bravura solutions

Bravura Prospectus
Initial Public Offering of Ordinary Shares

Bravura Solutions Limited ACN 164 391 128

Lead Managers

Goldman Sachs

MACQUARIE

Financial Adviser

FORT STREET ADVISERS

Important Notices

Offer

This Prospectus is issued by Bravura Solutions Limited (ACN 164 391 128) (**Bravura** or **Company**) and Bravura SaleCo Limited (ACN 615 139 574) (**SaleCo**) for the purpose of Chapter 6D of the Corporations Act 2001 (Cth) (**Corporations Act**). The Offer contained in this Prospectus is an Initial Public Offering to acquire fully paid Ordinary Shares (**Shares**) in Bravura. See Section 7 for further information on the Offer.

Lodgement and listing

This Prospectus is dated 28 October 2016 (**Prospectus Date**) and was lodged with the Australian Securities and Investments Commission (**ASIC**) on that date.

Bravura will apply within seven days after the Prospectus Date, to the Australian Securities Exchange (**ASX**) for admission of Bravura to the Official List and quotation of its Shares on ASX. None of ASIC, ASX or their respective officers takes any responsibility for the contents of this Prospectus or the merits of the investment to which this Prospectus relates.

As set out in Section 7.13, it is expected that the Shares will be quoted on ASX initially on a deferred settlement basis. Bravura, SaleCo, the Share Registry, the Lead Managers and the Existing Shareholders disclaim all liability, whether in negligence or otherwise, to persons who trade Shares before receiving their holding statements.

Expiry Date

This Prospectus expires on the date which is 13 months after the Prospectus Date (**Expiry Date**). No Shares will be issued or transferred on the basis of this Prospectus after the Expiry Date.

Not investment advice

The information contained in this Prospectus is not financial product advice and does not take into account the personal circumstances, investment objectives, financial circumstances, tax position or particular needs of any prospective investor.

It is important that you read this Prospectus carefully and in full before deciding whether to invest in Bravura. If you have any questions, you should consult your accountant, financial adviser, stockbroker, lawyer or other professional adviser before deciding whether to invest in Shares.

In particular, you should consider the best estimate assumptions underlying the Forecast Financial Information (see Section 4) and the risk factors (see Section 5) that could affect the business, financial condition and financial performance of Bravura. You should carefully consider these risk factors in light of your personal circumstances, investment objectives, financial circumstances, tax position and particular needs (including financial and taxation issues) and seek professional advice from your accountant, financial adviser, stockbroker, lawyer or other professional adviser before deciding whether to invest in Shares. There may be risks in addition to these that should be considered in light of your personal circumstances.

Except as required by law, and only to the extent so required, neither Bravura nor any other person warrants or guarantees the performance of Bravura, the repayment of capital by Bravura or the payment of a return on the Shares.

No person is authorised to give any information or make any representation in connection with the Offer which is not contained in this Prospectus. Any information or representation not so contained may not be relied on as having been authorised by Bravura, its Directors, SaleCo or the SaleCo directors, the Lead Managers, the Existing Shareholders or any other person in connection with the Offer. You should rely only on information in this Prospectus.

Exposure Period

The Corporations Act prohibits Bravura from processing applications in the seven day period after the Prospectus Date (**Exposure Period**). The Exposure Period may be extended by ASIC by up to a further seven days. The purpose of the Exposure Period is to enable this Prospectus to be examined by market participants prior to the raising of funds. The examination may result in the identification of deficiencies in this Prospectus, in which case any application may need to be dealt with in accordance with section 724 of the Corporations Act. Applications received during the Exposure Period will not be processed until after the expiry of that period. No preference will be conferred on applications received during the Exposure Period.

No cooling-off rights

Cooling-off rights do not apply to an investment in Shares issued or transferred under this Prospectus. This means that, in most circumstances, you cannot withdraw your application once it has been accepted.

Important information for New Zealand investors

This offer to New Zealand investors is a regulated offer made under Australian and New Zealand law. In Australia, this is Chapter 8 of the Corporations Act and Regulations. In New Zealand, this is Part 5 of the Securities Act 1978 and the Securities (Mutual Recognition of Securities Offerings – Australia) Regulations 2008.

The Offer and the content of this offer document (this Prospectus) are principally governed by Australian rather than New Zealand law. In the main, the Corporations Act and Regulations set out how the Offer must be made.

There are differences in how securities are regulated under Australian law. For example, the disclosure of fees for collective investment schemes is different under the Australian regime.

The rights, remedies, and compensation arrangements available to New Zealand investors in Australian securities may differ from the rights, remedies, and compensation arrangements for New Zealand securities.

Both the Australian and New Zealand securities regulators have enforcement responsibilities in relation to the Offer. If you need to make a complaint about the Offer, please contact the Financial Markets Authority, Wellington, New Zealand. The Australian and New Zealand regulators will work together to settle your complaint.

The taxation treatment of Australian securities is not the same as for New Zealand securities.

If you are uncertain about whether this investment is appropriate for you, you should seek the advice of an appropriately qualified financial adviser.

The Offer involves payments that are not in New Zealand dollars.

The Offer may involve a currency exchange risk. The currency for the securities is not New Zealand dollars. The value of the securities will go up or down according to changes in the exchange rate between that currency and New Zealand dollars. These changes may be significant.

If you expect the securities to pay any amounts in a currency that is not New Zealand dollars, you may incur significant fees in having the funds credited to a bank account in New Zealand in New Zealand dollars.

The Offer involves securities that are able to be traded on a financial market.

If the securities are able to be traded on a securities market and you wish to trade the securities through that market, you will have to make arrangements for a participant in that market to sell the securities on your behalf. If the securities market does not operate in New Zealand, the way in which the market operates, the regulation of participants in that market, and the information available to you about the securities and trading, may differ from securities markets that operate in New Zealand.

