

ASX Release

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2020 Annual General Meeting Chairman's Speech

Introduction

Welcome to the Bravura Solutions 2020 AGM. Despite the COVID-19 pandemic and market volatility, Bravura enjoyed another successful year with solid operating and financial performance recorded across the business. This means we have now reported four consistent years of excellent full year results since our IPO in November 2016.

Under the leadership of Tony Klim and his experienced executive team, Bravura continues to advance towards its long-term strategic goals and take advantage of a significant and growing addressable market.

During the financial year, Bravura extended its product suite with the acquisition of Midwinter Financial Services and FinoComp – boosting our technology capability and providing greater coverage of the financial services value chain. Both businesses are delivering strong sales pipelines, with active cross-sell opportunities and significant combined offerings across our product suite already in-flight. In October 2020, Bravura also announced the acquisition of Delta Financial Systems, which has broadened Bravura's product offering in the UK complex pensions administration market.

With a solid balance sheet position, an extended and complementary product suite and increasing scale benefits, Bravura is well placed to continue its growth trajectory and capitalise on its significant long-term sales pipeline.

Financial results

With respect to our financial performance, I am pleased to report that Bravura continued to deliver growth in revenue as well as expand our operating leverage.

In FY20, the business recorded revenue of A\$274.2m, representing growth of 6% over FY19. Group EBITDA grew by 19% to A\$57.8m, compared to A\$49.1m in the previous period. Group NPAT increased by 22% to A\$40.1m, up from A\$32.8m in the prior corresponding period. As at 30 June 2020, the company had a solid net cash position of A\$99.1m.

The Board is pleased to declare a final unfranked dividend of 5.5 cents per share for the year. Along with the interim dividend of 5.5 cents per share declared earlier in the year, Bravura delivered a full-year dividend of 11.0 cents per share.

Midwinter acquisition

In August 2019, Bravura enhanced its product suite by acquiring cloud-based SaaS provider Midwinter Financial Services for A\$50m. Midwinter's leading financial planning software offers our clients self-directed digital advice capabilities and adviser administration.

Having now successfully integrated the Midwinter organisation into Bravura, we have already seen a number of existing clients expressing strong interest in Midwinter's product offerings. Given Midwinter's software solutions are a natural extension to Bravura's existing product suite, we remain confident that there is a long growth runway trajectory ahead for Midwinter that can deliver excellent returns for Bravura shareholders.

FinoComp acquisition

In October 2019, Bravura further enhanced its product suite by acquiring leading microservices provider FinoComp for A\$25m. FinoComp is an Australian software company servicing the UK market that builds registry agnostic and highly flexible products and services that can be independently deployed to solve specific business challenges. As more wealth management providers transition to agile and cost-effective technology ecosystems, this acquisition will allow Bravura to drive more of our clients' mission-critical operations.

Delta acquisition

In October this year, we also announced the acquisition of Delta Financial Systems for a total consideration of up to A\$41.5m. Delta is an award-winning UK software company that provides technology to power complex pensions administration in the UK market. The acquisition broadens Bravura's product suite, in which Delta's products represent a natural extension to Bravura's core Sonata offering. The acquisition also provides opportunity to offer Bravura's other products to Delta's client base.

Business overview

At Bravura, our mission is to deliver innovative technology solutions that power the world's financial institutions. Our purpose is to make our customers successful by providing a broad suite of global software solutions and services that drives the success of their businesses. Our technology is the essential administration engine that powers the wealth management and funds administration industries across the APAC and EMEA regions.

Bravura proudly boasts a longstanding international client list that includes some of the world's largest blue-chip financial institutions, including Fidelity International, Bank of New York Mellon, JPMorgan, Mercer, Westpac NZ, ASB Bank, TAL, Suncorp, STANLIB, Legal & General, Schroders, Lloyds and Citi.

The strong demand for Bravura's broad and growing product range is driven by clients' need for speed to market, enhanced digital capabilities, navigating maturing and evolving financial regulation and extracting operational efficiencies. Amid the COVID-19 pandemic and market volatility, Bravura remains committed to supporting our clients through these evolving industry trends and will continue to invest in enhancing the functionality of our product range to grow our market offering.

Market-leading position

During FY20, Bravura enjoyed growth across both our Wealth Management and Funds Administration business units. Our clients have more than A\$4 trillion of assets under administration on Bravura technology, directly or on behalf of their customers. Bravura's steady financial performance in such uncertain times is testament to the strength of the business and the value of our product suite.

We have invested over A\$210m in our flagship product Sonata. This investment has positioned Sonata as a market leader in our key regions and has delivered excellent returns for shareholders. In FY20, we invested an additional A\$36m in our product suite to further enhance digital functionality across our offerings. This includes the development of Sonata Alta, our new cloud-based operating model that gives our clients the agility to 'plug and play' best-of-breed technology solutions to achieve the functionality they need.

