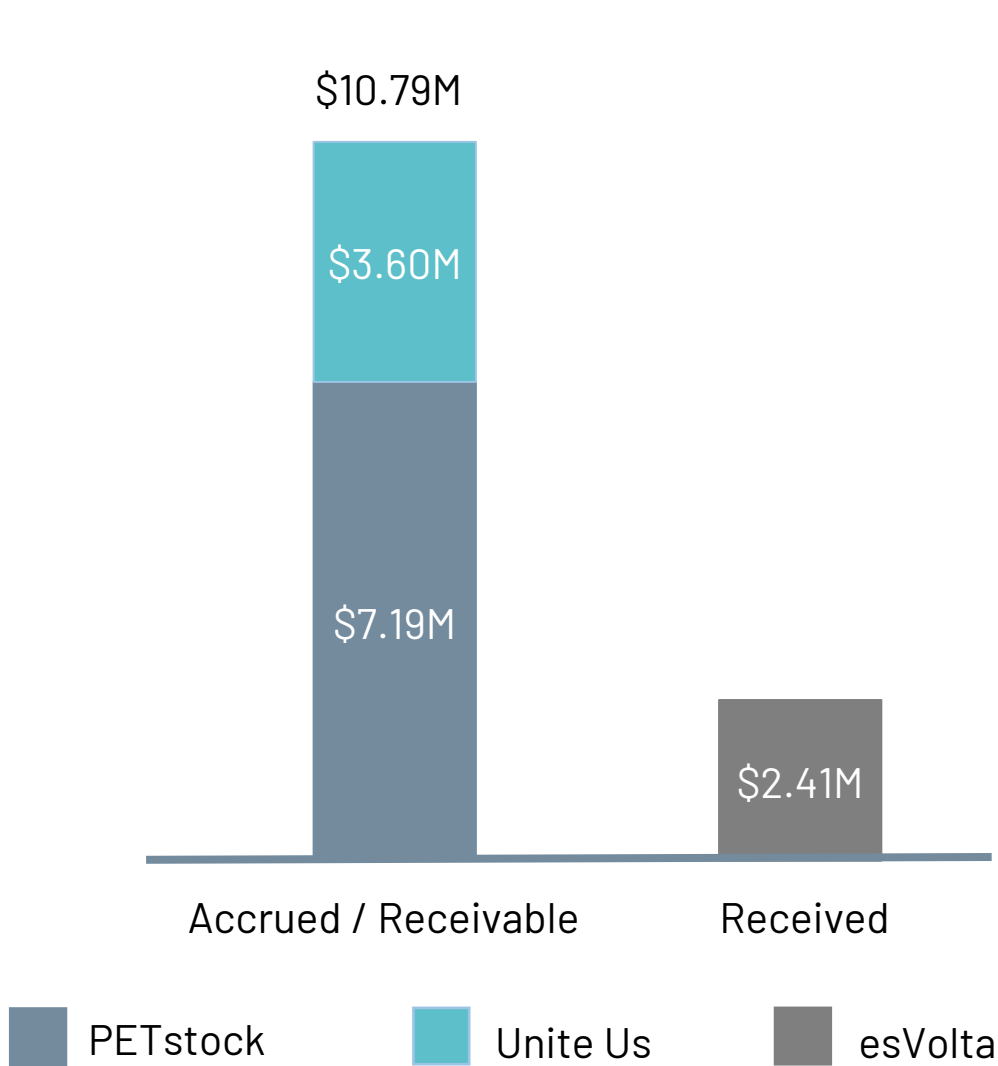
ANNUALISED RECURRING REVENUE¹



INVESTMENT TRACK RECORD²



PERFORMANCE FEES BY FUND³



¹ Annualised recurring revenue as at 30 June 2023
² Includes estimated net return on Petstock investment. Transaction remains subject to customary closing conditions including ACCC approval (NZCC approval has been granted). Excludes future earnouts linked to the esVolta sale to Generate Capital.
³ Performance fees gross of tax for comparison purposes (esVolta performance fee net of tax is \$1.76M of which \$1.43M was accrued in previous financial years)

HIGHLIGHTS AND ACHIEVEMENTS

INVESTOR RETURNS

- Completed **first major exit with the sale of 100% of the equity in esVolta, LP** to Generate Capital, a US based sustainable infrastructure investment and operating platform (process run by Citigroup NY).
 - Delivered initial 18% p.a. return for investors with the potential for future earnouts
- Announced sale of stake in Petspiration Group (PETstock) to Woolworths Group (ASX: WOW)** which is expected to generate a gross IRR of approximately 30% p.a. and money multiple of 1.8x for Pet Fund Investors¹

STRONG CASH FLOW

- Annualised recurring revenue of \$6.60M** with quarterly management fees covering fixed costs²
- \$288M of current AUM perpetual capital**
- As a result of our first two exits, the Company anticipates **cash performance fees of approximately \$9.68M**
- Solid platform upon which to build on already positive cash flow with potential for one-off performance fees across the portfolio