Obtaining a copy of this Prospectus

During the Exposure Period, an electronic version of this Prospectus without an Application Form will be available at http://www.BravuraSolutionsIPO.com.au for Australian and New Zealand investors only. Application Forms will not be made available until after the Exposure Period has expired.

During the period that the Offer is open, this Prospectus is available to Australian and New Zealand investors (and other persons specifically invited to participate in the priority offer) in electronic form at http://www.BravuraSolutionsIPO.com.au. The Offer constituted by this Prospectus in electronic form at http://www.BravuraSolutionsIPO.com.au is available only to persons within Australia and New Zealand (and other persons specifically invited to participate in the priority offer). It is not available to persons in other jurisdictions (including the United States). If you access the electronic version of this Prospectus, you should ensure that you download and read the Prospectus in its entirety.

You may, before the close of the Offer, obtain a paper copy of this Prospectus (free of charge) by telephoning the Bravura IPO Information Line on 1300 911 275 (within Australia) from 8.30am to 5.30pm (Sydney Time), Monday to Friday (excluding public holidays). If you are eligible to participate in the Offer and are calling from outside Australia, you should call +61 1300 911 275 from 8.30am to 5.30pm (Sydney Time), Monday to Friday (excluding public holidays).

Applications for Shares may only be made on an Application Form attached to or accompanying this Prospectus.

The Corporations Act prohibits any person from passing the Application Form on to another person unless it is attached to a paper copy of the Prospectus or the complete and unaltered electronic version of this Prospectus.

Refer to Section 7 for further information.

Statements of past performance

This Prospectus includes information regarding the past performance of the business conducted by Bravura. Investors should be aware that past performance should not be relied upon as being indicative of future performance.

Financial Information

Section 4 sets out in detail the Financial Information referred to in this Prospectus. The basis of preparation of the Financial Information is also set out in Section 4.

All references to FY2014, FY2015, FY2016 and FY2017 appearing in this Prospectus are to the financial years ended 30 June 2014, 30 June 2015, 30 June 2016 and the financial year ending 30 June 2017 respectively, unless otherwise indicated. Historical Financial Information is presented on both an actual and pro forma basis. This Prospectus also includes Forecast Financial Information for FY2017. The Forecast Financial Information presented in this Prospectus is presented on both a statutory and pro forma basis and is unaudited.

The Financial Information in this Prospectus should be read in conjunction with, and is qualified by reference to, the information contained in Sections 4 and 5.

All financial amounts contained in this Prospectus are expressed in Australian dollars, unless otherwise stated. Any discrepancies between totals and sums of components in tables and figures contained in this Prospectus are due to rounding.

Forward looking statements and marketing and industry data

This Prospectus contains forward looking statements which are identified by words such as "may", "could", "believes", "estimates", "expects", "intends" and other similar words that involve risks and uncertainties. The Forecast Financial Information is an example of forward looking statements.

Any forward looking statements are subject to various risks that could cause Bravura's actual results to differ materially from the results expressed or anticipated in these statements. Forward looking statements should be read in conjunction with, and are qualified by reference to, risks as set out in Section 5, general assumptions, specific assumptions and the sensitivity analysis as set out in Section 4, and other information in this Prospectus. Such forward looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties, assumptions and other important factors, many of which are beyond the control of Bravura and SaleCo. Bravura does not warrant or guarantee that the results, performance or achievements expressed or implied by the forward looking statements contained in this Prospectus will actually occur and investors are cautioned not to place undue reliance on these forward looking statements. Bravura has no intention of updating or revising forward looking statements, or publishing prospective financial information in the future, regardless of whether new information, future events or any other factors affect the information, contained in this Prospectus, except where required by law.

This Prospectus, including the overviews of the industry in which Bravura operates in Section 2 and of Bravura in Section 3, uses market data, industry forecasts and projections. Bravura has based some of this information on market research prepared by third parties. The information contained in forecasts and reports of third parties includes assumptions, estimates and generalisations. Bravura cannot warrant or guarantee the completeness of such information. The market research information sourced from reports prepared by Platforum, a brand owned by Centaur Communications Limited, and Celent is included in this Prospectus subject to the Platforum disclaimer and the Celent disclaimer (as applicable) as set out below.

Celent disclaimer

Any statements, data, graphs, tables, diagrams or other contents referenced or attributed to reports by Celent (each a **Celent Report**) in this Prospectus represent research opinions or viewpoints only of Celent, and are in no way to be construed as statements of fact. While the views, opinions, forecasts and information contained in the Celent Reports are based on information believed by Celent in good faith to be reliable, none of Celent, Oliver Wyman or any other company or function within the Marsh & McLennan Companies, Inc. group (**Celent Group Entity**) is able to make any representation or guarantee as to the accuracy or completeness of any information upon which a view, opinion or forecast or information contained in the Celent Report is based. Any views, opinions or predictions contained in the Celent Reports are subject to inherent risks and uncertainties, and no Celent Group Entity accepts responsibility for actual results or future events. Any statement made in a Celent Report is made as at the date of that Celent Report and any forecasts or expressions of opinion are subject to future change without notice by Celent. As such, investors are cautioned not to place undue reliance on such information. No Celent Group Entity is obliged to, and will not, update or revise any content of a Celent Report, other than where required by law, irrespective of any changes, events, conditions, availability of new information or other factors which may occur subsequent to the date of that Celent Report. The Celent Reports do not represent investment advice nor do they provide an opinion regarding the merits of the Offer.

