



Investor Presentation

For the half year ended 30 June 2025

To be read in conjunction with Appendix 4D and Accounts



Disclaimer

The information contained within this document is in summary form and does not purport to be complete. It should be read in conjunction with Reckon Limited's periodic reporting and other announcements made to the Australian Securities Exchange.

Information provided is current at the date of this document or as at the date specified in any slide or page (as applicable).

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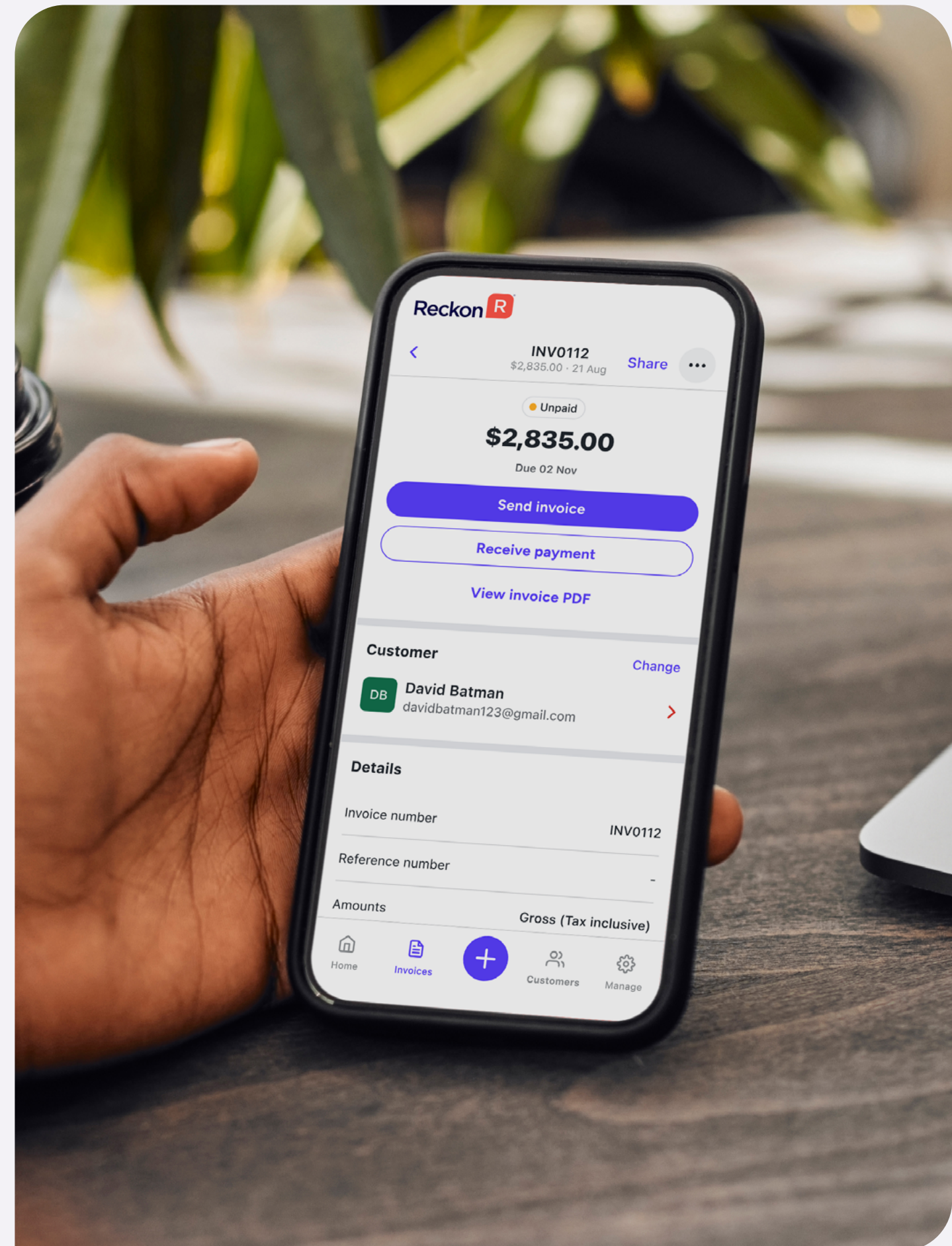
This document is not intended to be relied upon as advice to investors or potential investors and does not consider the investment objectives, financial situation or the requirements of any investor.

