

ASX Announcement

1. RUBIK ENTERS INTO A CONDITIONAL AGREEMENT TO ACQUIRE LEADER IN SCALED ADVICE

2. STRENGTHENS BALANCE SHEET

3. STRENGTHENS EXECUTIVE MANAGEMENT

1. Acquisition of Provisio Software, a leader in scaled and online wealth advice

- EXPANDS RUBIK'S PRODUCT SUITE IN THE GROWING SCALED ADVICE MARKET
- BROADENS RUBIK'S LEADERSHIP POSITION IN THE INSTITUTIONAL WEALTH MARKET
- EARNINGS ACCRETIVE

Rubik Financial Limited (ASX: RFL) today announced that it had entered into a conditional agreement to acquire Provisio Software. Provisio Software is a market leader in the scaled and online advice markets counting many of the industry superannuation funds as its customers including AustralianSuper, Hesta and LUCRFSuper.

In addition to the provision of scaled advice for the superannuation fund market, Provisio has developed a hosted platform for the provision of scaled advice for both the institutional and independent financial advisor (IFA) markets.

The agreement is subject to a number of conditions including the satisfactory completion of due diligence, the obtaining of both Rubik and Provisio board approval, and the entry into a long form sale agreement and other documentation.

Once completed, Rubik will be a market leader in the provision of scaled wealth advice software in the superannuation fund market, complementing its existing leadership position in the institutional market for comprehensive wealth advice software. Institutions, Industry Funds and IFAs alike will be able to access Provisio's scaled advice platform as well as the comprehensive advice solution of COIN Software.

Craig Coleman, Chairman of Rubik, said, "We have been evaluating the leading scaled advice software providers in the market as we believe this will be a growing area given the changes accompanying Future of Financial Advice (FoFA) reforms.

"In acquiring Provisio, we will expand our overall Advice offering, allowing us to leverage our strengths in COIN's financial planning software offerings, as well as take a leadership position in this growing scaled advice market."

Cameron O'Sullivan, CEO of Provisio commented: "We are excited about joining the Rubik team. The Rubik business is a good fit for the Provisio business, and we look forward to being able to create more valuable solutions for our customers".

Strategic Highlights

Completion of the proposed acquisition:

- expands Rubik's wealth advice offering to include comprehensive and scaled advice software solutions
- supports the needs of Rubik's institutional customers and opens up new market segments for Rubik, being scaled and online advice in the Superannuation and IFA markets
- adds industry super funds to Rubik's existing tier 1 wealth customer base; and
- expected to be earnings accretive in FY14.

Structure

Rubik has entered into a conditional agreement to purchase 100% of the share capital of Provisio Technologies Pty Ltd (and all of the units in the Provisio Technologies Unit Trust), the owner of Provisio Software and all associated intellectual property rights, from its owners (the **Vendors**).

The transaction has been structured as an earn-out across FY14, FY15 and the remainder of FY13, with Rubik paying a total consideration equal to 3.0 times EBITDA. Payments will be based upon 3.0 times the annual EBITDA less prior earn out payments, balance sheet adjustments and adjustments for the cost of integration. The transaction is expected to complete in March 2013.

Rubik, at completion, will pay \$0.29m in cash to the Vendors and issue them 2.1m shares at \$0.10 each. Rubik will make a further payment once the FY13 accounts have been audited, which is expected to total \$1.0m, being 3.0 times FY13 EBITDA less the completion payment. This payment shall be a mixture of cash and shares in Rubik, again issued at \$0.10 per share. Both the FY14 and FY15 payments may contain scrip, which may be issued at Rubik's option at the 5 day VWAP immediately following the announcement of RFL's FY14 and FY15 annual results.

Financial Considerations

1. Forecast normalised Provisio EBITDA is \$0.5m (year ending June 2013);
2. Provisio's revenues are expected to exceed \$1.6m in FY13, with strong growth expected in FY14 and FY15
3. Purchase price is 3.0 times FY15 EBITDA, with a cap of \$20.0m, which would require FY15 EBITDA to exceed \$6.67m.
4. Rubik will fund this acquisition through existing cash reserves and issuance of equity.

2. \$3.0m placement to strategic investor

- INCREASES BALANCE SHEET STRENGTH
- PROVIDES FURTHER FLEXIBILITY FOR FUTURE ACQUISITIONS

Rubik today announced that it had entered into a placement agreement with the Wyllie Group, an existing shareholder of Rubik.

The placement will be at \$0.10 per share, meaning that Rubik will issue a further 30m shares.

Following this investment the Wyllie Group's holding in Rubik shall increase from its current 6.5% to 17.4%.

3. Strengthening of Executive Management

- PROMOTION OF MANAGING DIRECTOR WEALTH TO REPORT DIRECTLY TO THE BOARD
- EXPANSION OF WEALTH MANAGEMENT TEAM
- APPOINTMENT OF A MANAGING DIRECTOR BANKING
- RESIGNATION OF BRENT JACKSON, CURRENT CEO OF RUBIK

Rubik today announced changes to its executive leadership, including the promotion of Wayne Wilson, Managing Director of Wealth, to report directly to the Board.

In addition, once the acquisition of Provisio is completed, Mr. Cameron O'Sullivan (current CEO of Provisio) and Mr. Jye Tucker (current CTO of Provisio) will join the Wealth management team.

Further, Dr. Ken Carr has been appointed Managing Director Banking, to lead Rubik's banking business, also reporting directly to the Board. Ken is an experienced senior executive who has managed technology based companies in Australia and Asia. Ken is a former CEO of publicly listed Keycorp Limited, where he led the return to profitability before its eventual sale to Archer Capital. Ken has also been a partner at IBM Global Services, implementing large scale systems for financial institutions and telecommunications companies locally and overseas. Ken brings a depth of skills and experience in running technology businesses which will assist Rubik



successfully implement software sales and run a profitable, focused Banking Segment.

As a result of these appointments, Mr. Brent Jackson, current Rubik CEO, will step aside from an executive role. Brent was the inaugural CEO of Rubik and from our start up over five years ago has grown company revenues to over \$20m. Brent oversaw the successful acquisition and integration of COIN, and believes it is the right time to handover to a new management team for the next phase of Rubik's development.

The Board of Rubik thanks Brent for his drive, passion and commitment in the setup phase and wish him well for his future endeavors.

For further information please contact

Craig Coleman
Chairman
0401 990 472

or

Wayne Wilson
Managing Director Wealth
0434 848 100

About Rubik Financial Limited (Rubik)

Rubik builds software for Banks. Rubik develops mission critical web and mobile technologies to be deployed in-house or through multi-tenanted, pay-as-you-go services. Rubik delivers trusted, reliable systems through a focus on quality, reliability and security. Rubik is ISO 9001, ISO27001 and NoCO2 certified.

More information: www.rubik.com.au

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