



ASX Announcement

29 July 2016

Prospa Advance and Reckon Loans

Reckon Limited is pleased to announce that it recently entered into a loan syndication participation agreement with Prospa Advance Pty Limited ("Prospa").

The emergence of Fintech services and the growing overlap of technology and financial services present unique opportunities for funding for small businesses who have not always found it easy to obtain loans from traditional sources.

Through its range of products Reckon has always been keen to support the development of small business in Australia and sees the collaboration with Prospa as another way of assisting small business.

Reckon's initial participation in its relationship with Prospa was intended to be in a pilot form, to test the appetite of small business for this sort of funding. And Reckon was also intending to be conservative in the extent of its participation in any funding.

Since the media launch of Reckon Loans about 2 weeks ago, there has been a surprisingly encouraging number of applications for funding. While this is not material in the context of Reckon's business overall, the board of directors felt it prudent to announce to the market that based on initial customer response it will continue to participate in funding loans to small business in collaboration with Prospa.

Mr Clive Rabie, Reckon Group CEO said:

"We are mindful that the financial model of Fintech loans to small business presents an alternative to traditional funding and will watch how this progresses over time. Assisting providing finance to small business is a logical complement to our small business accounting software products and we are enthusiastic about the opportunities that the Fintech space might present to us and our customers."

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