Our solid balance sheet and skilled management team combined with the long-term nature of our client relationships positions the company for significant long-term growth.

New Board member – Ms Libby Roy

I would also like to welcome a new independent non-executive director, Ms Libby Roy, to our Board. Libby brings her extensive expertise and experience in wealth management, superannuation and financial planning to the Board and the business. I will hand over to Libby to say a few brief words.

Growth opportunities

Bravura remains well positioned to maintain its upward growth trajectory, supported by our new Sonata Alta proposition and our recent acquisitions. While there has been a lengthening of the sales cycle due to COVID-19, Bravura has a strong long-term sales pipeline, including significant opportunities to attract new clients across key markets and increase technology spend among existing clients.

With increased global demand for personalised digital experiences, self-service capabilities and lower operating costs, Bravura's market-leading solutions are well placed to meet these client needs. We continue to invest and enhance the Bravura product suite to take advantage of this strong demand in our current geographies as well as for future growth in adjacent markets and regions.

Acknowledgments

On behalf of the Board, I would like to thank our valued shareholders for their commitment to Bravura Solutions over the past financial year. I welcome our new shareholders who have invested in our business for the next stage of Bravura's growth journey. We appreciate the trust you have placed in us to deliver on our business goals.

Under the strong leadership of Tony Klim and his executive team, we remain confident in delivering on our strategic objectives for the year and on our ambitions for continued growth into the future.

Finally, I would like to take this opportunity to thank Tony and the more than 1,400 Bravura staff, located around the world, for their efforts and commitment during the year. The company's many achievements would not have been possible without the hard work and commitment of every member of the Bravura team, who continue to develop and deliver innovative and world-class solutions that meet our clients' needs. I will now hand over to our CEO, Tony Klim, to discuss Bravura's operational highlights and growth strategy in more detail.

2020 Annual General Meeting

CEO & Managing Director Speech

Introduction

Thank you, Neil, and good afternoon.

It has been another solid year for Bravura with robust performance reported across the business. I would like to take this opportunity to share with you the progress we have made and why I believe Bravura is well-positioned to continue its trajectory of sustainable growth.

FY20 results

For the fourth consecutive year, Bravura's performance across key metrics exceeded that of the previous year. These strong results can be attributed to several key drivers including an enhanced and growing Bravura product suite, continued demand for professional services from existing clients, and a solid base of long-term client contracts. This highlights the valuable relationships we build with our clients and the importance they place on our technology to run their business. We continue to strive towards our mission of developing innovative technology solutions that power the world's financial institutions.

Both Wealth Management and Funds Administration delivered solid results for the year. Sonata continued to drive growth as well as additional project work from existing clients. Funds Administration also delivered growth following increased implementation and development work across its client base. The enhancement of our product ecosystem with our acquisitions of Midwinter and FinoComp further contributed to this growth. Despite a lengthening of the sales cycle caused by the heightened uncertainty from COVID, sales opportunities in both segments continue to develop.

Bravura's Wealth Management division achieved a sound financial result in the year, which was driven largely by the extended adoption of Sonata across global markets. The segment recorded revenue growth of 2% to A\$180.4m, while the division's EBITDA was down by 2% to A\$52.9m.

In APAC, leading New Zealand outsourcer Trustees Executors extended its long-standing partnership with Bravura, that will see them upgrade to our digital and Managed Cloud Services solutions. Another key highlight was our ability to quickly deliver to our Australian superannuation clients the capacity to automate the bulk handling of early release requests arising from COVID-19 legislative changes. In EMEA, Sonata continued to drive growth through project work from existing clients. Fidelity successfully completed their SIPP migration onto Sonata. Legal & General launched a Workplace ISA on the solution, and Prudential reached in excess of £19b with their SIPP and PruFund on Sonata. This reinforces Sonata as a market-leading, agile business solution.

Our Funds Administration division enjoyed strong results in FY20, driven by licence renewals and growth in professional services. The segment recorded revenue growth of 16% to A\$93.8m, while the division's EBITDA saw a 33% increase to reach A\$43.0m. Key divisional highlights include product enhancements that enable greater digital self-service and operational efficiency for our clients, as well as continued investment in the regulatory currency of our transfer agency software. We also made significant developments to our hosted services infrastructure in

response to COVID, to strengthen performance, data security and disaster recovery capability. Our third-party administration clients also continued to grow their portfolios across our solutions.

Bravura remains a leader in the fund administration market for its digital solutions and straight-through messaging capabilities. Amid COVID-19 market volatility, our award-winning STP engine, Babel, experienced a 40% increase in trading volumes in FY20 demonstrating scalability and resilience. We are very pleased with the performance recorded in the segment and expect demand to continue as clients seek to enhance their digital capabilities.