Platforum disclaimer

Any statements, data, graphs, tables, diagrams or other contents referenced or attributed to the report by Platforum (**Platforum Report**) in this Prospectus represent research opinions or viewpoints only of Platforum, and are in no way to be construed as statements of fact. While the views, opinions, forecasts and information contained in the Platforum Reports are based on information believed by Platforum in good faith to be reliable, none of Platforum, Centaur Communications Limited, Centaur Media plc (ultimate parent company of Centaur Communications Limited) or any other company or function within the Centaur Media plc group (**Platforum Group Entity**) is able to make any representation or guarantee as to the accuracy or completeness of any information upon which a view, opinion or forecast or information contained in the Platforum Report is based. Any views, opinions or predictions contained in the Platforum Reports are subject to inherent risks and uncertainties, and no Platforum Group Entity accepts responsibility for actual results or future events. Any statement made in a Platforum Report is made as at the date of that Platforum Report and any forecasts or expressions of opinion are subject to future change without notice by Platforum. As such, investors are cautioned not to place undue reliance on such information. No Platforum Group Entity is obliged to, and will not, update or revise any content of a Platforum Report, other than where required by law, irrespective of any changes, events, conditions, availability of new information or other factors which may occur subsequent to the date of that Platforum Report. The Platforum Reports do not represent investment advice nor do they provide an opinion regarding the merits of the Offer.

Selling restrictions

This Prospectus does not constitute an offer or invitation in any place in which, or to any person to whom, it would not be lawful to make such an offer or invitation. No action has been taken to register or qualify the Shares or the Offer, or to otherwise permit a public offering of Shares, in any jurisdiction outside Australia. The distribution of this Prospectus outside Australia (including electronically) may be restricted by law and persons who come into possession of this Prospectus outside Australia should seek advice on and observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws. This Prospectus may not be distributed to, or relied upon by, persons in the United States.

Shares have not been, and will not be, registered under the US Securities Act of 1933 (**US Securities Act**) or the securities laws of any state or other jurisdiction of the United States and may not be offered or sold, directly or indirectly, in the United States unless the Shares have been registered under the US Securities Act or are offered and sold in a transaction exempt from, or not subject to, the registration requirements of the US Securities Act and any other applicable securities laws. See Section 7.10 for more detail on selling restrictions that apply to the Offer in jurisdictions outside Australia.

Photographs and diagrams

Photographs and diagrams used in this Prospectus that do not have descriptions are for illustration only and should not be interpreted to mean that any person shown in them endorses this Prospectus or its contents or that the assets shown in them are owned by Bravura. Diagrams and maps used in this Prospectus are illustrative only and may not be drawn to scale. Unless otherwise stated, all data contained in charts, graphs, tables and figures is based on information available at the Prospectus Date.

Company website

Any references to documents included on Bravura's website at http://www.BravuraSolutions.com are for convenience only, and none of the documents or other information available on Bravura's website is incorporated into this Prospectus by reference.

Defined terms and time

Defined terms and abbreviations used in this Prospectus have the meanings defined in the Glossary or are defined in the context in which they appear.

Unless otherwise stated or implied, references to times in this Prospectus are to Sydney Time.

Disclaimer

Goldman Sachs Australia Pty Ltd and Macquarie Capital (Australia) Limited have acted as lead managers to the Offer and have not authorised, permitted or caused the issue or lodgement, submission, dispatch or provision of this Prospectus and there is no statement in this Prospectus which is based on any statement made by them or by any of their affiliates, officers, employees or advisers. To the maximum extent permitted by law, the Lead Managers and each of their respective affiliates, officers, employees and advisers expressly disclaim all liabilities in respect of, and make no representations regarding, and take no responsibility for, any part of this Prospectus other than references to their name and make no representation or warranty as to the currency, accuracy, reliability or completeness of this Prospectus.

Consent not sought for certain statements

Unless specifically noted in Section 9.8, statements made by, attributed to or based on statements by third parties have not been consented to for the purpose of section 729 of the Corporations Act and are included in this Prospectus by Bravura on the basis of ASIC Corporations (Consents to Statements) Instrument 2016/72 relief from the Corporations Act for statements used from books, journals or comparable publications.

Privacy

By filling out an Application Form, you are providing personal information to Bravura and SaleCo through the Share Registry, which is contracted by Bravura to manage applications. Bravura and SaleCo and the Share Registry on their behalf, may collect, hold and use that personal information in order to process your application, service your needs as a Shareholder, provide facilities and services that you request and carry out appropriate administration.

If you do not provide the information requested in the Application Form, Bravura, SaleCo and the Share Registry may not be able to process or accept your application.

Your personal information may also be used from time to time to inform you about other products and services offered by Bravura, which it considers may be of interest to you.

Your personal information may also be provided to Bravura's members, agents and technology providers on the basis that they deal with such information in accordance with Bravura's privacy policy and applicable laws. The members, agents and technology providers of Bravura may be located outside Australia where your personal information may not receive the same level of protection as that afforded under Australian law. The types of agents and technology providers that may be provided with your personal information and the circumstances in which your personal information may be shared are:

- the Share Registry for ongoing administration of the Shareholder register;
- printers and other companies for the purpose of preparation and distribution of statements and for handling mail;
- market research companies for the purpose of analysing the Shareholder base and for product development and planning; and
- legal and accounting firms, auditors, contractors, consultants and other advisers for the purpose of administering, and advising on, the Shares and for associated actions.

If an applicant becomes a Shareholder, the Corporations Act requires Bravura to include information about the Shareholder (including name, address and details of the Shares held) in its public Shareholder register. If you do not provide all the information requested, your Application Form may not be able to be processed.

