

# ASX Announcement

## 14 March 2023



### Legal Group USA – Investor Presentation Legal Group Management

Reckon Limited (“Reckon” or the “Company”) (ASX: RKN) releases the attached slides to be presented today by Bill Bice, CEO, and Ken Bassham, CRO of Reckon’s Legal Group (nQueue Zebraworks Inc).

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 accountants, bookkeepers, lawyers, SMEs and personal users. 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 larger sized businesses and personal wealth management software branded as Reckon One and Reckon Accounts Hosted (cloud products), Reckon Accounts Business and Reckon Accounts Personal respectively. The divisions operate predominantly in Australia and New Zealand.
2. Legal Practice Management Group: provides practice management software and workflow solutions to legal firms and corporations for document scanning and routing, print management and cost recovery solutions under the nQ Zebraworks brand. With a focus on releasing a new cloud practice management suite. It is operational predominantly in the USA and United Kingdom, with re-sellers in other parts of the world.

For further information, please contact:

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Group CFO  
Reckon Limited  
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# Investor Presentation

Legal Group Management Presentation



To be read in conjunction with Appendix 4E and Accounts

# Our focus is on two large and distinct markets



## SMALL BUSINESS

Accounting and Payroll solutions for SMEs

Revenue of \$40.8m and \$21.0m EBITDA in FY22

### Total addressable market

3 million small businesses across Australia and New Zealand



## LEGAL

Practice Management and Workflow for Legal firms

Revenue of \$10.4m and \$0.2m EBITDA in FY22

### Total addressable market

500 of the world's largest firms operate in the USA, alongside 46,000 mid-size firms