Overview

Reckon Limited (ASX: RKN) is a software-as-a-service (SaaS) company providing cloud-based technology solutions to customers including SMEs and legal firms

Investment highlights

- ✓ Strong earnings profile - \$33M in revenue generated in HY25 with EBITDA of \$14M and NPAT of \$4M
- ✓ 2.5 cents annual dividend to be paid September 2025
- ✓ Net debt of \$4.8M (\$2.9M at 31 December 2024), post acquisition of Cashflow Manager business
- ✓ Legal Group subscription revenue growth of 18%
- ✓ 26% Reckon One revenue growth
- ✓ Strategic acquisition of Cashflow Manager Business adding circa 20,000 new SME clients
- ✓ US\$4.5M funding round fully subscribed at a pre money valuation of US\$20M for the Legal Group concluded in December 2024



Corporate overview

✓ Capital Structure

ASX code:	RKN
Shares on issue:	113.3M
Market capitalisation:	\$56M
Share price – low to high	\$0.465 to \$0.65

✓ Major shareholders

Microequities Asset Management Pty Ltd	14.3%
MA Financial Group Ltd	11.7%
Greg Wilkinson	7.1%
Rabie Family	6.4%

✓ Board of directors



Clive Rabie
NON-EXECUTIVE CHAIRMAN



Greg Wilkinson
FOUNDER & NON-EXECUTIVE DIRECTOR



Phil Hayman
NON-EXECUTIVE DIRECTOR



Sam Allert
CHIEF EXECUTIVE OFFICER

Our focus is on two large and distinct markets



SMALL BUSINESS

Accounting and Payroll solutions for SMEs

Total addressable market

3 million small businesses across Australia and New Zealand



LEGAL

Practice Management and Workflow for law firms

Total addressable market

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

Financial Results – Half Year 2025*

