

# ASX Announcement

18 December 2024



## Reckon acquires Cashflow Manager

*Strong cash generating business with 20,000 customers*

**Reckon Limited ("Reckon" or the "Company") (ASX: RKN)** advises that it has entered into an agreement with Money Management Group Pty Ltd and its UK subsidiary Money Management Group (UK) Limited to purchase Cashflow Manager and OKKE, Adelaide based accounting and payroll software businesses. Reckon anticipates the acquisition completing in early January 2025.

Cashflow Manager's flagship product is its namesake desktop software solution. The purchase also includes OKKE, a start-up SaaS accounting product, whose users Reckon intends to migrate to its superior Reckon One product as soon as possible. Reckon will acquire complete ownership of both products.

The total purchase price is \$8.75M with \$7.5M to be paid in 2025 and \$1.25M deferred until early 2026. The acquisition will be funded through the Company's existing bank facilities. The acquisition is EPS accretive and is expected to contribute \$6M of revenue, \$3M of EBITDA and \$1M of NPAT in FY2025.

**Reckon Group CEO, Mr Sam Allert said:** *"We are excited to welcome over 20,000 new clients and 1,000 accounting and bookkeeping advisers into the Reckon family. Cashflow Manager has run a high quality and profitable business for many years and has focused on supporting their SME clients and advisers. It is an ideal match for us to acquire them and bring them into Reckon."*

*Reckon has continued to invest heavily in cloud-based solutions and this acquisition provides additional scale to the Business Group as we pursue our current strategy of transitioning our customers to our superior proprietary cloud products. Gaining a significant number of customers on what will be Reckon proprietary software is consistent with the value creation inherent in that strategy. We will continue to support Cashflow Manager customers, as we support all our desktop users, while we work with them over the next few years on the perfect time to upgrade to our cloud-based solutions.*

*With 20,000 clients and 1000 advisers and as a strong cash generating business, Cashflow Manager provides a meaningful contribution to Reckon's client base, partner channel, revenue and cashflow."*

AUTHORISED FOR RELEASE BY THE BOARD OF DIRECTORS OF RECKON LIMITED

### About Reckon:

Reckon is an Australian listed software company (ASX:RKN) that provides world class software for Start Ups, sole traders, SMEs, accountants, bookkeepers, and lawyers. The company has offices in Australia, New Zealand, UK and the USA.

Reckon currently operates two divisions:

1. Business Group: provides accounting and payroll software for small to medium sized businesses and personal wealth management software branded as Reckon One, Reckon Mobile and Reckon Accounts Hosted, Reckon Accounts Business and Reckon Accounts Personal.

The Business Group operates in Australia and New Zealand.

2. The Legal Group operates under the nQ ZebraWorks brand. nQ ZebraWorks is a document and billing workflow company that leverages the power of its ZebraWorks cloud-based integration platform to deliver digitalisation, billing and collections automation, cost recovery and analytics solutions for law firms and government and corporate legal departments.

nQ Zebraworks products are its server-based scan, print, document workflow, and cost recovery systems together with its cloud based “Queues” technology billings workflow solution, BillingQ and business intelligence tool, DataQ.

nQ Zebraworks is based in the USA with additional operations in the United Kingdom and re-sellers in other parts of the world.

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