

# ASX ANNOUNCEMENT

Acumentis Group Limited (ASX: ACU)



23 July 2021

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

## ACUMENTIS COMPLETES ACQUISITION OF ITS WESTERN AUSTRALIAN ASSOCIATE

Acumentis Group Limited (ASX: ACU) (“Acumentis” or the “Company”) is pleased to announce that its acquisition of the remaining 57.8% of its Western Australian associate Acumentis (WA) Holdings Pty Ltd (“ACU WA”), per our announcement dated 20 May 2021, has now completed.

The acquisition advances Acumentis’ strategy to improve the client experience for valuation and property advisory services. This has been achieved through the acquisition further progressing Australia-wide coverage via a single-entity, that is 100% controlled by the Company.

- Values ACU WA at \$6.3M (including net cash balances at 30 June 2021 of \$0.9M);
- Total acquisition price (excluding net cash) is between \$3.6M (min.) and \$3.9M (max.);
- Acquisition effective from 1 July 2021;
- Creates a single entity delivering valuation and property advisory services throughout Australia;
- Secures increased growth potential in line with Acumentis’ strategic growth plan; and
- Adds \$7-8M annual revenues to the consolidated results of Acumentis from FY2022.

### Key Terms of Acquisition

Key terms of the acquisition are as follows:

- Initial consideration was \$3.1M;
- Plus the vendors share of net cash balance as at 30 June 2021 being \$0.5M;
- The initial consideration was settled 55% in cash (\$2M of which \$1.8M has been paid and \$0.2M is payable in 3 equal instalments on 23 Jan 2022, 23 Jul 2022 and 23 Jan 2023) and 45% in 13,820,096 newly issued Acumentis shares (at 11.64 cents being VWAP for 15 days ended 18 May 2021);
- The shares issued for the initial consideration are subject to voluntary escrow provisions whereby 100% of the shares are escrowed for 12 months (to 23 July 2022) and 50% for 24 months (to 23 July 2023);
- Deferred consideration calculated using a business valuation based on the average PBT for the financial years ended 30 June 2023, 2024 and 2025 multiplied by 57.8% less the initial consideration (excluding the amount for net cash balances and subject to a maximum total acquisition price of \$3.9M);
- The deferred consideration will be settled 55% in cash and 45% in newly issued Acumentis shares (at the VWAP for the 15 days immediately prior to the issue of these shares);
- Shares issued for the deferred consideration will be subject to voluntary escrow provisions whereby 100% of the shares are escrowed for 12 months and 50% for 24 months post issue date; and
- All executive shareholders of ACU WA will remain as employees of the business during the period to 30 June 2025 and are expected to remain employed beyond this date, however, will be bound by normal commercial restraints from 30 June 2025.

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### Financial Performance of Acumentis (WA) Group

The Acumentis (WA) Group comprising Acumentis (WA) Holdings Pty Ltd and its controlled entities delivered the following results for the year ended 30 June 2021 (unaudited):

	\$'000
Revenue	6,985
Profit before tax	1,132
Net profit after tax	853

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.