The information contained in the Shareholder register must remain there even if that person ceases to be a Shareholder. Information contained in the Shareholder register is also used to facilitate dividend payments and corporate communications (including Bravura's financial results and annual reports and other information that Bravura may wish to communicate to its Shareholders) and compliance by Bravura with legal and regulatory requirements. A shareholder has a right to gain access to the information that Bravura and the Share Registry hold about that person, subject to certain exemptions under law. A fee may be charged for access. Access requests must be made in writing or by telephone call to Bravura's registered office or the Share Registry's office, details of which are disclosed in the Corporate Directory on the inside back cover of this Prospectus. Applicants can obtain a copy of Bravura's privacy policy by visiting Bravura's website (https://BravuraSolutions.com/privacy-and-cookie-policy/).

You may request access to your personal information held by or on behalf of Bravura and you may correct the personal information held by or on behalf of Bravura or SaleCo about you. By submitting an application, you agree that Bravura and the Share Registry may communicate with you in electronic form or contact you by telephone in relation to the Offer. You may be required to pay a reasonable charge to the Share Registry in order to access your personal information. You can request access to your personal information by writing to or telephoning the Share Registry as follows:

Email: http://www.linkmarketservices.com.au

Phone: +61 1800 502 355.

Independent Limited Assurance Report

The provider of the Independent Limited Assurance Report on Financial Information is required to provide Australian retail clients with a financial services guide in relation to the review under the Corporations Act (**Financial Services Guide**). The Independent Limited Assurance Report and accompanying Financial Services Guide are provided in Section 8.

Use of trademarks

This Prospectus includes Bravura's registered and unregistered trademarks. All other trademarks, tradenames and service marks appearing in this Prospectus are the property of their respective owners.

Questions

If you have any questions about how to apply for Shares, please call your Broker. Instructions on how to apply for Shares are set out in Section 7 of this Prospectus and on the back of the Application Form.

If you have any questions about whether to invest in Bravura, you should seek professional advice from your accountant, financial adviser, stockbroker, lawyer or other professional adviser before deciding whether to invest in Bravura.

This document is important and should be read in its entirety.

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Important **Information**

Key dates	
Prospectus Date	28 October 2016
Broker Firm Offer, Priority Offer and Employee Offer opens	7 November 2016
Broker Firm Offer, Priority Offer and Employee Offer closes	11 November 2016
Settlement of the Offer	15 November 2016
Issue and transfer of Shares under the Offer	16 November 2016
Commencement of trading on ASX on a deferred settlement basis	16 November 2016
Expected dispatch of holding statements	17 November 2016
Expected commencement of trading on ASX on a normal settlement basis	18 November 2016

Note: This timetable is indicative only and may be subject to change without notice. Unless otherwise indicated, all times are stated in Sydney Time. Bravura and SaleCo, in consultation with the Lead Managers, reserve the right to vary any and all of the above dates and times without notice (including, subject to the ASX Listing Rules and the Corporations Act, to close the Offer early, to extend the date the Offer closes, or to accept late applications, either generally or in particular cases, or to cancel or withdraw the Offer before settlement of the Offer, in each case without notification). If the Offer is cancelled or withdrawn before settlement, then all application monies will be refunded in full (without interest) as soon as possible in accordance with the requirements of the Corporations Act. Investors are encouraged to submit their applications as soon as possible after the Offer opens.

Key Offer statistics[1]	
Offer Price per Share	$1.45
Total Shares to be held by Existing Shareholders on Completion[2]	112.1 million
Total Shares on issue immediately after Completion	214.2 million
Indicative market capitalisation at the Offer Price[3]	$310.7 million
Indicative enterprise value at the Offer Price[4]	$307.7 million
Enterprise value to forecast FY2017 pro forma EBITDA (times)[4]	9.5x
Enterprise value to forecast FY2017 statutory EBITDA (times)[4]	10.3x
Market capitalisation to forecast FY2017 pro forma NPAT (times)[3]	14.8x
Market capitalisation to forecast FY2017 statutory NPAT (times)[3]	21.7x
Indicative FY2017 dividend yield range at the Offer Price (based on target dividend payout ratio of between 60% and 80% of forecast FY2017 pro forma NPAT)[5]	4.1% - 5.4%

1. The Forecast Financial Information set out in Section 4 has been prepared on the basis of the assumptions set out in Section 4.8 and should be read in conjunction with the discussion of the Pro Forma Historical Financial Information and the Forecast Financial Information in Section 4 including the sensitivities set out in Section 4.9, and the risk factors set out in Section 5. The pro forma historical and forecast financial information, and the statutory historical and forecast financial information, included in this Prospectus have been prepared on the bases described in Section 4.
2. Of the total number of Shares offered under the Offer, 78.9 million will be offered by Bravura and 23.2 million will be offered by SaleCo. For further information, refer to Section 7.1.
3. Indicative market capitalisation is calculated as the Offer Price per Share multiplied by the total number of Shares on issue at Completion
4. Enterprise value is based on market capitalisation at the Offer Price less the pro forma net cash position of $3.0 million as at 30 June 2016 (to be used as part of the monies to redeem the Ironbridge Redeemable Preference Shares, estimated to be $62.7 million at Completion). Refer to Note 2 to Table 4.11.
5. The indicative dividend yield is calculated as the implied dividend per Share based on the target dividend payout ratio of between 60% and 80% of pro forma FY2017F NPAT, divided by the Offer Price. It is the Board's current intention to pay a final dividend for FY2017 in September 2017 in respect of the period from Completion to 30 June 2017, targeting a payout ratio of between 60% and 80% of pro forma NPAT (subject to satisfaction of corporations law requirements governing the payment of dividends). However, the payment of a dividend by Bravura is at the discretion of the Directors and will be a function of a number of factors the Directors may consider relevant. For more information on Bravura's dividend policy, see Section 4.14.

