

19 Oct 2023

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By E-Lodgement

SEPTEMBER 2023 - 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 September 2023 to the market.

Highlights

Acumentis continues to deliver improved performance. The positive result was achieved due to the successful diversification of sources of revenue and the impacts of restructuring undertaken in calendar year 2022 resulting in ongoing reductions in operating expenses.

- Quarterly revenues of \$14.0M improving on prior year
- Year on year gross profit increased by 35%
- Quarterly EBITDA of \$1.3M and quarterly PBT of \$0.7M
- Quarterly operating cashflows of \$0.2M
- Closing cash balances of \$1.7M with unused finance facilities of \$3.0M

Summary Results

Acumentis has reported profits for the third consecutive quarter. A year on year comparison of the quarterly results shows significant improvements in profitability and operating cashflows as a result of the improved cost base.

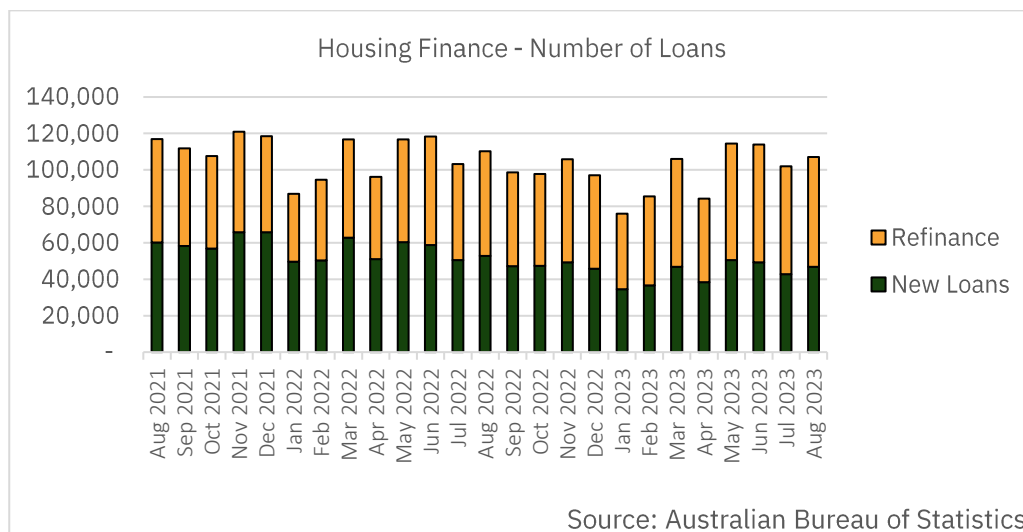
\$M	Quarter Ended		12 Months Ended	
	Sep 23	Sep 22	Sep 23	Sep 22
Revenue	14.0	13.9	53.8	55.6
PBT	0.7	(0.7)	2.0	(0.8)
EBITDA	1.3	-	4.7	1.6
Operating Cashflows	0.2	0.2	1.5	(0.3)

Year on year improvements in PBT for the quarter was \$1.4M and for the 12 months \$2.8M.

Overview of Acumentis' operating environment

The economy has seen signs of easing inflation with the Reserve Bank of Australia (RBA) pausing interest rate increases for the past 4 months to October 2023.

We have seen further growth through the quarter in line with the improvement in market conditions from early 2023. New loan commitments saw increased volumes, whilst re-financing volumes remained strong. Re-financing related volumes are expected to remain at relatively high levels for the remainder of calendar year 2023.

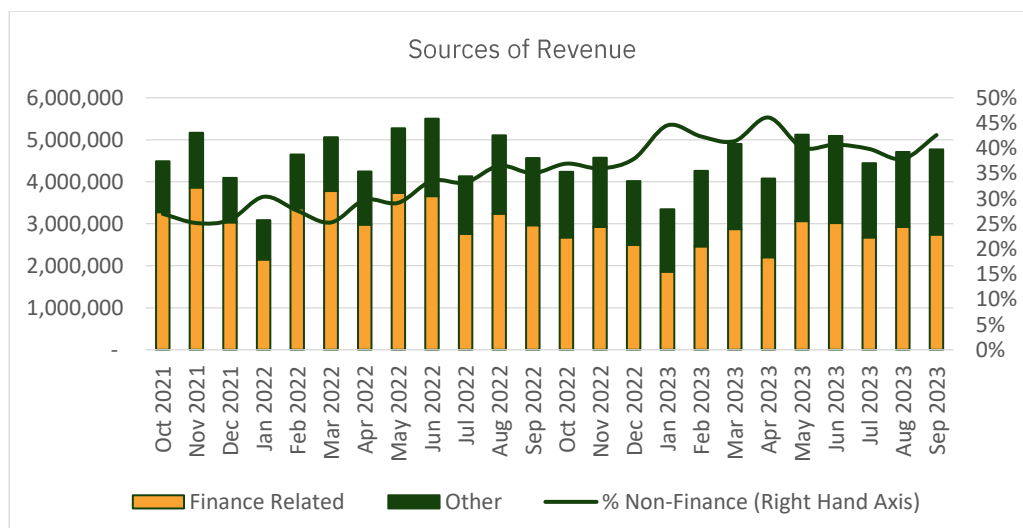


Business Activities for the Quarter

The business activities of the Company remained unchanged during the quarter to September 2023.