STRONG BALANCE SHEET

- Net assets of \$28.76M
- No debt**

CAPITAL MANAGEMENT INITIATIVES

- Paid \$3.77M (5c per share) capital return to shareholders** on 4 August 2022
- Continued on-market share buy-back** with \$2.93M worth of shares bought back as at 30 June 2023

NEW HEADQUARTERS

- Moved into new Melbourne headquarters providing enhanced amenities for company presentations and the hosting of events whilst also helping to attract and retain talent

All figures in AUD unless otherwise stated

¹ Transaction remains subject to customary closing conditions including ACCC approval (NZCC approval has been granted. Excludes future earnouts linked to the esVolta sale to Generate Capital.

² Annualised recurring revenue at 30 June 2023

KEY PRIORITIES: STRATEGIC FOCUS

DEAL ORIGATION

- Auctus has a track record of delivering **curated offshore and onshore investment opportunities** (e.g., *esVolta, LP* and *Unite Us* in the United States and **strong brand names** in *PETstock* and *Luxury Escapes* in Australia)
- **Continue to identify high quality, curated opportunities** for our investors
- Strong deal flow coming from our US partners, Scout Ventures and Cross Creek
- **Remain patient to ensure deal quality** and build on current strong track record

GROW RECURRING REVENUE

- Continue to grow annual recurring revenue
- **Building on our two scalable perpetual platforms** (USO & USQ) and delivering returns to investors and therefore shareholders is our highest priority
- Targeting a close of **\$100M in USO, an evergreen US late-stage / pre-IPO private equity vehicle**
- **Strategically look at accretive acquisition opportunities** that will scale the US student housing portfolio and improve liquidity on market

GROW INVESTOR BASE

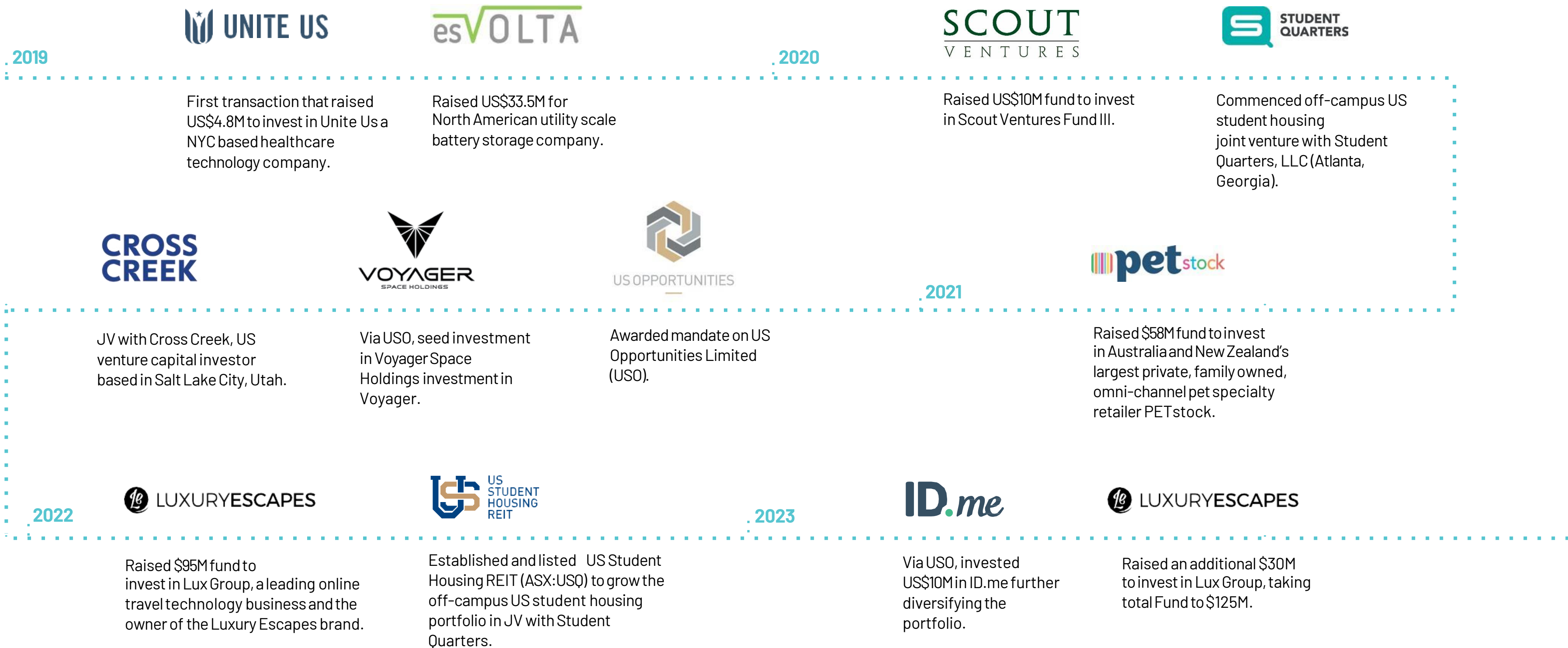
- **Grow investor channels in the US** whilst continuing to broaden our presence in Australia
- Continued investment in brand awareness, distribution capabilities & marketing