Amongst other sales, FinoComp signed a new contract with a new client, a UK investment platform, to implement a broader suite of microservices to replace their existing core platform technology.

Bravura continues to evaluate a healthy pipeline of acquisition opportunities, while ensuring we leverage shareholder capital in the most efficient and value maximising way. Bravura ended the 2020 financial year with a net cash position of A\$99.1m, part of which was deployed into the acquisition of Delta Financial Systems. We remain well positioned to fund further growth opportunities, both organic and acquisitive, as they arise.

Acquisitions

In FY20, Bravura also acquired two strategic market-leading businesses – Midwinter and FinoComp – boosting our technology capability and providing greater coverage of the financial services value chain.

We have now successfully integrated the Midwinter organisation into Bravura and are seeing significant interest from our existing clients in how Midwinter's software solutions can support their business. Its leading financial planning software, AdviceOS, powers back office administration for financial advisers and drives online self-directed digital advice portals for superannuation funds in Australia. By providing Bravura with a competitive edge, the solution is attracting interest from the New Zealand advice market and positioning us to capitalise on changes in the Australian advice market.

Bravura's product ecosystem has been further enhanced by our acquisition of FinoComp in October 2019. FinoComp has built a suite of highly flexible and registry agnostic data analytics and performance reporting software that services some of the world's leading financial services companies. We are seeing high demand in the UK for FinoComp's market-leading products, as more wealth management providers transition to agile technology ecosystems that solve business challenges in more cost-efficient ways. As mentioned, FinoComp signed a new contract with a new client, a UK financial services provider, to implement a broader suite of microservices to replace an existing platform. We will continue to tailor our technology proposition for new sales and capture a greater share of the technology spend from existing clients.

We also recently announced the acquisition of UK software firm, Delta Financial Services. Delta's highly regarded products support the administration of SIPP (self-invested personal pensions) and SSAS (Small Self-Administered Schemes), including the full range of complex client drawdown options available under the pension freedoms legislation. Delta's technology currently supports the needs of more than 30 of the UK's leading financial services companies. Both businesses have complementary products that together, provide a compelling offering to support the mission-critical operations of wealth management firms in the UK.

Impact of COVID-19

I would like to take a moment to talk about the global COVID-19 pandemic. Bravura's key focus during this time has been on the health and wellbeing of its people. As a technology led organisation, Bravura employees were able to transition to remote working smoothly. We maintain our ability to implement Health and Safety measures as required in the jurisdictions in which we operate.

I am also pleased to report that despite the global pandemic, operations have remained uninterrupted and we have been able to continue supporting our clients during this time. We maintain confidence in our ability to provide our products and services remotely across all its locations to enable operations to continue regardless of any lockdowns. We maintain a good pipeline of client implementation work and client tenders for new sales have continued, albeit with a lengthening of the sales cycle, particularly in the UK.

Industry trends and market drivers

I would like to briefly talk about the market in which we operate and the drivers for growth in our business. Bravura's clients operate in the wealth management, life insurance and funds administration segments of the financial services industry. Our clients in these segments face a growing set of challenges.

The financial services industry is characterised by complex and continually changing regulatory requirements. While 2020 saw a delay in new regulatory changes due to the COVID-19 pandemic, financial institutions still face the same pressures to meet customer demand and achieve operational efficiencies. The onset of the COVID-19 pandemic has increased the importance financial institutions have placed on engaging more closely with their customers.

Bravura has developed enhanced digital applications that allow our clients to meet this demand. Our technology platforms address the key issues faced by the world's financial institutions.

Growth opportunities

I'd now like to spend a moment taking a closer look at Bravura's growth outlook. A healthy sales pipeline from existing and new clients and across multiple geographies presents a significant opportunity to grow our business. Our strategy continues to focus on the following drivers of growth.

Extension of the Bravura product range. Bravura has invested over A\$210m in developing its flagship product Sonata. Sonata is now well established and well regarded in the market as a product with rich functionality that can support a wide range of financial services products. In FY20, we made some significant enhancements to the platform which included improving its digital functionality, tax capabilities, legislative programme and capacity to service diverse income streams.

We also launched Sonata Alta – a flexible, best-of-breed operating model that capitalises on the substantial benefits of cloud computing, AI and automation. Powered by Sonata, Alta's agile, cloud-based enterprise architecture supports machine learning and analytics, 'plug and play' microservices and intelligent automation. These are key tools for achieving digital-first customer experiences and exceptional operational efficiencies. The solution can be componentised in support of front, middle and back office operations, providing clients with flexibility to 'value source' the functionality they need to maximise differentiation, reduce cost-to-serve and improve customer outcomes.

We continue to invest in the development of our existing product suite as well as look to acquire organisations with new products that complement and enhance our offerings and expand our total addressable market.