# Management Team



**Bill Bice**  
CEO



**Ken Bassham**  
CRO

# Management Team



**Bill Bice**  
CEO



**Ken Bassham**  
CRO



**Ben Morin**  
CTO



**Stef Odom-Wertz**  
VP Operations



**Glen Grambart**  
VP Finance



**Erin Barrio**  
Director, Marketing



**Phil Hewson**  
Director, Design



**Mark McNeal**  
Director, Development



**Greg Blatz**  
Director, Operations

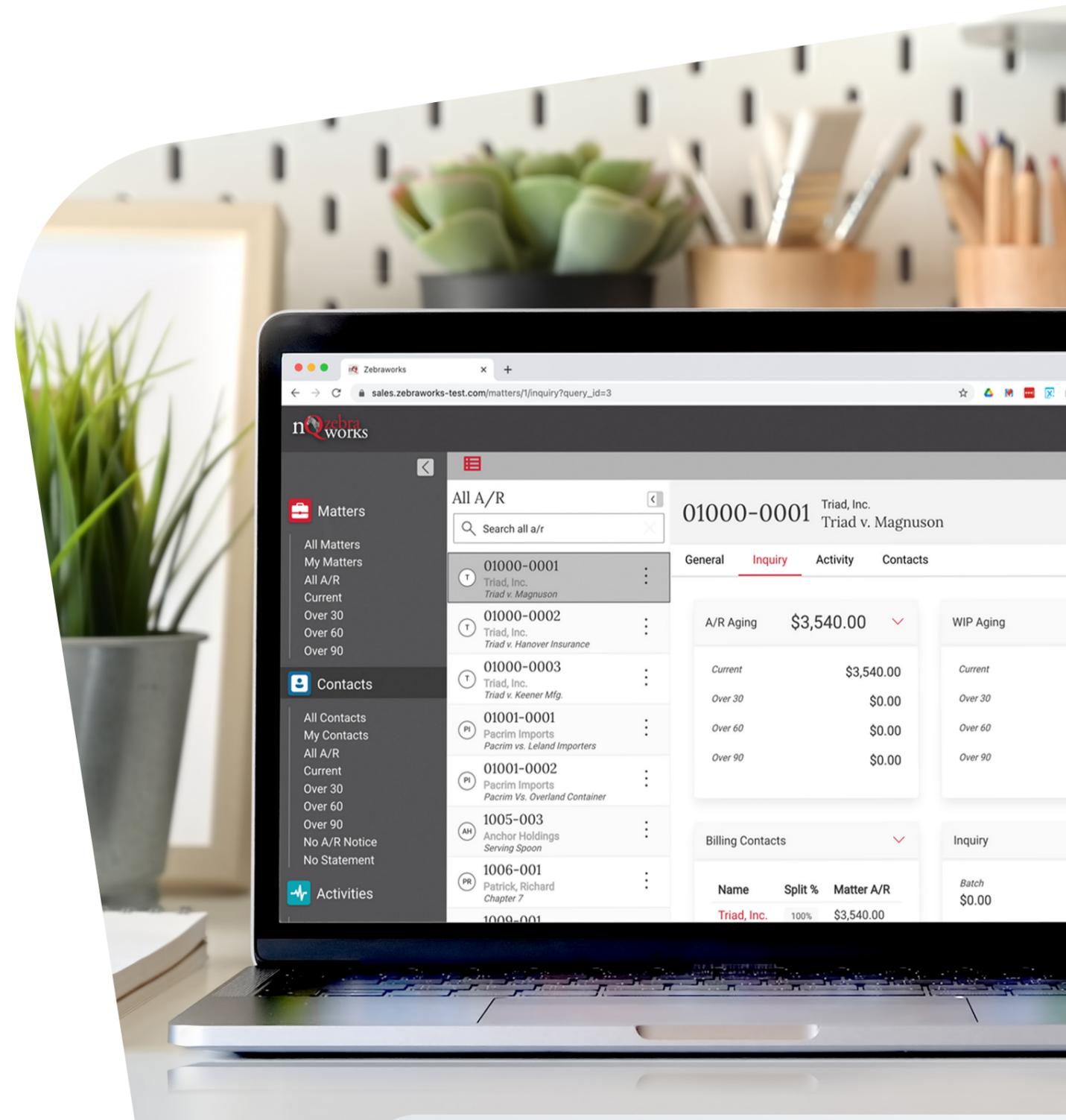


**Pam Fabean**  
Director, Support

## PRACTICE MANAGEMENT AND WORKFLOW FOR LEGAL FIRMS

# Growth business in large US and global markets

- ✓ Servicing Legal firms with workflows through scanning & printing, Practice Management, cost recovery and analytics solutions
- ✓ Enormous market opportunity – 500 of the world’s largest firms operate in the US, alongside 46,000 mid-size firms.
- ✓ Highly regarded management team with a successful track record of developing and distributing legal practice management software in US market
- ✓ Footprint in UK and resellers in other parts of the world
- ✓ Launched new cloud products BillingQ and DataQ with first clients onboarded
- ✓ Released Outlook integration for ScanQ and MailQ upgrading core product functionality



# Target Market

- ✔ Queues Power Workflows
  - Legal-specific
  - Deep integration with law firms' core systems
  
- ✔ Target Market
  - Global 700 largest firms
  - 46,000 mid-size (5-80 attorneys) in North America