How to invest

Applications for Shares can only be made by completing and lodging the Application Form attached to or accompanying this Prospectus.

Instructions on how to apply for Shares are set out in Section 7 of this Prospectus and on the back of the Application Form.

Questions

Please call the Bravura IPO Information Line on 1300 911 275 (within Australia) from 8.30am to 5.30pm (Sydney Time), Monday to Friday (excluding public holidays). If you are eligible to participate in the Offer and are calling from outside Australia, you should call +61 1300 911 275 from 8.30am to 5.30pm (Sydney Time), Monday to Friday (excluding public holidays). If you have any questions about whether to invest in Bravura you should seek professional advice from your accountant, financial adviser, stockbroker, lawyer or other professional adviser before deciding whether to invest in Bravura.

Chairman's Letter

Dear investor,

On behalf of the Directors, I am pleased to offer you the opportunity to become a shareholder of Bravura Solutions Limited.

Bravura provides software products and services to clients operating in the wealth management and funds administration industries, with the majority of clients in Australia, New Zealand and the United Kingdom. Bravura's software products and services support the front-office, middle-office and back-office functions needed to manage and administer financial products across investment products and wrap platforms, superannuation, pension and retirement products, life insurance, private wealth and portfolio administration.

There are a number of challenges confronting participants in the wealth management and funds administration industries, including an evolving and complex regulatory environment, increased customer demand for mobile and "self-directed" technology, the need for rapid product innovation, cost and margin pressures impacting industry participants' business models, and the need for technology that scales as their businesses expand. These challenges have caused industry participants to consider modernising and unifying their software solutions to remain competitive and has increased the importance of software products provided by Bravura and its peers.

Bravura's flagship product, Sonata, addresses many of these challenges by providing Bravura's clients with a "customer-centric" solution that helps streamline the administration of a wide range of financial products, transform their customers' digital experience, unify multiple legacy platforms, increase cost efficiencies and facilitate compliance with ongoing regulatory changes.

Bravura has built a leading market position in Australia, New Zealand and the United Kingdom with over 70 blue-chip clients such as Fidelity International, Prudential and Mercer in total who manage more than $2.3 trillion of assets under administration on behalf of millions of their customers using Bravura's software.

Bravura provides its software through either an installed delivery model or through a hosted cloud based delivery model. In a hosted solution, software is hosted by or on behalf of Bravura and accessed by its clients, as needed, via the internet. This flexibility is valuable to Bravura's clients as it enables them to select and switch between the delivery model that best suits their business needs.

Bravura's growth is expected to be driven by the continued roll out of Sonata, including sales to new and existing clients across Bravura's existing geographies and expansion into new geographies, such as Europe, South Africa and other countries in Asia. Bravura markets its software products directly to clients and also indirectly through third party administrators. Bravura partners with select leading third party administrators to serve clients who prefer an outsourced administration model.

The key purposes of the offer are to provide Bravura with access to capital markets, the opportunity to repay debt and redeemable preference shares, create a liquid market for its shares, and to give existing shareholders the opportunity to realise part of their investment in Bravura.

On completion, new shareholders are expected to hold 47.7% of Bravura's shares, with existing shareholders, including management and the Ironbridge Funds holding the remaining 52.3%. All of the shares held by the Ironbridge Funds and certain senior members of management on completion will be escrowed as described in this Prospectus.

Before deciding on whether to invest in Bravura, you should carefully read this Prospectus in its entirety and seek professional guidance from your accountant, financial adviser, stockbroker, lawyer or other professional adviser. I also encourage you to read information on some of the key risks that Bravura may be exposed to, including risks in relation to failure to attract new clients, competition in its industries, exposure to foreign exchange movements, software failing to meet requirements, diminishing brand reputation and concentrated client base, which are described in further detail in Section 5 of this Prospectus.

The Directors and senior management look forward to welcoming you as a shareholder in Bravura.

Yours sincerely,

B.A. Mitchell

Brian Mitchell

Chairman, Bravura Solutions Limited

Section 1
Investment Overview

01

Investment Overview

1.1 Introduction

Topic	Summary	For more information
What is Bravura?	Bravura provides software products and services to clients operating in the wealth management and funds administration industries in the Asia-Pacific (**APAC**) and Europe, Middle East and Africa regions. Within APAC and Europe, Bravura's core geographies are Australia, New Zealand and the United Kingdom. Bravura's software products and services support the front-office, middle-office and back-office functions needed to manage and administer financial products across investment products and wrap platforms, superannuation, pension and retirement products, life insurance, private wealth and portfolio administration.	Section 3.1

What industries does Bravura operate in?	**Wealth management industry**
	– The wealth management industry centres on the provision of financial products and investment advice relating to investment products and wrap platforms, superannuation, pension and retirement products, life insurance, private wealth and portfolio administration.
	– Participants in the industry include banks, superannuation and pension providers and life insurance companies, third party administrators (**TPAs**), financial advisers and investment managers. These participants use software products and services to originate, distribute and administer financial products for their customers in order to provide an enhanced customer experience.
	– Bravura operates predominantly in the APAC and Europe wealth management industries with a particular focus on Australia, New Zealand and the United Kingdom.
	– The APAC and European wealth management industries, measured by total investable assets, were estimated at \$41.2 trillion and \$43.2 trillion respectively in 2015, and expected to grow at a compound annual growth rate (**CAGR**) of 8.4% and 4.2% to \$62.3 trillion and \$53.6 trillion respectively between 2014 and 2020.
	– Within the wealth management industry, Bravura has a significant presence in the superannuation and pension market as well as a presence in the life insurance market:
	    – superannuation and pension: global superannuation and pension assets under administration (**AUA**) have experienced a period of significant growth, underpinned by a growing and ageing population and supportive government policy. Superannuation and pension AUA in Australia and the United Kingdom, two of Bravura's core geographies, were estimated at \$1.9 trillion and \$4.2 trillion respectively in 2015 and grew at CAGRs of 9.1% and 5.3% respectively in the 10 years to 2015; and
	    – life insurance: the APAC and Europe life insurance markets, measured by premium income, were estimated at \$1.2 trillion and \$1.3 trillion respectively in 2014 and are expected to grow at a CAGR of 5.5% and 1.8% between 2014 and 2020.
	
