



ASX Announcement

31 May 2018

MYOB TERMINATES SALE OF ACCOUNTANT PRACTICE MANAGEMENT BUSINESS

Shareholders will recall that completion of the sale of the Accountant Practice Management business to the MYOB Group, originally announced in November 2017, was subject to the condition that the ACCC and NZCC do not object to the transaction.

Reckon and MYOB have been in protracted and detailed correspondence (formal and informal) with both regulators.

The process has taken considerably longer than the parties anticipated. Especially considering that the sale agreement included customary wording prescribing a six month period within which the conditions precedent to completion, including the regulatory conditions, had to be satisfied. If this was not the case either party could terminate the contract. That six month period ended today, 31 May 2018.

At present the ACCC and NZCC have yet to make a final decision until 21 June 2018, or possibly even later.

The parties were confronted with having to make a decision whether to agree to extend the period within which completion was to take place. However, this was not achieved and Reckon received notice from MYOB today that it was exercising its right to terminate the sale.

Accordingly MYOB terminated the sale effective today.

Mr Clive Rabie, Group CEO of Reckon said:

"It is regrettable that the conditions precedent could not be achieved in the time. But we must now focus on business as usual. We remain committed to maintaining and supporting our existing APS clients and our strategy to move to the cloud."

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