# Queues Power Workflows



Core



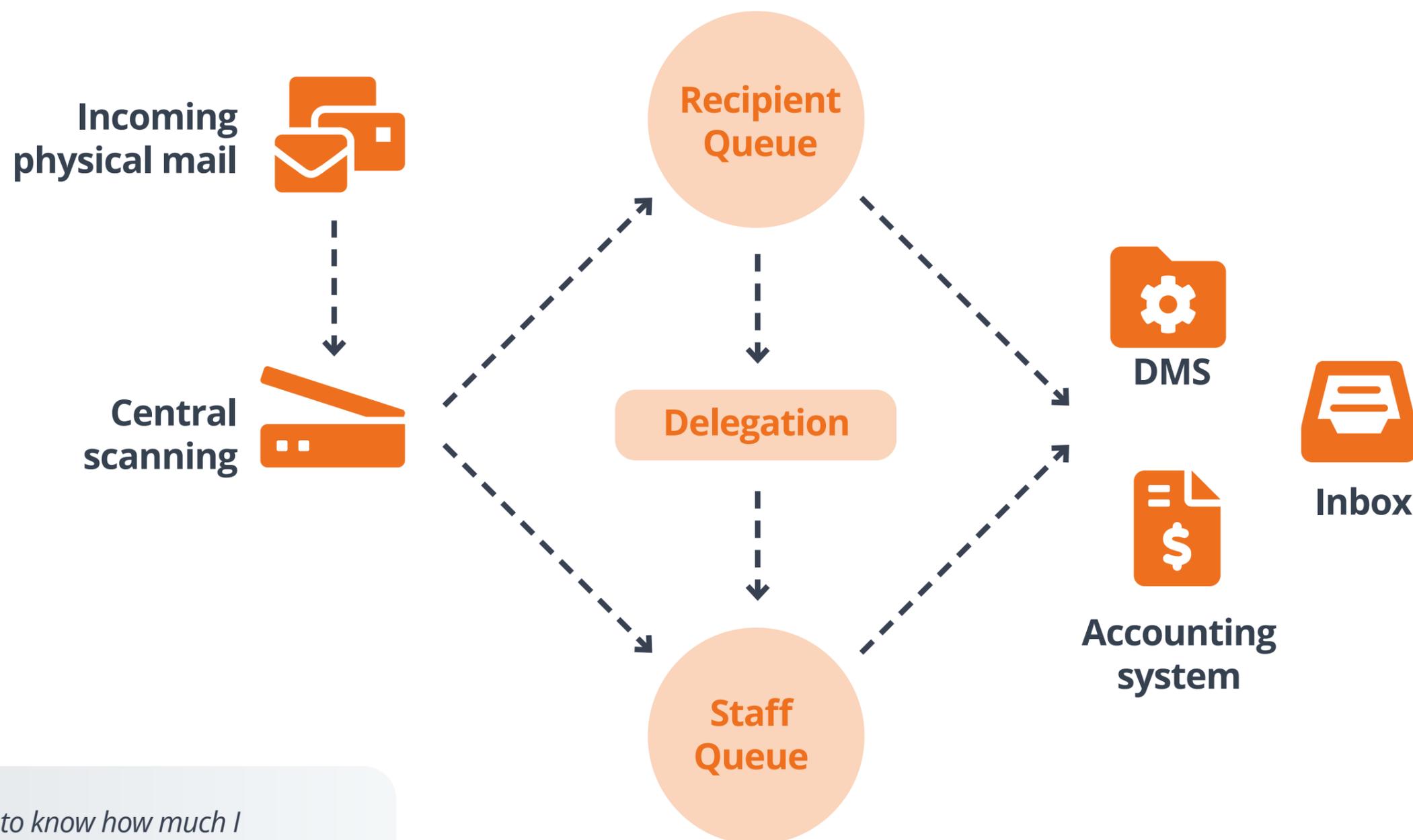
Platform

- ✓ **ScanQ** and **MailQ** – scanning
- ✓ **PrintQ** – printing
- ✓ **CostQ** – cost tracking

- ✓ **BillingQ** – billing workflows
- ✓ **DataQ** – business intelligence

- 480 clients operating in 52 countries
- 30% of the 500 largest U.S. firms
- 6 of the top 10 firms in the world
- 8 of the top 25 firms in the U.S.
- 3 of the top 7 firms in Canada

