



ASX Announcement

5 March 2021

Completion of ReckonDocs Sale Strengthens Balance Sheet

- Sale of ReckonDocs to NowInfinity Pty Ltd (wholly owned subsidiary of Class Ltd) for \$13m complete
- Funds to be used to reduce debt position and expedite cloud first development strategy
- Debt position had already reduced from \$36.4m to \$30.6m over the last 12 months

As advised on 16 February 2021 Reckon Limited (“Reckon” or the “Company”) (ASX: RKN) reached an 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 transaction has completed.

The Company is pleased to report that following completion of the sale of the ReckonDocs business, the Company has significantly strengthened its balance sheet, reducing net debt from \$36.4m to \$30.6m in FY2020 and giving Reckon greater financial flexibility to also deploy funds into organically growing its operations in Australia and the larger US market.

The purchase consideration was \$13 million dollars. Reckon intends to use the funds from the sale to reduce its debt position further and invest in the Company’s cloud first development strategy for small business accounting and payroll, and practice management for accountants and lawyers.

CEO Mr Sam Allert said: *“Divesting the ReckonDocs assets has allowed us to reduce net debt materially and significantly strengthen our balance sheet.*

“Funds from the sale will also be deployed to accelerate investment into our cloud development for our small businesses, accountant and legal customers.

Further, the Class team have now become a strong integration partner for us to provide an integrated solution that covers all accounting firm requirements.”

AUTHORISED FOR RELEASE BY THE BOARD OF DIRECTORS OF RECKON LIMITED

For further information, please contact:

Mr. Sam Allert
Group CEO
Reckon Limited
(02) 9134 3310

Mr. Chris Hagglund
Group CFO
Reckon Limited
(02) 9134 3360