REVENUE

\$33↑

million

↑ +16% over PcP

EBITDA

\$14↑

million

↑ +21% over PcP

NPAT

\$4↑

million

↑ +35% over PcP

DEVELOPMENT INVESTMENT

\$8

million

DIVIDEND

2.5

cents

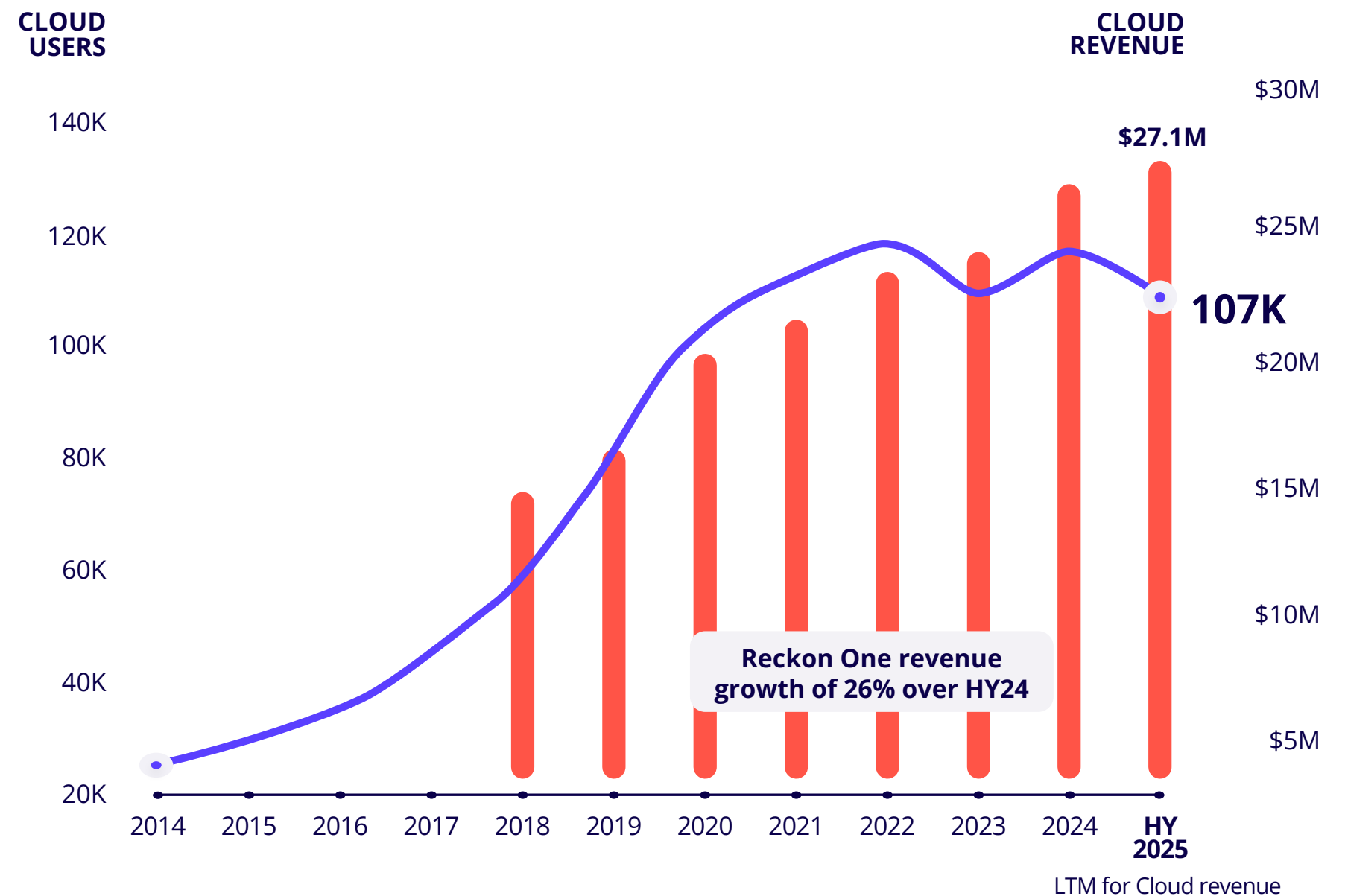
per share fully franked

*Note: Results include Cashflow Manager business acquired January 2025.
PcP is Prior Corresponding Period.

Cloud revenue growth of 8%

- ✓ Servicing start ups, gig-economy, small and medium sized businesses with accounting, payroll, and business management tools
- ✓ Strong cash generating business with EBITDA Margin of 53% and Adjusted EBITDA Margin (after development costs) of 34% for HY25
- ✓ Cloud users reduces to 107K but replaced with better quality revenue
- ✓ Acquisition of Cashflow Manager business adding 20K new clients

↑ Small Business Cloud User* Growth



54% of Business Group revenue is cloud based for HY 2025

* Cloud users represent the number of users for all Business Group cloud products including Reckon One, Reckon Mobile and Reckon Accounts Hosted

Transition to Reckon One codebase

- ✓ Continued focus on the transition to the Reckon One codebase
- ✓ Okke customers acquired from Cashflow Manager already transitioned
- ✓ 26% Reckon One revenue growth with overall cloud revenue growth of 8%
- ✓ Focused development investment into Reckon One and Mobile solutions to support this transition
- ✓ Ongoing product enhancements creating more valuable solutions for SME's and employees
- ✓ Journey to Reckon One expands options for the business and provides potential value creation for Reckon¹