New geographies. There are a number of adjacent geographic markets that are currently demonstrating or likely to demonstrate in the near term, market characteristics similar to the ones in which Bravura currently enjoys success, particularly continental Europe. While COVID-19 is making this more difficult, we continue to evaluate potential opportunities to move into new geographies through acquisition or to support the needs of existing clients seeking to expand into these regions.

Adjacent markets. We continue to explore a pipeline of acquisitive and organic growth opportunities in our current markets as well as those adjacent to us. We look for acquisitions that bring complementary technology that enhance our current offering as well as open up new markets for Bravura.

Product development. Our market-leading products have demonstrated that years of investment and development activity in collaboration with our clients has produced a world-class software solution that is delivering excellent shareholder returns. Bravura maintained a strong pipeline of development activity to meet the needs of both current and future clients across our products. In FY20, an additional A\$36m of R&D was invested across Bravura's product ecosystem by Bravura and its clients, further differentiating us from the competition.

A unified digital platform. The Bravura ecosystem of products can provide a unified customer-centric platform that supports the administration and digital delivery of a wide range of financial products to our clients across front, middle, and back office teams. These include investment and wrap platforms, superannuation, pension and retirement products, life insurance, and private wealth.

Continuous innovation. Our mission is to develop innovative technology solutions that power the world's financial institutions. This is why innovation is a driving force at Bravura. Our dedicated innovation labs and software engineers work to ensure our products keep pace with global consumer and technology trends. In FY20, we commenced deploying cloud computing and machine learning capabilities across Bravura's product suite. These competencies are proving essential in the current environment, as end customers seek to digitally engage more than ever with their finances, and financial services providers face additional pressure on tight margins.

The right people

I would now like to spend a moment to talk about our people. Bravura has over 1,400 employees located in 19 offices across 8 countries. We invest significantly in training and developing our team to enhance Bravura's product suite and meet our clients' evolving demands. 84% of the Bravura workforce are software engineers and consultants, highlighting the importance the organisation places on developing innovative and modern technology solutions.

FY21 outlook

Bravura is well positioned to achieve sustainable growth in the years ahead, energised by our new Sonata Alta proposition and recent acquisitions. While there has been a lengthening of the sales cycle due to COVID-19, Bravura maintains a strong long-term sales pipeline, including significant opportunities to attract new clients and increase technology spend among existing clients.

We were particularly pleased to recently announce a new contract with Aware Super in Australia. Aware Super has selected Bravura to provide the technology to power its mission-critical operations, which support the administration

of the retirement savings of its members. Aware Super is implementing an integrated ecosystem of Bravura products, underpinned by Sonata Alta. Sonata Alta provides a high degree of automation and straight through processing. The integrated ecosystem encompasses Midwinter's AdviceOS, Babel SuperStream messaging and member and adviser digital offerings. Bravura's products will underpin Aware Super's provision of superannuation, income stream, unit trust and advice offerings. Bravura will also provide a dedicated Sonata Alta support team.

Aware Super (previously First State Super) is Australia's second largest superannuation fund, managing nearly A\$130b in retirement savings for more than 1m members. Aware Super supports its members with superannuation, retirement, investments and advice.

As noted at Bravura's FY20 results, while the new sales pipeline remains strong, due to the wider impact of COVID-19 there is greater uncertainty in the timing of deal closures when compared to prior years. It is possible that FY21 NPAT will be similar to FY20.

In October 2020, we also flagged that the second wave UK lockdowns and stalling Brexit negotiations have increased uncertainty and are slowing the progress of pipeline opportunities in the UK. As a result, Bravura expects FY21 NPAT to be weighted approximately 80% to the second half of FY21.

Conclusion

The solid results delivered in FY20 are testament to the strength of our business and more particularly, the hard work and immense dedication of our global Bravura team. I would like to thank all of our people for their outstanding contribution. I look forward to continuing our work together as we remain firmly committed to growth.

Lastly, on behalf of the Board, I would like to thank you all for your attendance today, and for your continued support for Bravura as we continue delivering market-leading technology solutions that support the needs of current and future clients.

– ENDS –

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About Bravura Solutions Limited

Bravura Solutions Limited is a leading provider of software solutions for the wealth management, life insurance, and funds administration industries. Our solutions are underpinned by functionally rich technology that enables modernisation, consolidation, and simplification. Our software solutions enable our clients to increase speed to market, provide a seamless digital experience and address ongoing changes in financial services regulation. Backed by over 30 years of experience, our on-premise, managed, hosted and cloud solutions are used by many of the world's leading financial institutions, who entrust trillions of dollars in assets to our systems. We support our clients with a team of more than 1,400 people in 19 offices across Australia, New Zealand, United Kingdom, Europe, Africa, and Asia. To learn more, visit www.bravurasolutions.com.