



ASX Announcement

4 April 2022

Reckon to integrate payment solutions into product offering

Highlights:

- Partnership agreement with Novatti Group Limited to integrate payment solutions into Reckon products
- Integration to create new revenue generating opportunities within existing customer base
- Reckon One solution and new invoicing app to be the initial focus followed by other offerings in Reckon's product suite – allows Reckon to leverage its customer base of over 114,000 cloud users
- Reckon's customers can access faster payments and drive improved productivity
- Attractive transaction fees for new and existing Reckon customers to expedite uptake
- Reckon to continue exploring additional fintech opportunities including banking and lending services, payment automation and digital cards

Reckon Limited ("Reckon" or the "Company") (ASX: RKN) is pleased to advise that it has entered into a partnership agreement ("agreement") with Novatti Group Limited ("Novatti") (ASX: NOV) to integrate Novatti's payments systems into new and existing Reckon products.

Novatti is a leading fintech that enables businesses to pay and be paid, from any device, anywhere. The group is focused on mobility through technology and covers the complete payments value chain. Novatti is Reckon's largest shareholder and holds a 19.9% stake in the Company (refer ASX announcement: 30 June 2021).

Under the agreement, Reckon and Novatti will integrate payment solutions into Reckon products. Both parties will initially focus on incorporating payments offering into the Company's Reckon One solution and new invoicing app. Following this, the Company will expand the offering through its other products to leverage its established customer base of over 114,000 cloud users.

To expedite uptake, Reckon and Novatti will offer attractive transaction costs to new and existing Reckon customers that utilise the new payments solutions, with both parties to equally share any gross margin revenue generated from the Company's customer base.

Prior to completion of the agreement, Reckon has been working through product integration and development work in collaboration with Novatti. The incorporation of new payments solutions is ready to launch to clients.

Reckon will continue to work with Novatti to progress the integration across its entire product suite over the coming months, while simultaneously exploring other fintech opportunities including banking and lending services, payment automation and digital cards, including with Novatti.



Commentary:

Reckon Group CEO, Sam Allert said: “As we continue to increase investment in the development and launch of new products, we are exploring a number of ways to drive additional revenue streams and automation solutions for our clients. This agreement with Novatti Group will provide Reckon with the opportunity to deliver additional services at a competitive rate for our clients whilst providing opportunities to further monetise our existing customer base.”

Novatti Group Managing Director, Peter Cook said: “Since making our strategic investment in Reckon in July last year, we have really enjoyed working collaboratively with Reckon’s team to identify opportunities to add value to their customers and further monetise Novatti’s payments ecosystem. The integration of Novatti’s payment solutions into Reckon’s products is the first step in this process. We look forward to continuing to work with the Reckon team going forward and to seeking other opportunities to add value to their 114k+ users.”

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

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Reckon  + Novatti

Integration of payment solutions into Reckon products

4 April 2022



Overview



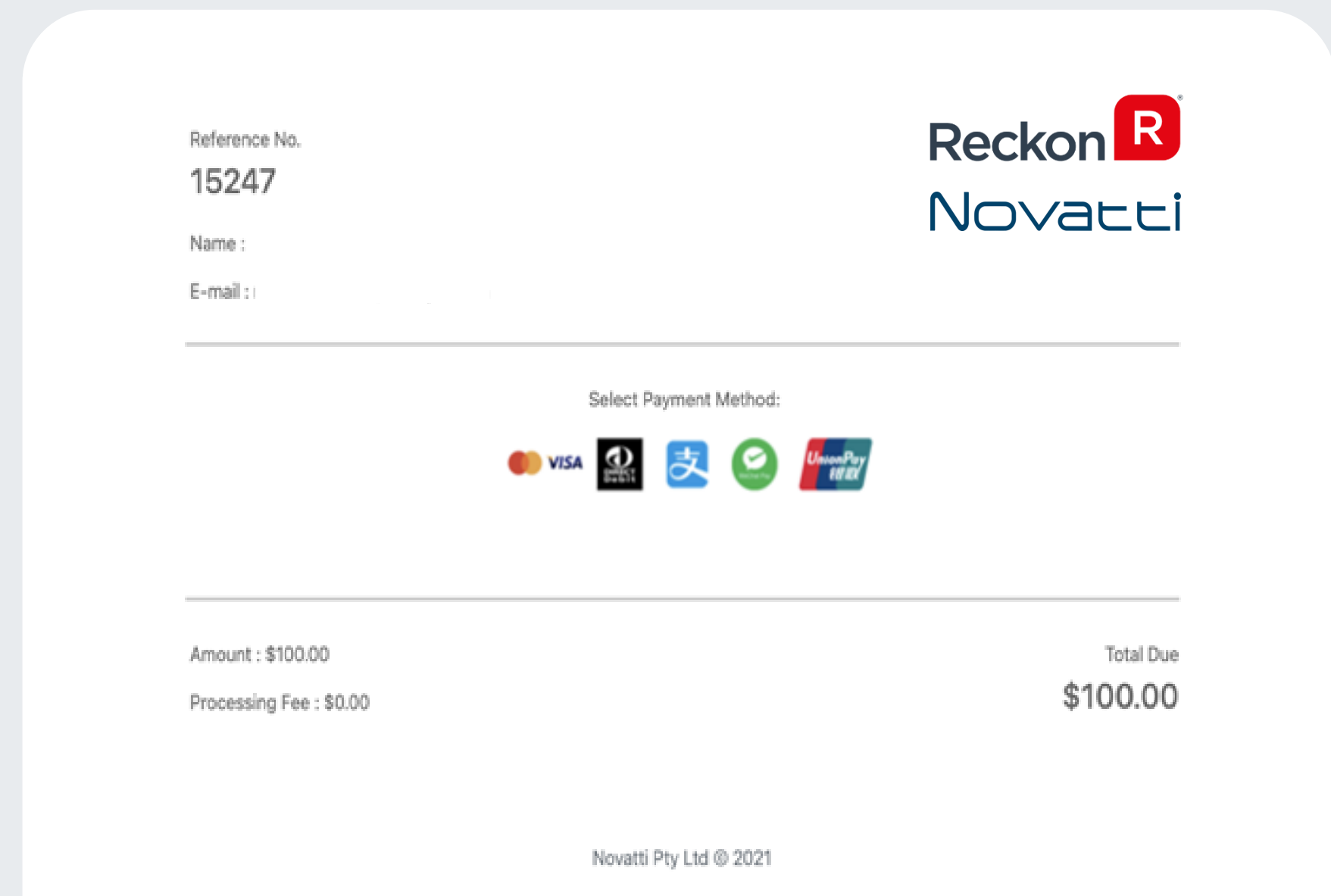
Reckon Limited (ASX: RKN) is a software-as-a-service company providing cloud-based technology solutions to a range of customers including SMEs, accounting firms and law firms

