



14 April 2016

Dear Security holder

NON-RENOUNCEABLE ENTITLEMENT OFFER

Rubik Financial Limited (ACN 071 707 232) (**Company or Rubik**) is pleased to announce that the Company would be conducting a non-renounceable entitlement offer of approximately 52,948,384 fully paid ordinary shares in the capital of the Company (**Shares**) on the basis of 1 Share for every 7 Shares held at 7:00pm (AEST) on 18 April 2016 (**Record Date**) at an issue price of A\$0.10 per Share to raise approximately \$5,294,838 (before issue costs) (**Entitlement Offer**).

The funds raised under the Entitlement Offer will provide the Company with the necessary funds to:

- a) accelerate the Company's key banking and wealth innovation pipeline, including investment in:
 - its joint development project with Temenos to create a best in class digital banking experience for the Australian market and expand the associated market opportunities for Rubik; and
 - development of enhanced Provisio product functionality to maintain Rubik's position as the leading provider of scaled/robo advice in the Australian market and grow recurring wealth revenues;
- b) repay outstanding short term debt to Viburnum Funds Pty Ltd ATF VF Strategic Equities Fund (**Viburnum Fund**);
- c) general working capital and administrative expenses; and
- d) expenses of the Offer.

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The Entitlement Offer is fully underwritten by Viburnum Funds Pty Ltd (AFSL No. 319640) (**Viburnum**). Viburnum is the manager of Viburnum Fund, the Company's largest shareholder (19.01%). Viburnum has advised the Company that it has procured commitments for up to \$1M of any shortfall from sub-underwriters, namely LHC Capital Partners Pty Ltd and Regal Funds Management Pty Ltd. The Company will pay Viburnum an underwriting fee of \$101,182. Details of the underwriting arrangements are set out in more detail in an offer document dated 13 April 2016 (**Offer Document**). In addition, the following shareholders have confirmed their intention to take up the following new Shares:

Name	Nature of commitment	Number of new Shares committed
Viburnum Fund	Entitlement	10,066,414
LHC Capital ¹	Entitlement	7,157,286
Regal Funds ²	Entitlement	6,794,470
Mr Iain Dunstan ³	Entitlement	1,582,473
Mr Iain Dunstan ³	Additional new Shares	2,000,000
Mr Craig Coleman ⁴	Entitlement	1,242,858
Mr Andrew Moffat ⁵	Entitlement	1,151,237
Mr John Wilson ⁶	Entitlement	235,451
Mr Darius Coveney ⁷	Entitlement	947,858
Total Commitments		31,178,047

Notes:

- ¹ LHC Capital is a substantial shareholder of Rubik. LHC Capital has agreed to take up its full Entitlement under the Offer and agreed to sub-underwrite the Offer up to \$500,000 of any Shortfall. LHC Capital and Regal Funds will sub-underwrite the Offer between them on a pro-rata basis up to the dollar limit of their sub-underwriting commitments.
- ² Regal Funds is a substantial shareholder of Rubik. Regal Funds has agreed to take up its full Entitlement under the Offer and agreed to sub-underwrite the Offer up to \$500,000 of any Shortfall. LHC Capital and Regal Funds will sub-underwrite the Offer between them on a pro-rata basis up to the dollar limit of their sub-underwriting commitments.
- ³ Mr Dunstan is the CEO of Rubik and may hold these shares personally or via a related entity. Mr Dunstan's commitment is to subscribe for up to 2 million additional new Shares and will be subject to the allocation policy set out in the Offer Document. The table above is prepared on the basis that Mr Dunstan subscribes for and is issued 2 million Additional New Shares, which may or may not be the case.
- ⁴ Mr Coleman is the Non-Executive Chairman of Rubik and may hold these shares via a related entity.
- ⁵ Mr Moffat is a Non-Executive Director of Rubik and may hold these shares via a related entity.
- ⁶ Mr Wilson is a Non-Executive Director of Rubik and may hold these shares via a related entity.
- ⁷ Mr Coveney is the CFO of Rubik and may hold these shares via a related entity.

The Entitlement Offer is being conducted without a prospectus, pursuant to the Offer Document in accordance with section 708AA of the *Corporations Act 2001* (Cth) (as modified by the Australian Securities and Investments Commission (**ASIC**) Corporations (Non-Traditional Rights Issues) Instrument 2016/84). A copy of the Offer Document is available on the Company's website at www.rubik.com.au or on the ASX website (company announcements section, ASX code: RFL) at www.asx.com.au.

It is anticipated that the Offer Document will be sent to all shareholders with a registered address in Australia and New Zealand on 21 April 2016.

Summary of key features of the Entitlement Offer

The Entitlement Offer is open to shareholders who hold Shares as at 7:00pm (AEST) on the Record Date with registered addresses in Australia and Zealand (**Eligible Shareholders**). All other shareholders are not eligible to participate in the Entitlement Offer and will be notified by the Company separately (**Excluded Shareholders**). Excluded Shareholders will not be entitled to subscribe for Shares under the Entitlement Offer. As at the date of this letter, the Company's Excluded Shareholders are in Austria, United Kingdom, Hong Kong, India, Papua New Guinea, Qatar, Singapore, Thailand and the United States of America.