FIND ACCRETIVE BALANCE SHEET OPPORTUNITIES

- Explore new asset management opportunities and strategic partners

INVESTMENT UPDATE:

INVESTMENT TIMELINE




INVESTMENT UPDATE: SELECT PORTFOLIO UPDATES

2


SCALABLE PLATFORMS



- Continued capital raise for USO in difficult market conditions
- Anticipate closing capital raise making **USO a \$100M evergreen US late-stage private equity vehicle**
- Settled US\$10M investment in ID.me during November 2023
- Current portfolio performing well with significant portions protected by large government contracts



- All properties in the USQ portfolio valued by CBRE as at 30 June 2023
- Despite dramatic increase in capitalisation rates, Gross Asset Valuation ('GAV') of the total portfolio **increased to US\$147.75M (A\$223M), up from US\$144.6 million (for the 12-month period to 31 December 2022).**
- Forecasted rental increases of 8.5% for the 2023-2024 academic** year after achieving 8% for the 2022-2023 academic year, driving the above increase in valuation
- NTA per unit (unaudited) as at 30 June 2023 is US\$1.06 (A\$1.60¹), up from US\$1.02 (A\$1.54) at 30 June 2022
- FY23 cash distributions of US\$2.22M or AUD 5.38 cents per unit¹ (US 4.00 cents per unit)



- Record year of Total Transaction Value (TTV) in FY23**
- Commenced FY24 with a **record month in July**
- Launched two years ago, Lux's "marketplace" is generating a current **annualised TTV run rate of ~\$250M**
- Strong international growth in the US and UK
- Closed \$30M rights issue during Q4, FY23 to fund further growth and acquisitions

DIVERSIFIED PORTFOLIO

6
INVESTMENT FUNDS

9
PROPERTIES

5
PORTFOLIO COMPANIES

SECTOR & GEOGRAPHIC DIVERSIFICATION

3
US JV PARTNERSHIPS

2
EXITS²

All figures in AUD unless otherwise stated
¹ Assuming AUD | USD estimated exchange rate of 0.6630. Actual AUD cents per unit conversion will be based on prevailing exchange rates. Net of 15% withholding tax
² PETstock transaction remains subject to customary closing conditions including ACCC. Anticipated close in FY24.

OUR PARTNERS AND STRATEGIC INVESTMENTS

➤ Our asset management partnerships provide proprietary deal flow typically unavailable to Australian investors

PRIVATE EQUITY

Scout Ventures and Cross Creek provide later-stage and pre-IPO opportunities to the Group’s investors. These are usually follow-on opportunities in standout private companies they have invested in from early-stage or seed funding, where they have worked with management and held board seats providing critical insight to the company and management.



Pushing frontiers. Supporting founders.

Austin-based early-stage venture capital firm that invests in frontier technologies built by founders from the military, intelligence community, and national labs.

Scout lead Seed rounds with US\$1-2 million initial cheques and reserve capital for follow on investments up to Series B.

They focus on sectors aligned to their experience serving in defence and building multi-billion dollar companies: AI/ML, quantum computing, robotics, advanced materials science, security, space and aerospace, and advanced energy.

Companies: Unite Us, ID.me and Voyager Space Holdings



Innovative. Collaborative. Connected.

Salt Lake City-based firm investing in venture-backed companies and venture funds. Since 2006, the Cross Creek team has taken a pioneering approach to venture investing.

Cross Creek cultivates strong partnerships with top tier venture-backed companies and venture funds.

With their public equity DNA, they drive connectivity to their extensive network of public equity investors. These partnerships form the basis of their disciplined, data-driven approach to venture investing and proven results.

Companies: bill.com, DocuSign and Accolade

Operating Real Estate

Joint Venture strategy to acquire a portfolio of off-campus properties at public 4-year universities via the US Student Housing REIT (NYSE:USQ).



Delivering enriching experiences and exceptional results.

Atlanta-based student housing owner and operator founded in 2013.

- Student Quarters manage in excess of >US\$1.1BN across off campus US Student Housing.
- Current portfolio represents 34 communities and 11,000+ beds at 22 universities in 17 US states.
- Student Quarters co-invest up to 10% in each asset as alignment capital alongside Auctus investors.
- Best in class operating and leasing experience for premier-located, pedestrian-friendly assets at major public universities.
- Track record – realised net IRR of 21.4% and a 2.0x net investor multiple since inception*

¹ As at 30 June 2023



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