	Funds administration industry
	– The funds administration industry includes mutual funds, unit trusts, investment trusts, open ended investment companies, money market funds and exchange-traded funds managed by financial advisors and investment managers on behalf of their retail and institutional customers. Bravura provides software products and services to support investment managers and TPAs in the United Kingdom, Luxembourg and Ireland who in turn support retail and institutional clients across Europe and Asia.
	– Bravura operates in the European funds administration industry with a particular focus in the United Kingdom, Luxembourg and Ireland.
	– The European funds administration industry was estimated at \$11.7 trillion, measured by total investment fund assets, as at March 2016 and grew at a CAGR of 5.9% between 2011 and 2016.
		Section 2.1

Topic	Summary	For more information
Key challenges experienced by participants in Bravura's industries?	There are a number of key challenges being experienced by industry participants in the wealth management and funds administration industries, which are leading them to implement modern and unified software solutions (such as those provided by Bravura and its peers) with the capability to address these challenges and/or outsource their administration. These challenges include: 1. an evolving and complex regulatory environment; 2. increased customer demand for mobile and "self-directed" technology, enabled by the rapid advance of digitisation; 3. need for rapid product innovation; 4. increasing costs and margin pressures that are impacting industry participants' business models; and 5. the need for technology that scales as businesses expand. The trend to modernisation, particularly within the life insurance, pension and superannuation sub-segments of the wealth management industry, provides a significant market opportunity for specialist software vendors such as Bravura.	Sections 2.2 and 2.3
What is the role of software products in Bravura's industries?	Software is critical to the wealth management and funds administration industries. Participants in the wealth management and funds administration industries typically use one or more of the following software solutions to manage their businesses: A. **in-house built and maintained systems:** where proprietary software is developed in-house and the maintenance and regulatory compliance is also performed in-house. These are often ageing legacy software platforms which may be in the process of being replaced by modern software provided by specialist software vendors or the functions outsourced to technology specialists; B. **software provided by specialist software vendors (such as Bravura):** where industry participants license software from third parties, such as Bravura, and the licensed software is provided as either an installed solution on the client's technology infrastructure or as a hosted cloud based solution where the software is hosted on the third party's technology infrastructure and accessible by the client via the internet as needed; or C. **fully outsourced third party administration:** TPAs are institutions that provide administration services to industry participants using either their own software products and services or those provided by specialist software vendors, such as Bravura. TPAs' customers fully outsource their administrative functions and IT, saving investment capital and management resources, and technical/information technology resources. Due to the cost and sophistication of the software products developed by specialist software vendors and TPAs, it is becoming increasingly common for participants in the wealth management and funds administration industries to pursue options B or C, rather than develop and maintain an in-house solution. This trend is evidenced by the increasing spend on external software and services, particularly within the wealth management industry in Europe and APAC which, in 2014, was expected to grow at a CAGR of 9.4% in Europe and 9.7% in APAC from 2014 to 2020, as well as the emerging popularity of cloud based delivery models.	Section 2.2 and Section 2.3

1.2 Key features of Bravura's business model

Topic	Summary	For more information

What are Bravura's key products?	Bravura has identified the key challenges facing industry participants and has developed software products to assist participants in the wealth management and funds administration industries to address them.
	
	In 2007, Bravura made the decision to take the functionality and the core set of intellectual property established from a variety of its existing software products to develop Sonata, a modern, scalable, customer-centric software platform.
	
	Sonata
	– Sonata, Bravura's flagship software product, allows Bravura's clients to provide the financial products they offer to their customers across front-office, middle-office and back-office functions through a unified solution.
	– Revenue generated from Sonata grew from $5 million in FY2013 to $67 million in FY2016, representing a CAGR of 137%, and is forecast to increase to $92 million in FY2017F. As at the Prospectus Date, Bravura had 17 clients who have implemented, or are in the process of implementing, Sonata.
	– Sonata has been developed to meet the needs of Bravura's clients using a single code-base, written on modern Java technology using an Oracle database. Sonata's single code base enables Bravura to rapidly update and implement functionality and new modules of Sonata. Sonata's single code base also means that developments in Sonata functionality can be made available to all new or existing clients. This allows Sonata's clients to benefit from additional functionality developed on behalf of other clients in a subsequent upgrade release.
	– There are a number of features of Sonata that have supported its adoption by Bravura's clients:
	  – Sonata provides functionality to support a range of financial products across the investment and wrap platforms, superannuation, pension and retirement products, life insurance, private wealth and portfolio administration markets. This allows Bravura's clients to replace multiple legacy platforms with a single software solution, improving efficiency and reducing costs;
	  – Sonata is configurable which means that clients can change their product features and processes to adapt for new financial products and services;
	  – Sonata is continuously updated, with software released predominantly once every four weeks allowing clients to, at their option, gain access to new developments in line with their business cycles. The regularity of updates assists Bravura's clients in complying with the evolving and complex regulatory environment within which they operate;
	  – Sonata has a sophisticated workflow that allows clients to streamline and automate many of their previous manual processes, allowing them to manage errors and provide a more personalised user experience to their customers;
	  – Sonata's database is customer-centric rather than product-centric, meaning that customer support can be provided efficiently across all financial products, enhancing the customer experience; and
	  – Sonata allows customers to review and administer their own accounts using multiple digital platforms (e.g. smartphones, tablets and personal computers). This seeks to deliver an enhanced customer experience and improved customer engagement. Direct involvement in administration by the customer also assists in reducing client costs and incidents of error.
	– While Sonata has been developed as a software solution for the wealth management industry, it also contains functionality that could enable it to offer funds administration solutions. Bravura intends to continue developing functionality so that it can be used by funds administration industry participants, and for other financial services products.
		Section 3.1 and Section 3.3