Under the terms of the Entitlement Offer, Eligible Shareholders will be entitled to subscribe for 1 Share for every 7 Shares held at 7:00pm (AEST) on the Record Date at an issue price of A\$0.10 per Share (**Entitlements**). Where fractions arise in the calculation of Entitlements, they will be rounded up to the nearest whole number of Shares. Holdings on different sub-registers will not be aggregated for calculating Entitlements. Eligible Shareholders may also apply for additional Shares in excess of their Entitlement on the terms set out in the Offer Document.

The Company reserves the right to reduce the number of Shares allocated to Eligible Shareholders, or persons claiming to be Eligible Shareholders, if their claims prove to be overstated or they fail to provide information to substantiate their claims.

The Shares will rank equally with the existing ordinary shares from the date of issue.

The current number of Shares on issue in the Company is 370,638,690. Under the Entitlement Offer, approximately 52,948,384 Shares will be issued and the number of Shares on issue at the completion of the Entitlement Offer will be approximately 423,587,074.

The Entitlement Offer is non-renounceable, therefore you cannot sell your Entitlements.

No shareholder approval for the Entitlement Offer is required.

The Company currently has no dividend policy.

Indicative timetable

The indicative timetable for the Entitlement Offer is as follows:

Release of Offer Document, Entitlement Offer Appendix 3B & section 708AA Notice to ASX	13 April 2016
Letter to Security holders	14 April 2016
“Ex” Date	15 April 2016
Record Date	18 April 2016
Despatch Offer Document and Entitlement and Acceptance Form to Eligible Shareholders	21 April 2016
Offer Opening Date	21 April 2016
Offer Closing Date	3 May 2016
Securities quoted on a deferred settlement basis	4 May 2016
ASX notified of under subscriptions	6 May 2016
Issue of new Shares under Entitlement Offer	10 May 2016
Normal ASX trading for new Shares commences	11 May 2016

The above timetable is indicative only and subject to change. The Company reserves the right to amend any or all of these events, dates and times subject to the *Corporations Act 2001* (Cth), the ASX Listing Rules and other applicable laws. In particular, the Company reserves the right to extend the closing date of the Entitlement Offer, to accept late applications either generally or in particular cases or to withdraw the Entitlement Offer without prior notice. The commencement of quotation of Shares is subject to confirmation from ASX.

Brief instructions for Eligible Shareholders

If you are an Eligible Shareholder, you may do the following:

<p>If you wish to accept your Entitlement in full:</p> <ul style="list-style-type: none">• pay the amount indicated on your Entitlement and Acceptance Form via BPAY® using the BPAY® code and personalised customer reference number indicated so that the funds are received before 5:00pm (AEST) on the closing date of the Entitlement Offer; or• complete the Entitlement and Acceptance Form, filling in the details in the spaces provided and attach your cheque, bank draft or money order for the amount indicated on your Entitlement and Acceptance Form.	<p>If you only wish to accept part of your Entitlement:</p> <ul style="list-style-type: none">• pay the amount indicated on your Entitlement and Acceptance Form via BPAY® using the BPAY® code and personalised customer reference number indicated so that the funds are received before 5:00pm (AEST) on the closing date of the Entitlement Offer; or• complete the Entitlement and Acceptance Form, filling in the details in the spaces provided and attach your cheque, bank draft or money order for the amount indicated on your Entitlement and Acceptance Form.
<p>Applying for additional new Shares</p> <p>Eligible Shareholders who have subscribed for their Entitlement in full may also apply for additional new Shares in addition to their Entitlement. You may apply for additional new Shares as follows:</p> <ul style="list-style-type: none">• complete the relevant section of your Entitlement and Acceptance Form and return it together with a single cheque, bank draft or money order for the appropriate application monies for both your Entitlement and the additional new Shares you wish to apply for; or• pay the appropriate application monies for both your Entitlement and the additional new Shares you wish to apply for via BPAY® using the BPAY® code and personalised customer reference number indicated so that the funds are received before 5:00pm (AEST) on the closing date of the Entitlement Offer.	<p>If you do not wish to accept all or part of your Entitlement, you are not obliged to do anything. If Eligible Shareholders do not take up their entitlement, their existing interest in the Company will be diluted.</p>

More information

Before making a decision whether to apply for Shares, please read the Offer Document carefully in its entirety when you receive it. **The Entitlement Offer is scheduled to close at 5:00pm (AEST) on 3 May 2016.**

This letter is not a prospectus and does not constitute an offer of securities. An offer of Shares under the Entitlement Offer will only be made in, or accompanied by, a copy of the Offer Document sent to all Eligible Shareholders.

The Directors of the Company recommend that if you are in doubt as to the value of the Entitlement Offer then you should contact your financial adviser.

Should you have any queries, please contact the Company's share registry, Computershare Registry Services Pty Ltd, on 1300 557 010 (within Australia) or +61 3 9415 4000 (outside Australia).

Yours faithfully



Darius Coveney
Company Secretary

Rubik Financial Limited