NO. OF PAID SUBSCRIPTIONS²

23K

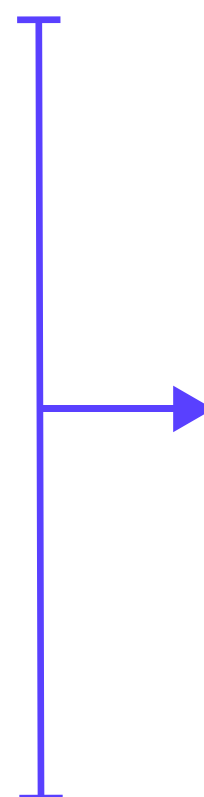
ReckonAccounts 
HOSTED

20K

ReckonAccounts 

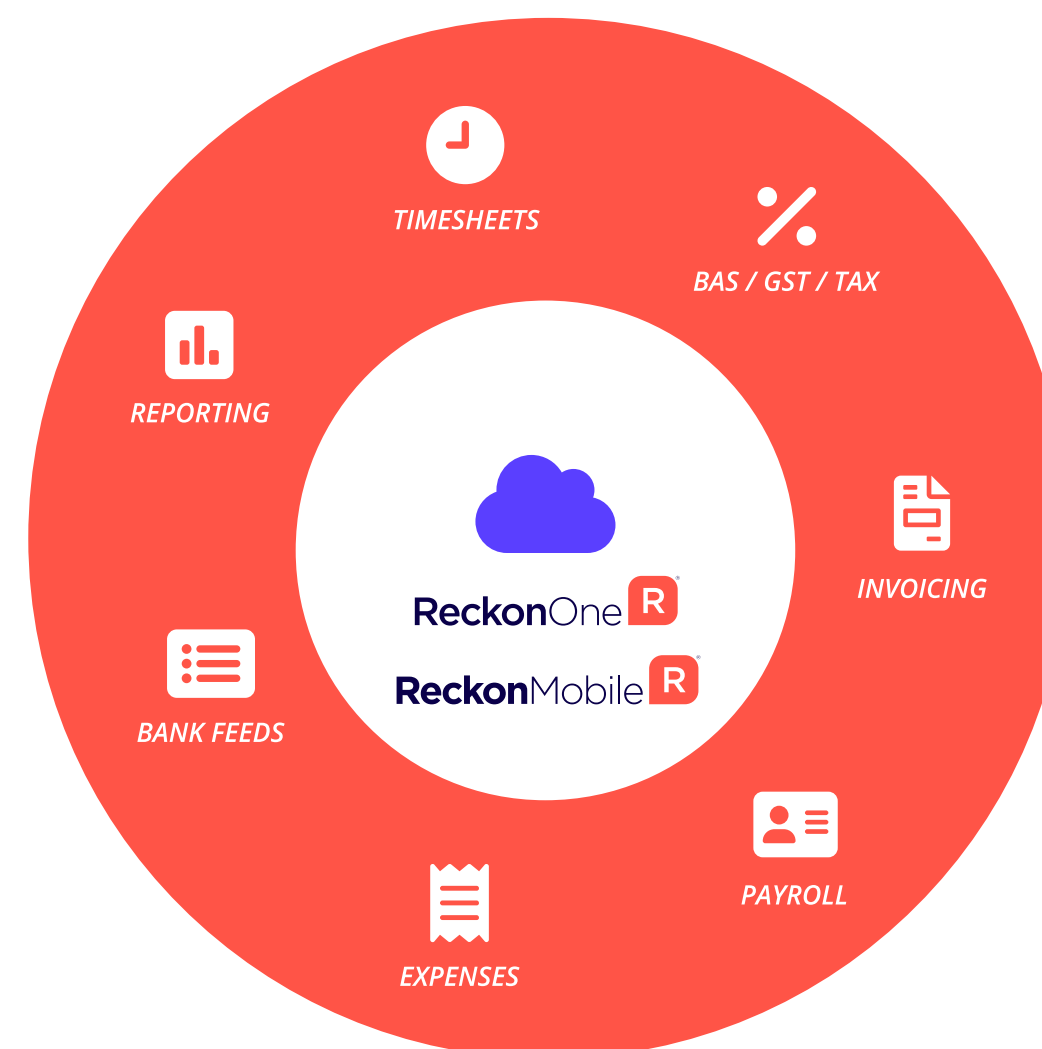
20K

 **CASHFLOW**
manager



NO. OF PAID SUBSCRIPTIONS²

40K



¹ Reckon holds a royalty free licence to use the Intuit source code inherent in Reckon's, Reckon Accounts and Reckon Accounts Hosted products. The licence has some restrictions and is non transferable in certain circumstances. The Intuit source code is not used in any of Reckon's Reckon One cloud and mobile-based products.

