

Rubik entrenches its position in the revenue and commission management software market

Integrated commission and revenue management technology solves many FoFA headaches for advisors

Sydney, 24 January 2014: Rubik Financial Limited (**Rubik**), the ASX-listed provider of financial technology and software, today announced it had:

- completed the transaction with Revex Solutions Pty Ltd, announced on 19 July 2013 (**Revex Transaction**); and
- entered into a term sheet with Easy Dealer group to acquire its revenue and commission software business (**Easy Dealer Transaction**).

In addition Rubik is pleased to announce that the integrated COIN/Revex hosted solution for independent financial planners will be available from February 2014. This integration was a critical component of the Revex Transaction and this major integration step was integral to completion of the Revex Transaction.

Strategic Importance

Revenue and commission management software for Australian Financial Services Licensee's and financial planning practices provide automated management of revenue, including commissions and client fees as well as relevant business information reporting.

Rubik Managing Director Wealth, Wayne Wilson, said that the Revex Transaction and the Easy Dealer Transaction together provide a significant strategic outcome for Rubik. *"Both of these software solutions solves the dilemma facing planners in the industry - and offer efficient commission and revenue management that meets the requirements of the FoFA reforms,"* Mr Wilson said.

"The reality is that revenue and commission information needs to be collated from each of the many different investment products that clients hold. Often these fees are bundled together, and the task of itemising the fees, and unbundling them to account for those that are FoFA defined, can be onerous".

The Revex Transaction and the Easy Dealer Transaction are highly complementary, with:



- the Revex solution integrated with COIN will primarily be targeted at the COIN installed base, which exceeds some 15,000 seats; and
- the Easy Dealer solution is predominantly used by practices that use (mainly) XPLAN or MidWinter as their financial planning solutions. The Easy Dealer solution is often integrated with XPLAN by third party integrators such as Enzumo and Specialist PMC.

Mr Wilson noted that *“every institution has a different solution to this FoFA requirement. It is a time-consuming exercise that many practices are performing manually. With both the Revex & Easy Dealer solutions Rubik can provide fully merged FoFA documents, in an automated fashion, at the touch of a button, no matter whether the planner is using COIN or XPLAN, which means we can now support clients no matter the planning software platform that they use.”*

Further, the Easy Dealer Transaction will provide Rubik with a greater exposure to the non-COIN financial planners, where Rubik hopes to expand its offerings (including products such as Provisio – its scaled advice, online, platform) in the coming months.

Revex Transaction

The Revex Transaction consists of two key elements. Firstly, Rubik's right to sell the Revex solution and secondly the ability for Rubik to acquire the Revex business including all of the intellectual property.

Reseller agreement

Rubik holds the distribution rights over the Revex software on an exclusive basis for Rubik Wealth's customers, covering institutions, independent financial advisors (IFAs) and industry superannuation funds, as well as non-exclusive rights for other customers with Revex continuing to support and market to its direct relationships.

Option agreement

Rubik has the option to purchase the Revex business outright, at the end of a three year period. The consideration will be based on a multiple of revenue achieved in the final 12 months prior to the exercise of the option. The multiple paid will be dependent upon the source of the revenue.

Easy Dealer Transaction

The term sheet entered into with Easy Dealer is non-binding. The parties have agreed to negotiate on an exclusive basis to agree full form, binding, transaction documentation.

Structure

The Easy Dealer Transaction, once complete, will see Rubik purchase 100% of the share capital of AMEE IP Holdings Pty Ltd (and all of the units in the AMEE IP Unit Trust – the owner of Easy Dealer Software and all associated intellectual property rights) and AMEE Easy Software Solutions Pty Ltd (trading company), from its owners (the **Vendors**).

The transaction has been structured with a single upfront payment based on a multiple of normalised run rate FY14 EBITDA. The proposed EBITDA multiple is 4.55x, meaning that at completion of the Easy Dealer Transaction, Rubik expects to pay the Vendors \$2.7million.

About Easy Dealer

Easy Dealer was established by Matthew Meath in 2000, with the launch of the “Easy Brokerage” product. This product provides automatic brokerage allocation and automatic income distribution, and provides instant client segmentation reporting.

Subsequently developed and launched was “Easy Dealer” for licensees and aggregators, and then “Easy Payments” to allow the financial planning industry to take credit card payments and direct debits, and “EBAFSL” which is an extension of “Easy Brokerage” but with the ability to import revenue statements from product providers.

Today Easy Dealer's customer base includes hundreds of financial planners and dealer groups located in every state around Australia. Easy Dealer offerings mainly compete with XPLAN's “Commpay” offering.

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About Rubik

Rubik builds software for Financial Institutions and a range of Finance Industry participants. Rubik design, build, host and support software and data for Financial Services industry participants. Rubik provide financial planning software to wealth advisers and core banking systems including other related banking software. Rubik delivers trusted, reliable systems through a focus on quality, reliability and security. Rubik is ISO 9001, ISO27001 and NoCO2 certified.

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