Topic	Summary	For more information
	Other existing products – In addition to Sonata, Bravura provides a number of other existing software products to both the wealth management and funds administration industries, including Garradin, ePASS, RUFUS, GTAS, Babel, SuperB, Calibre, Talisman, and GFAS. – While the roll out of Sonata across both the wealth management and funds administration industries is the key growth engine for the business, Bravura will continue to support its other, high-margin, existing products for the foreseeable future. – Existing products are typically provided on long-term contracts of five to 10 years' duration, which provide an underlying base of Revenue from Existing Clients and strong cash flow that has to date supported the development of Sonata.	
What are Bravura's key services?	Bravura provides its clients with a range of professional services predominantly relating to: – the initial implementation of Bravura's software products; – ongoing development and maintenance of Bravura's software products; – hosting and managed application services; and – ongoing training and help desk support relating to the use of Bravura's software products.	Section 3.4.2
How has Bravura developed its software over time?	Bravura has invested approximately $100 million in the development of Sonata over the last 10 years to create a modern, customer-centric software solution. This investment comprises the majority of Bravura's internal development expenditure over that period as well as development expenditure incurred for early Sonata clients and has given Bravura a competitive advantage as industry participants focus on unifying multiple legacy platforms into a single software solution. Part of the investment in Sonata relates to attractive rates agreed with several of Sonata's early clients to obtain reference sites in APAC and Europe. These are referred to by Bravura as Lighthouse Contracts. The initial development of Sonata was focused on creating a software product that unifies much of the functionality in Bravura's other existing software products. Since FY2011, the development of Sonata has been focused on enhancing Sonata's product offering to attract new clients and meet the needs of clients within the wealth management industry, particularly in the United Kingdom.	Section 3.2 and Section 3.3.1
How does Bravura provide its products?	Bravura provides its software products through either an installed or hosted delivery model. – **installed:** Bravura provides its software products through an installed solution where its software products are installed on the client's technology infrastructure. The client is responsible for ensuring its infrastructure is technically capable of delivering Bravura's software products; or – **hosted:** Bravura also provides its software products through a hosted delivery model where its software products are hosted on a third party's technology infrastructure. Bravura provides this delivery model via arrangements with select third party hosting partners including Vodafone and Fidelity International in Europe, NTT in Australia and Revera in New Zealand. As a hosted solution, Bravura's clients can access the software as needed. Depending on the specific software product, this hosted delivery model is typically delivered as a software-as-a-service (**SaaS**) model, where the software provider hosts, maintains and upgrades its software on its or a third party's technology infrastructure. It is also delivered as a managed-software-as-a-service (**MSaaS**) model, which has similarities to a SaaS model, but adopts a more managed services approach with a comprehensive outsourcing of the software function where, in Bravura's case, clients work closely with Bravura to develop, install, manage, maintain and arrange hosting of Bravura's software which is specifically implemented to meet the client's particular products and business requirements.	Section 3.3.3

Topic	Summary	For more information
Who are Bravura's key clients?	Bravura has a number of key clients who operate in each of the wealth management and funds administration industries: – **wealth management:** Bravura has 60 clients in the wealth management industry including 17 clients who have implemented, or are in the process of implementing, Sonata. Bravura has software contracts and relationships spanning over 10 years with all top six Australian banks and non-bank based wealth management businesses, measured by assets under administration (**AUA**), in Australia and/or New Zealand. Bravura's clients in the wealth management industry include blue-chip financial institutions such as Fidelity International, Prudential, Scottish Friendly, Mercer, Westpac NZ, TAL, Fidelity Life (NZ) and Partners Life; and – **funds administration:** Bravura has 11 clients in the funds administration industry. Bravura's clients in the funds administration industry include blue-chip financial institutions such as Bank of New York Mellon, Legal & General, Schroders and Citi. Within these organisations, Bravura's funds administration software supports in excess of 285 investment management companies. A number of Bravura's clients operate in both the wealth management and funds administration industries.	Section 3.4.1
How does Bravura generate its income?	Bravura generates revenue in three main categories: 1. **licence fees** (7% of FY2016 revenue): generally comprised of a combination of an initial upfront licence fee; and/or annual licence fees charged as either a fixed dollar amount per annum or based on a client's number of policies, members, accounts or AUA or number of customer accounts on Bravura's software; 2. **maintenance/hosting/support fees** (50% of FY2016 revenue): contracted payments over the life of a contract covering maintenance of code on deployed software products; and fees for hosting Bravura's software products on behalf of a client and help desk and support services. These are occasionally described in the wealth management and funds administration industries as annual licence fees; and 3. **professional services fees** (43% of FY2016 revenue): a range of consulting and software development services predominantly charged on a time and materials basis or occasionally on a fixed fee basis. Professional services fees in particular are expected to increase in FY2017, driven predominantly by new Sonata client implementations. Bravura has a high proportion of Revenue from Existing Clients (90% of FY2016 revenue and 82% of FY2017F revenue). Refer to Section 4.8.2 for further information. Bravura's business model affords it with a significant level of visibility over future revenue given that its contracts are typically five to 10 years in duration. Bravura's key operating expenses relate to employee benefit expense (e.g. expenses associated with the wages and salaries, sales commissions, bonuses, superannuation, pension and national insurance contributions and leave and staff recruitment expenses), and third party cost of sales.	Section 3.4.2
How does Bravura market its products?	Bravura markets its software products and services through a number of channels: – **direct marketing:** Bravura applies a direct sales model in all markets in which it operates. Bravura undertakes a number of marketing activities including thought leadership, conference participation and trade shows, running regional client user groups and client events; – **indirect marketing:** Bravura also works with select partners such as systems integrators, consulting firms and other specialist software partners as a means of expanding its sales channels; and – **third party administrators:** Bravura currently works with eight TPA partners in marketing its products who have more than 600 underlying customers. The partnership with TPAs enables Bravura to expand its market channels by leveraging the relationships and services provided by its TPA partners. Bravura's TPA partners include BNY Mellon, Genpact, Mercer and Citi.	Section 3.4.2