² Subscription methodology varies by product:

Reckon One: Generally invoiced by entity with separate subscriptions for Accounting, Payroll + Mobile.

Reckon Accounts + Hosted: Generally invoiced by user with one subscription for all functionality, and for certain products one subscription for all users.

Cashflow Manager: Invoiced by entity with separate subscriptions for Payroll.

Acquisition of Cashflow Manager Business

- ✓ Strategic acquisition of Cashflow Manager Business and clients
- ✓ 20,000 SME clients and 1,000 accounting and bookkeeping partners
- ✓ Contributed \$3.1M in revenue, \$1.4M in EBITDA and \$0.7M in NPAT in HY25
- ✓ Plan to continue supporting the Cashflow Manager product and clients whilst providing an upgrade path to Reckon One over coming years



Client Case Studies



Payroll Management for a National Business Chain

A rapidly growing business chain transitioned from a single Desktop Payroll Premier licence to **84 Reckon Payroll** subscriptions.

- ✓ A strong example of our strategy to migrate clients from legacy desktop solutions to cloud-based platforms, driving both revenue and user growth.
- ✓ **Reckon Payroll** is now the standard platform for all new store openings and an additional opportunity exists to migrate their accounting software.



Trusted Bookkeeper Driving Cloud Transitions for Businesses

A long-standing bookkeeping partner and strong advocate of Reckon is actively supporting our cloud strategy by migrating desktop clients to **Reckon One**.

- ✓ Currently managing **82 Reckon Accounts Desktop & Hosted** clients who are prime candidates for cloud migration.
- ✓ This activity will build on the existing **70 Reckon One** books already managed by the practice, while also converting clients from competitor software.



Accounting & Advisory Firm Unlocking Subscriber Growth

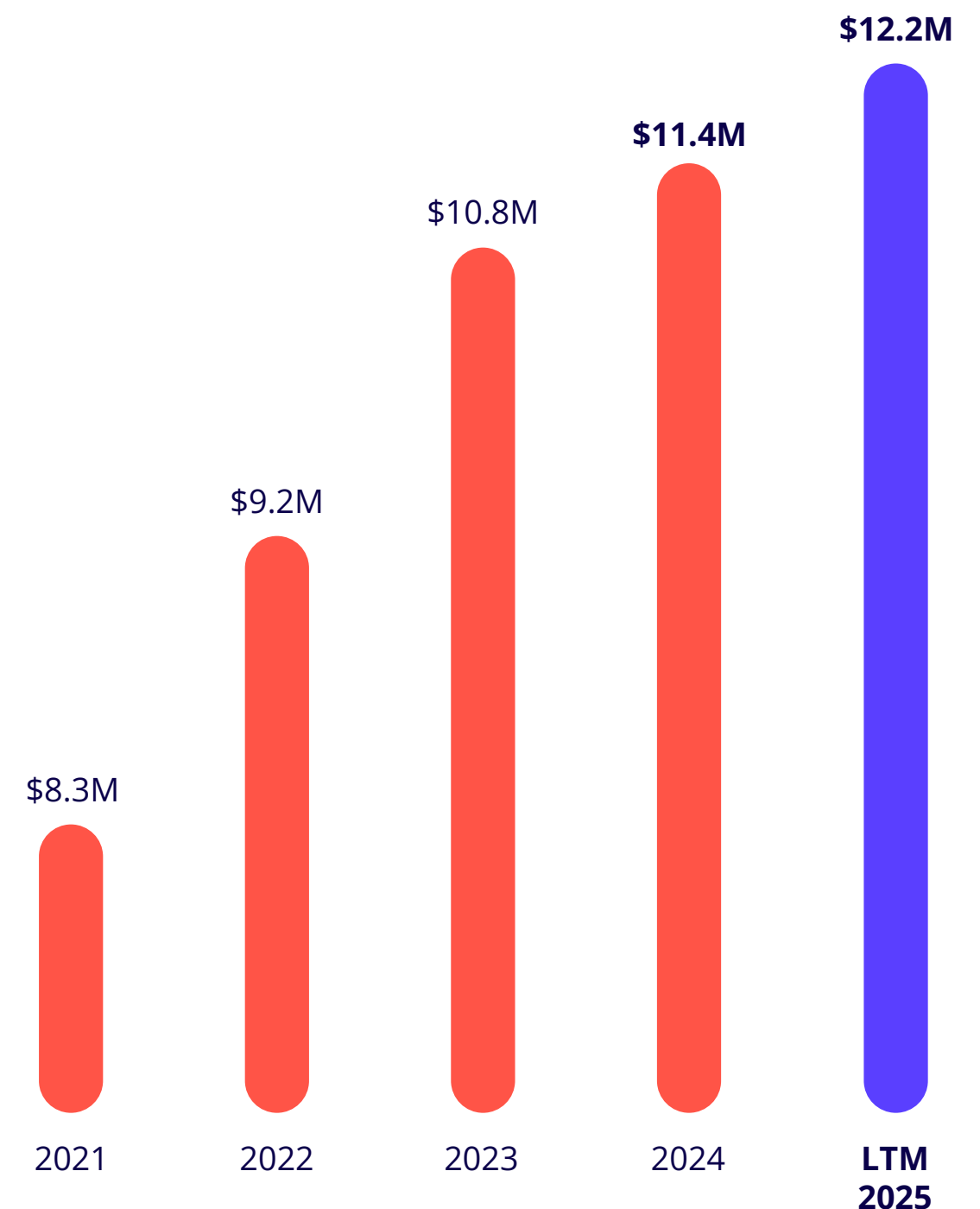
A fast-growing accounting and financial advisory group has achieved strong results with **Reckon One** and is expanding its partnership with us.