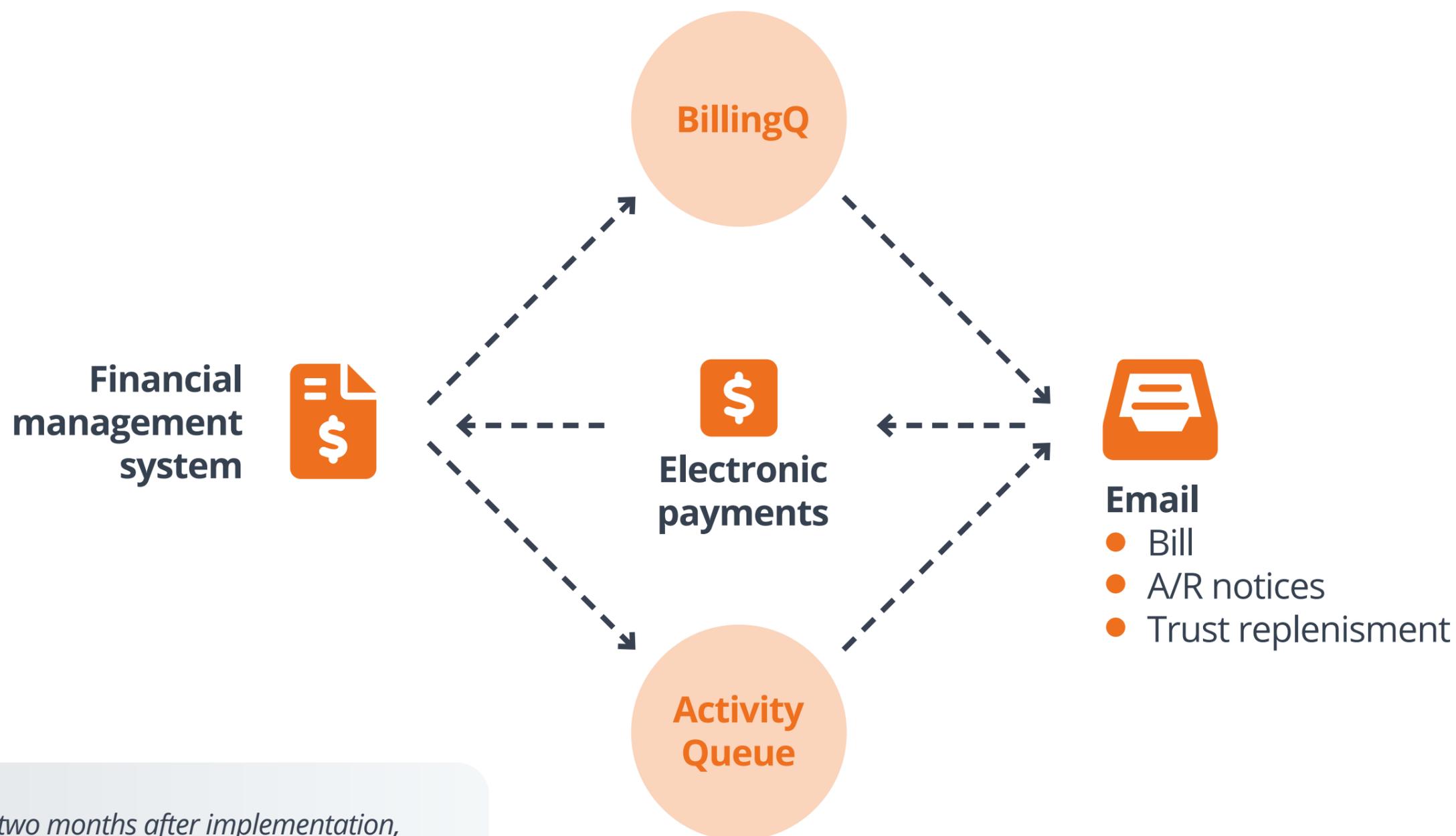
# MailQ Workflow



*"I want you to know how much I appreciate nQ Zebra works and this new software. It has made our lives better and that's no exaggeration."*

**Partner, NLJ 500 Law Firm**

# BillingQ Workflow



*"In less than two months after implementation, we've collected \$150,000 in 'found money'. I would highly recommend BillingQ, especially for firms struggling with the collections process."*

**CFO, Lippes Mathias**

# Core Overview



Core

- ✓ **ScanQ** and **MailQ** – scanning
- ✓ **PrintQ** – printing
- ✓ **CostQ** – cost tracking

## Growth Strategy

- Sign new key industry partners
- Hybrid Operations
- Bridge to the cloud
- Adding support for HP
- Sales team upgrade in 2022

## Roadmap

- PrintQ: Server-less printing
- Intelligent document processing

## Competitors

- Kofax lesser focus on legal market
- Upland Software
- DocSolid in digital mailrooms
- Horizontal: PaperCut, PrinterLogic

# Platform Overview



**Platform**

- ✓ **BillingQ** – billing workflows
- ✓ **DataQ** – business intelligence

## Growth Strategy

- Lead with BillingQ
- Expand support for additional financial management systems (FMS)
- Focus on payments