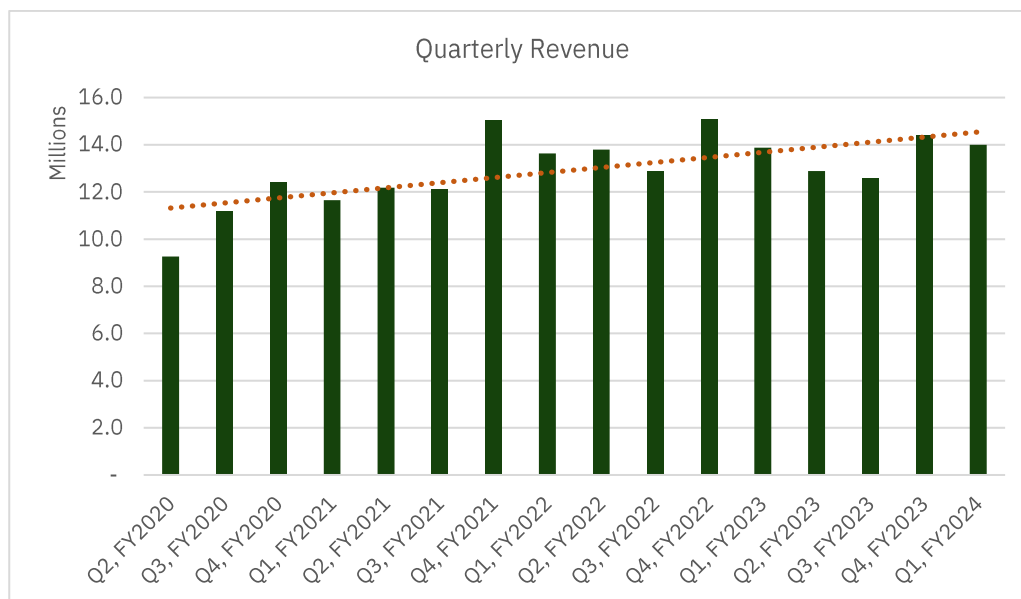
Revenues

Revenues for the September 2023 quarter were \$14.0M (\$13.9M for the September 2022 quarter) and shown some resilience despite revenues from financial institutions declining 11% year on year. Revenues from government, corporate and private clients increased 22% year on year, demonstrating the continued success of Acumentis' focus on developing these alternative sources of revenues and reducing reliance on finance related valuations.





With the continued success of the strategy to diversify revenues, we have been able to maintain our long term revenue growth trajectory.



Operating Expenses

Employment costs for the quarter were \$0.8M lower year on year resulting from restructuring performed in calendar year 2022.

Other operating expenses were \$0.3M lower year on year due to lower insurance expenses and continued cost control.

Closing cash and facilities

At 30 September 2023, the business is well capitalised with a cash balance of \$1.7M and access to an unused funding facility of \$3.0M.

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

During the current quarter, directors' fees totalling \$60,000 were paid to non-executive directors of the Company in line with their employment contracts.

By order of the Board.

John Wise
Company Secretary
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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.

Appendix 4C

Quarterly cash flow report for entities subject to Listing Rule 4.7B

Name of entity

Acumentis Group Limited (ASX: ACU)

ABN

50 102 320 329

Quarter ended ("current quarter")

September 2023

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (3 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	15,066	15,066
1.2 Payments for		
(a) research and development	-	-
(b) product manufacturing and operating costs	-	-
(c) advertising and marketing	-	-
(d) leased assets	(434)	(434)
(e) staff costs	(9,793)	(9,793)
(f) administration and corporate costs	(3,487)	(3,487)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	9	9
1.5 Interest and other costs of finance paid	(58)	(58)
1.6 Income taxes received / (paid)	-	-
1.7 Government grants and tax incentives	-	-
1.8 Other (provide details if material)		
- GST paid	(1,152)	(1,152)
- Sub-lease rental income	90	90
- Other	-	-
1.9 Net cash from / (used in) operating activities	241	241

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$A'000
2.	Cash flows from investing activities		
2.1	Payments to acquire or for:		
	(a) Entities (including deferred consideration)	(143)	(143)
	(b) businesses	-	-
	(c) property, plant and equipment	(65)	(65)
	(d) investments (term-deposits net change)	(31)	(31)
	(e) intellectual property	-	-
	(f) other non-current assets	-	-
2.2	Proceeds from disposal of:		
	(a) entities	-	-
	(b) businesses	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) intellectual property	-	-
	(f) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	1	1
2.6	Net cash from / (used in) investing activities	(238)	(238)
3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	-
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 or convertible debt securities	-	-
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	(2)	(2)
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	(2)	(2)

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$A'000
4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	1,697	1,697
4.2	Net cash from / (used in) operating activities (item 1.9 above)	241	241
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(238)	(238)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(2)	(2)
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	1,698	1,698

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	1,698	1,697
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)	1,698	1,697

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	60
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-
<i>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.</i> Directors' fees paid.		

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	3,000	-
7.3 Other (provide details)	-	-
7.4 Total financing facilities	3,000	-
7.5 Unused financing facilities available at quarter end		3,000
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.		
Credit standby arrangements Receivables invoice finance facility from Westpac Bank Limited secured with fixed and floating charge over the assets and business of Acumentis and carrying interest at the banks invoice finance 30 day bank bill rate (currently 5.60%) plus a margin of 2.1%. In addition to interest, a 1% line fee is charged. There is no maturity date for the facility, however it is subject to annual review with the next review due on 31 October 2023.		

8.	Estimated cash available for future operating activities	\$A'000
8.1	Net cash from / (used in) operating activities (item 1.9)	241
8.2	Cash and cash equivalents at quarter end (item 4.6)	1,698
8.3	Unused finance facilities available at quarter end (item 7.5)	3,000
8.4	Total available funding (item 8.2 + item 8.3)	4,698
8.5	Estimated quarters of funding available (item 8.4 divided by item 8.1)	N/A
<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:	
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:	
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:	
<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: 19 October 2023

Authorised by: By the Board

(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.