- ✓ Recently onboarded **56 Reckon One Accounting & Payroll** books in a short timeframe.
- ✓ Significant opportunity to migrate the firm's **450 clients** using competitor products to **Reckon One** as well as co-marketing to the local business community.

Growth business in large US and global markets

↑ Subscription revenue growth

- ✓ Servicing Legal firms with workflows through scanning & printing, billing and collections, cost recovery and analytics solutions
- ✓ Our workflow solutions are integrated with the core systems in law firms, including financial management and document management
- ✓ We work with 12 of the 20 largest law firms worldwide and 40% of the AmLaw 200 largest firms in the US
- ✓ Highly regarded management team with a successful track record of developing and distributing legal practice management software in US market
- ✓ US\$4.5M funding round fully subscribed at a pre money valuation of US\$20M concluded in December 2024
- ✓ Ongoing investment in cloud-based Billing Workflows, including integrations with additional financial management systems Elite 3E and Aderant



PRACTICE MANAGEMENT AND WORKFLOW FOR LEGAL FIRMS

Servicing Legal firms with Document Workflows and Billing Workflows



Document Workflows

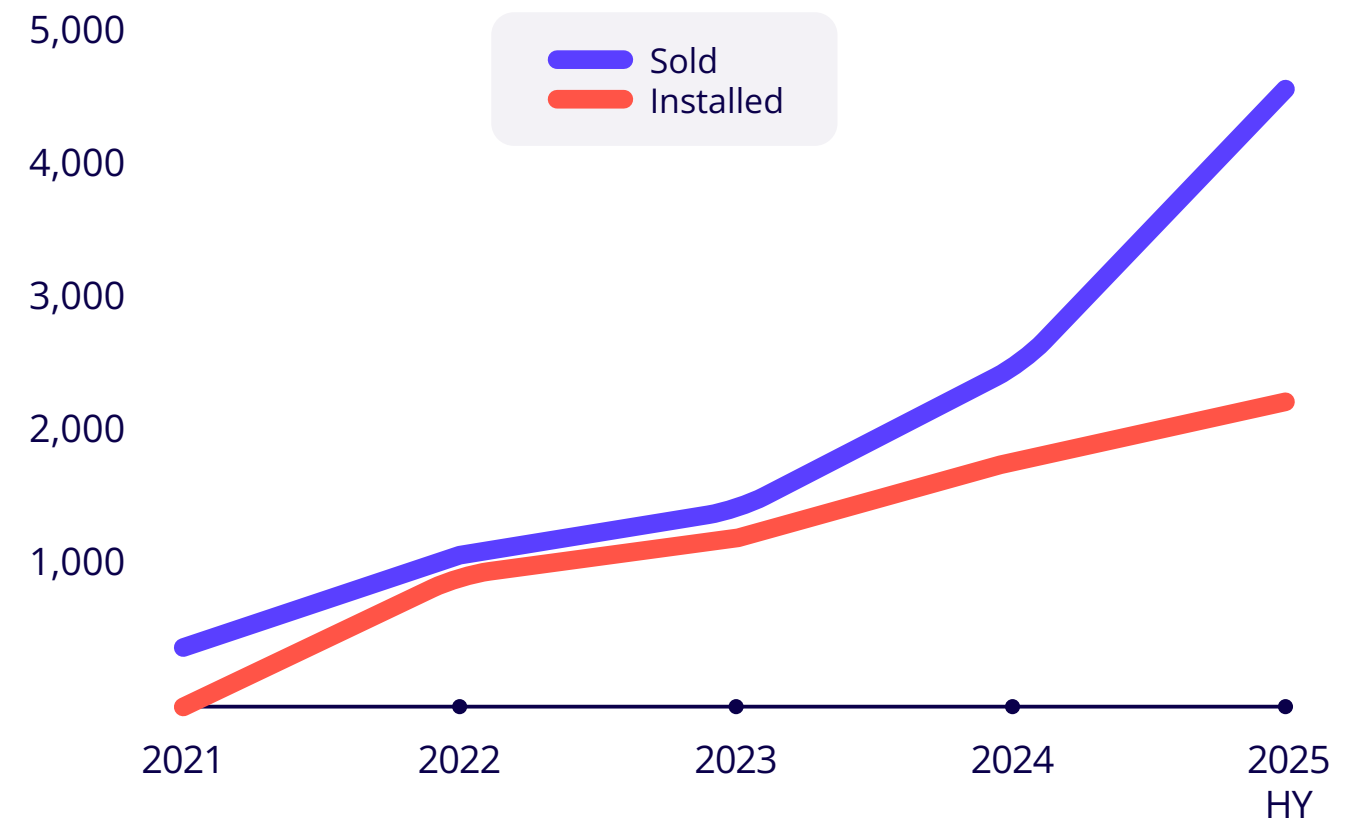
- ✓ **ScanQ** – streamlined scanning
- ✓ **MailQ** – digital mailroom
