

ASX Announcement

20 May 2022

## Reckon sells APMG business for \$100m

### Highlights

- Reckon announces sale of APMG business for \$100m and special dividend to Reckon shareholders on completion of sale
- Novatti holds 19.9% of Reckon
- Novatti and Reckon partnership providing payment solutions to Reckon's 114,000 cloud users is unimpacted by sale and continues to expand

**Novatti Group Limited (ASX:NOV) (Novatti or Company)**, a leading fintech enabling businesses to pay and be paid, is a major shareholder of Reckon Limited (ASX:RKN) (**Reckon**) with a 19.9% holding.

Reckon announced<sup>1</sup> on 19 May 2022 that:

- It has sold its Accountants Practice Management Group (**APMG**) to the Access Group for \$100m, conditional on ACCC and FIRB approval and standard closing conditions
- It plans to pay the majority of proceeds by way of a partly franked special dividend to shareholders on completion of the sale. This is expected to result in Novatti receiving a dividend in excess of \$8m.<sup>2</sup>

Novatti fully supports this divestment activity and congratulates the Reckon board and management on this achievement.

### Partnership

The Business Group and US based Legal Group will continue as the major divisions for Reckon following the APMG sale. Novatti's strategic partnership for payment services is with Reckon's cloud-based Business Group, with circa 114,000 cloud users. As a result, the Novatti-Reckon strategic partnership is not directly impacted by this sale. As part of this partnership, Reckon and Novatti have already undertaken initial marketing campaigns to a subset of Reckon Business Group customers with some early encouraging results.

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<sup>1</sup> Reckon ASX announcement "Reckon signs agreement to sell Accountants Practice Management Group for \$100m" dated 19 May 2022

<sup>2</sup> This figure is an approximation based on public information available as at the date of release of this announcement. The final amount may be lower or higher, and will be dependent upon a number of factors including the level of debt paid down by Reckon, cash retained and tax.

Novatti's Managing Director, Peter Cook, said: "As a shareholder we are very impressed at Reckon's ability to unlock value from within the company. They have maintained a good dividend flow during our period of ownership and now we can look forward to the special dividend as well."

"We can see that Reckon will now be able to focus on growing its cloud-based Business Group, which would strengthen the strategic partnership with Novatti, and enable increased revenues and margins through the addition of payment services."

## Ends

Novatti invites investors to keep up to date with company news, events and industry research by joining the Novatti mailing list at: <https://www.novatti.com/subscribe>

For further information, contact:

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This announcement has been approved for release to the ASX by Peter Cook, Managing Director.

## About Novatti Group Limited (ASX:NOV)

Novatti 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, while Novatti has also applied to APRA for a restricted banking licence through its subsidiary Novatti IBA Pty Ltd.