

# ASX ANNOUNCEMENT

Acumentis Group Limited (ASX: ACU)

29 July 2022

ASX Market Announcements Office  
ASX Limited  
20 Bridge Street  
Sydney NSW 2000

Level 7, 283 Clarence Street  
Sydney NSW 2000  
GPO Box 3359  
Sydney NSW 2001

Telephone: 02 8823 6300  
Facsimile: 02 8823 6399

By E-Lodgement

## QUARTERLY ACTIVITY REPORT (APPENDIX 4C)

Acumentis Group Limited (“Acumentis” or “the Company”) is pleased to release its Quarterly Activity Report and associated Appendix 4C (Quarterly Cash Flow Report) for the quarter ended 30 June 2022 to the market.

### Highlights

Acumentis continues to deliver revenue growth whilst undertaking necessary restructuring to deliver improved margins and reduce future recurring costs.

- Quarterly revenues of \$15.1M
- Acquired WA and SA businesses delivered 20% year on year increase in revenues
- Strong performance from the metro residential and regional businesses
- Restructured commercial and government businesses to remove recurring losses going into FY2023 and improve margins and operating cashflows
- Completed IT&T managed service provider (MSP) migration reducing forecast expenses in FY2023
- A return to positive operating cashflows despite some significant non-recurring expenses
- Closing cash of \$0.9M and access to unused overdraft facility of \$1.7M.

### Overview of Acumentis’ operating environment

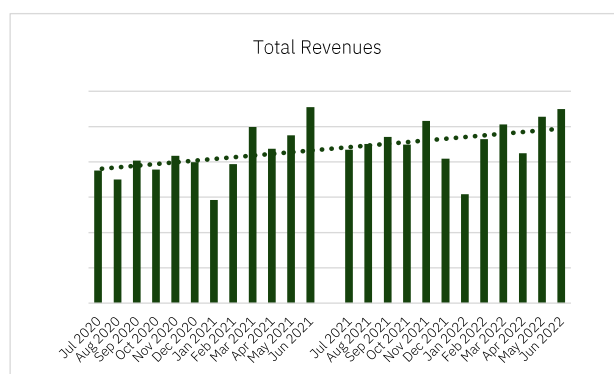
The economy is now under inflationary pressures with the Reserve Bank responding with increases in interest rates which is starting to result in dampening of property transaction volumes, particularly in the residential markets. To date we have not seen a significant softening. Volumes were maintained in the June 2022 quarter with our recently acquired WA and SA businesses delivering strong year on year growth offsetting a slight reduction in the mature Eastern seaboard markets.

### Business Activities for the Quarter

The business activities of the Company remained unchanged during the quarter to June 2022.

### Total Revenues

Revenues remained relatively strong with growth experienced in our WA and SA acquired businesses offset by more subdued growth in the established Eastern seaboard businesses.



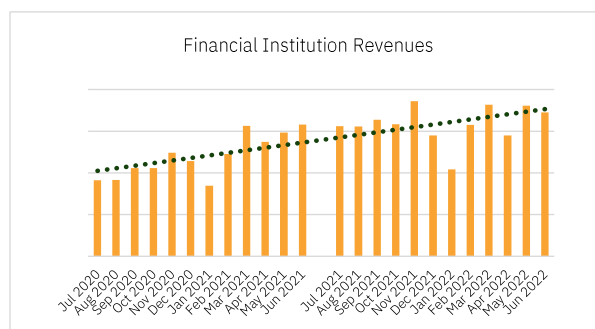
# ASX ANNOUNCEMENT

## Acumentis Group Limited (ASX: ACU)



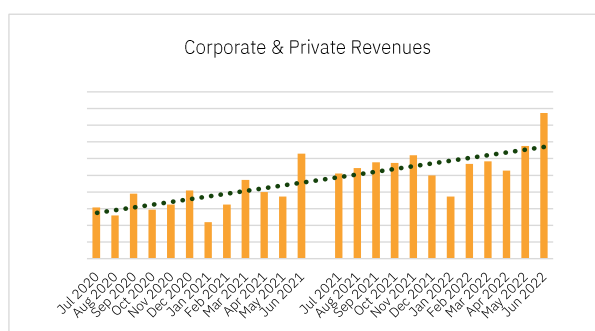
### Financial Institution Revenues

Revenues from financial institutions remained strong despite the increase in interest rates during the quarter. In previous tightening cycles, we have seen short term reductions in demand which subsequently reverse as borrowers look to re-finance debt or liquidate property holdings.



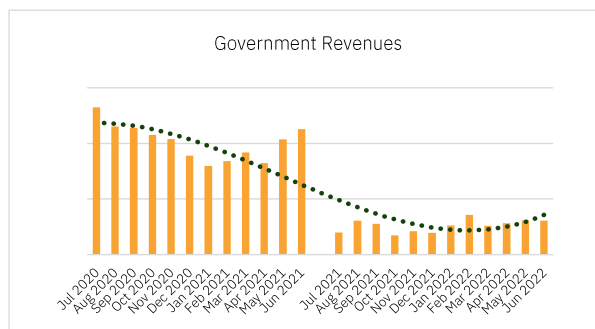
### Corporate & Private Revenues

Our investment in developing alternative service lines and targeting non-financial institutions has seen significant growth in revenues from these sectors which, over time, will assist in diversification of our revenue streams.



### Government Revenues

Since the loss of the significant government contract in June 2021, we have seen limited growth in fees from government and this has required a restructure of this division to eliminate ongoing losses. We continue to actively promote our services to government and anticipate growth in this division in the future.



### Operating Expenses

The final quarter of FY22 saw the business incur a number of non-recurring expenses including information technology & telecommunication (IT&T) managed service provider (MSP) migration costs of \$100K, double up of MSP costs during the migration of \$295K and redundancy payments of \$117K from the restructuring of loss making divisions.

These costs lower profitability and operating cashflows in the short term but set the business up for increased profitability and improved operating cashflows in the future.

### Closing cash and facilities

Closing cash balances total \$0.9M and the company has access to a further \$1.7M overdraft facility which ensures we have adequate resources to support the Company's continued growth.

# ASX ANNOUNCEMENT

Acumentis Group Limited (ASX: ACU)



## Payments to Associates (refer section 6 of Appendix 4C)

During the current quarter, director's fees totalling \$75,000 were paid to non-executive directors of the Company in line with their employment contracts.

By order of the Board.

John Wise

Company Secretary

(02) 8823 6300 email [john.wise@acumentis.com.au](mailto:john.wise@acumentis.com.au)

### **About Acumentis**

Acumentis is entrusted to provide commercial and residential valuations, research and property advice to many thousands of homeowners, investors, developers and lenders. The company offers property valuation, insurance valuation and advisory services to clients including major banks and financial institutions, property developers, property trusts, government, lawyers, accountants, real estate agents and major and independent retailers. With 40 offices and more than 300 staff in metropolitan and regional locations around the country, Acumentis is Australia's only independent, locally owned, ASX-listed property valuation company.