- ✓ **RecordsQ** – backscanning
- ✓ **PrintQ** – print management
- ✓ **CostQ** – cost tracking



Billing Workflows

- ✓ **BillingQ** – invoices-to-cash
- ✓ **PayQ** – online payments
- ✓ **DataQ** – billing & collections business intelligence

- ✓ **Billing workflows**
No. of attorneys



- ✓ ARR¹ growth continues, especially for Billing Workflows

• Document Workflows	\$12.4M
• Billing Workflows	\$0.9M
• Total	\$13.3M

- ✓ Solid backlog and pipeline for 2HY25

- ✓ Current billing workflows SAM (Serviceable Addressable Market) is 53k attorneys

- ✓ Total attorneys in USA and Canada is 1.1 Million

Note 1: ARR excludes installation revenue

Client Case Studies for BillingQ

Longstanding Legal Client Automates Billing & Payments

An existing **CostQ** client with 260 attorneys automated their billing and payments by adopting **BillingQ**. It was a fast sales cycle with strong engagement from our existing client. Shortly after, they signed up for **PayQ**, enhancing client payment experiences while creating new revenue opportunities for us.

✓ CostQ: US\$15K*

✓ BillingQ: US\$44K*



Top US Legal Firm Expands Payment Solutions

An AmLaw Top 100 firm with over 1,000 attorneys, and a long-term **ScanQ** client, has enhanced its payment capabilities by adopting **PayQ**. Additional opportunities exist for future upgrades to **BillingQ** and **DataQ**.