## Roadmap

- BillingQ: deeper workflows
- DataQ: version 2.0

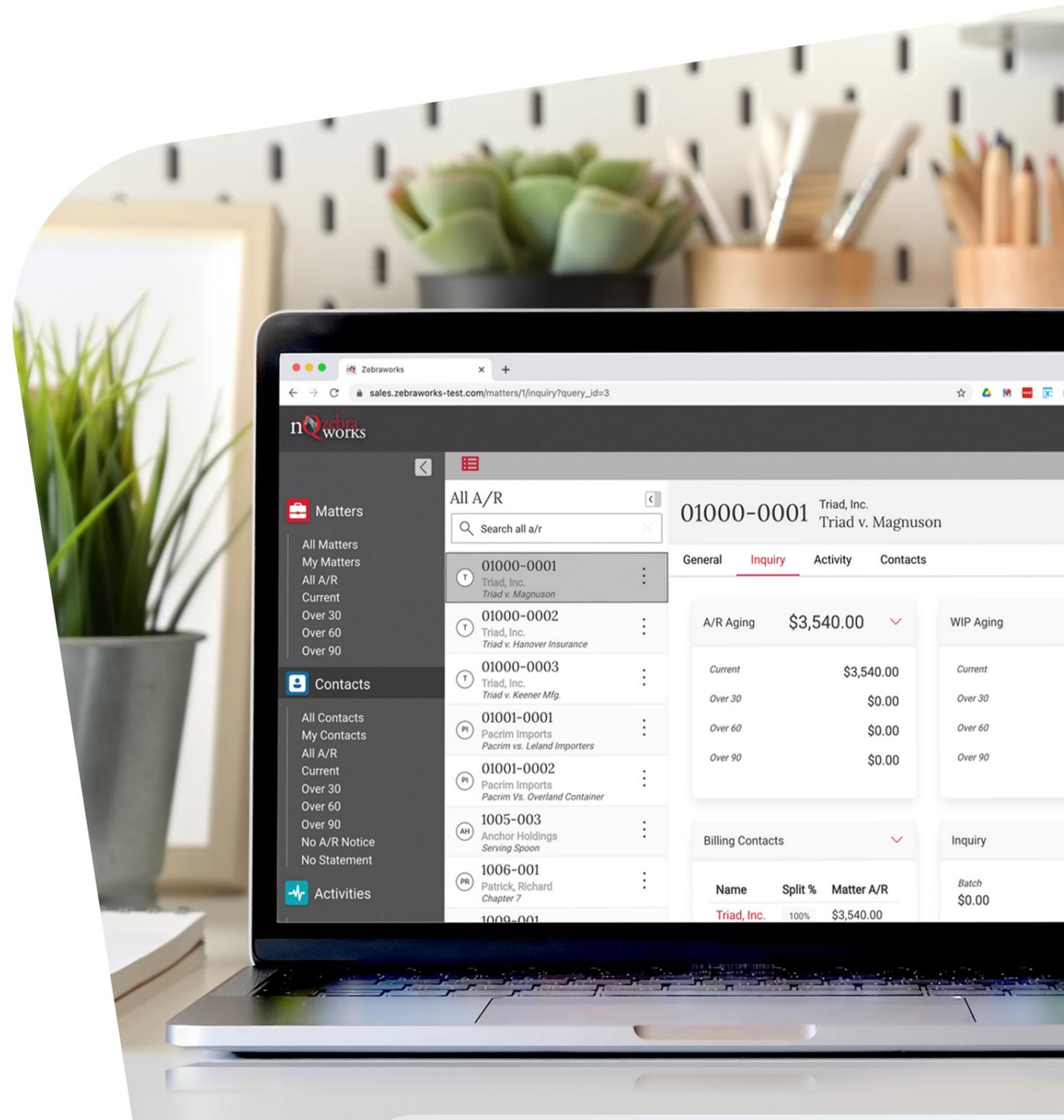
## Competitors

- BillingQ: ARCS, robotic process automation
- Payments: AffiniPay, FMS vendor-specific solutions
- BI: Industry vendors, FMS vendors, custom Power BI implementations

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# Questions

# Legal Group Financials

Growing subscription revenue and a top tier customer base

## ✓ Financial highlights

### Revenue

- Subscription is 89% of revenue
- Solid subscription growth in FY22
- Stronger 2nd half:  
5% revenue growth in constant currency  
(12% reported including currency impact)

## ✓ EBITDA

- Investment in sales and development teams for future growth continues

## ✓ Revenue

	FY22 \$ M	FY21 \$ M	GROWTH
SUBSCRIPTION	9.2	8.8	+6%
UPFRONT AND SERVICE	1.2	1.4	-19%
CONSTANT CURRENCY	10.4	10.2	+2%
CURRENCY IMPACT	-	(0.6)	
REPORTED REVENUE	10.4	9.6	+8%

## ✓ EBITDA

NORMALISED AT CONSTANT CURRENCY	0.2	0.6
NON-CASH TREASURY EXPENSE, TRANSACTION COSTS AND CARES LOAN	(0.5)	(0.3)
CURRENCY IMPACT	-	(0.1)
REPORTED	(0.3)	0.2

## ✓ Capitalised development costs

	4.8	4.0
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# Resources

 Website  
[reckon.com](https://reckon.com)

 About us  
[reckon.com/au/about-us](https://reckon.com/au/about-us)

 Investors  
[reckon.com/au/investors](https://reckon.com/au/investors)

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