



ASX Announcement

16 February 2021

Sale of ReckonDocs Business

Reckon Limited is pleased to announce that it has reached agreement with NowInfinity Pty Ltd (a wholly owned subsidiary of Class Ltd) and Class Ltd (the Class Buyer Group), to sell the assets comprising the ReckonDocs Business to the Class Buyer Group.

The purchase consideration is \$13 million dollars.

The transaction is unconditional.

It is anticipated that the transaction will complete on 1 March 2021.

The intended use of the funds received will be to reduce Reckon's debt, and to provide additional development funds for Reckon's "cloud first" development strategy for small business accounting and payroll, and practice management for accountants and lawyers

The Division contributed revenue of \$5 million and EBITDA of \$3 million to the 2020 Reckon Group results.

The ReckonDocs Business is currently part of Reckon's Accountant Practice Management Group and is a provider of company formations, trust deeds and other related documents and services.

The sale of this business will enable a stronger focus in Reckon's core cloud software initiatives with the added benefit of a tighter integration of our Accountants Group products with Class products over time.

Reckon Group CEO, Sam Allert said:

"The sale of ReckonDocs, allows us to focus on our core strengths of accounting and payroll for small businesses, and practice management for accountants and lawyers. We also gain a strong integration partner with Class and will be able to offer a fully integrated suite of software for accounting firms throughout Australia with Reckon APS and Class products."

AUTHORISED FOR RELEASE BY THE BOARD OF DIRECTORS OF RECKON LIMITED

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