Novatti

Novatti (ASX:NOV) is a leading fintech that enables businesses to pay and be paid, from any device, anywhere. From corner stores and startups to global organisations, our solutions will unlock your ambitions. Solutions include issuing, acquiring, processing, and billing.

- Novatti's payment solutions to be integrated into Reckon products
- Initial focus on integrating into Reckon One and new invoicing app before other offerings
- Will leverage Reckon's customer base of 114k+ cloud users
- Will continue to explore additional opportunities for value add, such as payment automation and digital cards

Example application: Payment page



What are Reckon's products?

Reckon provides everything you need to run your business



Small business accounting

Easy-to-use online accounting software. Perfect for self-employed and small businesses. Starts from just \$10/month.



Payroll software

Affordable payroll software that makes compliance easy. Manage pay runs, payslips, leave & super for unlimited employees for just \$10/mth.



Large business accounting

Powerful online accounting that helps you manage your finances, payroll and inventory together in one solution.



Invoicing software

Get paid faster with online invoices with 'Pay now' card payment options. Track and manage paid & overdue invoices to boost cash flow.



Better Clinics

Online practice management software for allied health professionals. From scheduling to finances – do it all on one platform.



Business loans

Access business funding to grow, seize opportunities and support cash flow. Apply online, with funding possible in as little as 24 hours.



What are Novatti's solutions?

Novatti provides businesses with everything they need to pay and be paid. This covers the complete value chain – from issuing payment cards to banking services.*

They do this by leveraging their global B2B payments, including:

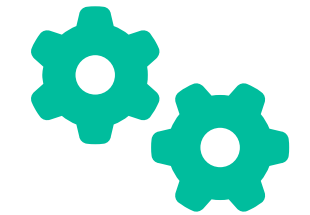
- Technology – digital and mobile platforms
- Licences – opening jurisdictions and highlighting trust
- Partnerships – providing scale without substantial capital
- Team – leading in-house expertise



Issuing
Prepaid Visa cards



Acquiring
Enabling merchants to accept payment



Processing
Including cross-border



Billing
Including automation



Banking*
Licence pending with APRA

*Application for restricted banking licence pending with APRA

How will customers benefit?



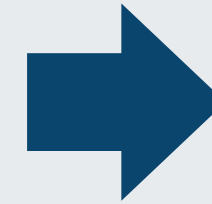
Case study: Dan the electrician

Dan can leverage digital payment tools within his Reckon products

- ✓ Simplifies invoicing, with multiple payment options
- ✓ Get paid faster
- ✓ Improve cashflow
- ✓ Stop chasing payment with automatic reminders
- ✓ Less hassle with automatic reconciling

Turn 10 steps into 3

1. Create invoice
2. Send invoice
3. Send payment reminder
4. Track payment received
5. Verify payment
6. Receive/apply payment
7. Reconcile payment
8. Mark as paid
9. Send receipt
10. Any 3rd party steps



1. Create invoice
2. Save for future use
3. Send via SMS or email

Automate all other steps

- ✓ Payment reminders
- ✓ Real-time notification
- ✓ Payment receipts
- ✓ Mark as paid
- ✓ Reconcile payments

Revenue

- Reckon and Novatti will equally share any gross margin revenue generated from this initiative
- This new service will leverage promotion opportunities to Reckon's 114k cloud users
- Customers will be offered attractive transaction costs to expedite uptake