✓ ScanQ: US\$10K*

✓ PayQ: circa US\$95K*



Established Law Firm Praises Billing & Scanning Solutions

A business litigation firm with over 40 years of experience adopted **ScanQ** within a year of successfully implementing **BillingQ**. Throughout the sales process, they praised the NQ Zebraworks team for their expertise and expressed interest in exploring additional solutions. A strong example of the advocates we've built for our legal solutions.

✓ ScanQ: US\$7K*

✓ BillingQ / DataQ: US\$16K*



* All amounts are ARR in US\$



Financial Highlights

Group financial performance and cash flow

	HY25	HY24	GROWTH
	\$ M	\$ M	%
✓ Revenue	33.0	28.4	+16%
Organic	29.9	28.4	+5%
Acquisition	3.1	-	-

✓ EBITDA	14.1	11.7	+21%
Organic	12.7	11.7	+8%
Acquisition	1.4	-	-

✓ NPAT	4.2	3.1	+35%
Organic	3.5	3.1	+12%
Acquisition	0.7	-	-

	HY25	HY24
	\$ M	\$ M
✓ Operating Cashflow (before development)	13.9	11.3

✓ Development Spend	(7.7)	(7.0)
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✓ Acquisition Cashflow manager	(7.4)	-
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✓ Dividend Paid Fully franked dividend of 2.5 cents per share to be paid September 2025	-	-
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Business Group Financials

A subscription business with consistently strong online growth

✓ Financial performance

Revenue

- Consistently strong cloud revenue growth
- Subscription revenue is 94% of revenue
- EBITDA margin 53%
- Adjusted EBITDA margin 34% (after development costs)

✓ Revenue

	HY25 \$ M	HY24 \$ M	GROWTH
RECKON ONE	4.4	3.5	26%
HOSTED	9.6	9.5	1%
CLOUD SUBSCRIPTION	14.0	13.0	8%
DESKTOP SUBSCRIPTION	7.6	7.8	-2%
TOTAL SUBSCRIPTION	21.6	20.8	4%
OTHER	1.4	1.6	-15%
ORGANIC	23.0	22.4	3%
CASHFLOW MANAGER	3.1	-	-
TOTAL	26.1	22.4	16%

✓ EBITDA

ORGANIC	12.6	12.3	2%
ACQUISITION	1.4	-	-
TOTAL	14.0	12.3	14%

✓ Capitalised development costs

5.0	4.8
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Legal Group Financials

Growing subscription revenue and a top tier customer base

✓ Financial highlights

Revenue

- Strong subscription revenue growth
- Subscription revenue is 95% of revenue

EBITDA

- Investment in sales and development teams for future growth continues
- EBITDA result includes final USA stimulus receipt of \$0.5m

✓ Revenue

	HY25 \$ M	HY24 \$ M	GROWTH	CONSTANT CURRENCY GROWTH
DOCUMENT WORKFLOWS SUBSCRIPTION	6.2	5.3	+15%	+10%
BILLING WORKFLOWS SUBSCRIPTION	0.4	0.2	+119%	+117%
TOTAL SUBSCRIPTION	6.6	5.5	+18%	+13%
UPFRONT AND SERVICE	0.3	0.5	-28%	-31%
	6.9	6.0	+14%	+10%

✓ EBITDA

	1.4	0.7	+110%
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✓ Capitalised development costs

	2.7	2.2
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Summary

- ✓ A software as a service (SaaS) company with two clearly defined businesses and opportunities
- ✓ Executing on plan to create valuation improvement and shareholder return
- ✓ Strong consistent financial results - \$33M in Revenue, \$14M in EBITDA, and NPAT of \$4M for half year 2025
- ✓ A clean Balance Sheet with \$4.8M in net debt at 30 June 2025 and with a \$25M bank facility
- ✓ Consistent dividend paying company - 2.5 cents annual dividend (paid in Sept 2025)
- ✓ 18% Subscription revenue growth for the Legal Group
- ✓ 26% Reckon One revenue growth
- ✓ Continued investment into scaling our cloud products





Questions

Resources



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reckon.com



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