Topic	Summary	For more information
Where does Bravura operate?	Bravura has 12 offices throughout eight countries in APAC and Europe. Bravura operates development and support centres within eight of these offices in the United Kingdom, Poland, India, Australia and New Zealand. As at 31 July 2016, Bravura employed approximately 960 full-time equivalent employees (**FTEs**), of whom more than 85% were consultants and developers.	Section 3.5

What is Bravura's growth strategy?	Bravura has a number of growth avenues it is focused on, including:
	– *continuing the roll out of Sonata in its core geographies:* Bravura commenced the roll out of Sonata throughout Australia, New Zealand and the United Kingdom. Bravura is focused on continuing to win new Sonata clients in these countries, attracted by the increasing software capabilities and growing base of international users;
	– *expanding sales of Sonata and other existing software products into new geographies:* Bravura has identified a number of adjacent geographies (e.g. Europe, South Africa and countries in Asia) that currently have, or are undergoing a process of moving toward, a regulatory system similar to that in Bravura's core geographies of Australia, New Zealand and the United Kingdom. Bravura is leveraging its understanding of the regulatory regimes and financial products in its core geographies to market to new clients in these geographies;
	– *expanding the distribution network through ongoing and new partnerships with TPAs, systems integrators and resellers:* Bravura will continue to partner with select TPAs to gain greater exposure to clients looking to outsource the administration of their financial products. The partnership with TPAs and resellers enables Bravura to:
	    – expand its marketing and distribution channels and leverage the sales workforce provided by its TPA partners to market its software products; and
	    – enhance its product offering by enabling Bravura to provide a fully administered software solution to new and existing clients.
	
	Furthermore, Bravura is developing relationships with major global systems integrators and potential resellers who wish to take Sonata forward as a key component of their own market propositions. This may provide Bravura with an opportunity to expand its distribution into new market sectors and geographies;
	– *increasing the functionality of Sonata:* Sonata has been developed for use across several sub-segments of the wealth management industry such as life insurance, superannuation, pensions and wrap platforms. Bravura will continue to develop Sonata's functionality for additional sub-segments of the wealth management industry and will also seek to position Sonata to provide functionality across the funds administration industry; and
	– *evaluating businesses or products that add value to Bravura on an ongoing basis:* Bravura will continue to evaluate opportunities to add products or businesses that are complementary to the software products and services currently provided by Bravura and that can utilise Bravura's existing sales and support network.
		Section 3.7

Who are Bravura's key competitors?	The market for specialist software vendors of wealth management and funds administration industry software and services is comprised of: 1. a relatively small number of international providers, such as Bravura; and 2. several local or regional providers who focus on discrete geographical market segments. Examples of specialist software vendors that Bravura competes with include: – **wealth management:** GBST, FNZ UK, Syncsoft (Link), Financial Synergy, Sapiens International Corporation, Computer Sciences Corporation, Avaloq Group AG, Keylane, IFDS Group, FIS Global, Link Administration and TCS; and – **funds administration:** Simcorp, IFDS Group, Multifonds and Linedata Services.	Section 2.4

1.3 Key financials and dividend policy

Topic	Summary	For more information
What is Bravura's pro forma historical and forecast financial performance?[1]	A selected summary of Bravura's pro forma historical and pro forma and statutory forecast financial information is set out below. You should read this information in conjunction with the more detailed discussion of the Financial Information set out in Section 4, including the assumptions, management discussion and analysis and sensitivity analysis, as well as the key risks set out in Section 5. A reconciliation of the pro forma forecast and statutory forecast statements of profit or loss is provided in Section 4.3.3.	Section 4

Table 1.1: Selected pro forma and statutory financial information[1]

June year end; A$m	Pro forma historical			Pro forma forecast	Statutory forecast
$ million	**FY2014**	**FY2015**	**FY2016**	**FY2017F**	**FY2017F**
Wealth Management	59.0	76.5	99.6	121.6	121.6
Funds Administration	76.5	75.6	85.1	66.0	66.0
Revenue[2]	**135.5**	**152.1**	**184.7**	**187.6**	**187.6**
EBITDA[2]	**18.2**	**17.1**	**20.2**	**32.3**	**29.8**
NPAT[3]			**6.8**	**21.0**	**14.3**

Notes:

1. Refer to Section 4 of the Prospectus for information on the basis of preparation of pro forma historical and forecast information and reconciliations. The forecast financial information is based on assumptions and accounting policies set out in Section 4.8 and Appendix A, and should be read in conjunction with the discussion of the Historical Financial Information and Forecast Financial Information in Section 4 including the sensitivities set out in Section 4.9, and is subject to the key risks set out in Section 5.
2. Revenue and EBITDA include the impact of significant items relating to onerous contracts ($1.9 million EBITDA in FY2014, $(1.1) million EBITDA in FY2015 and $(7.8) million EBITDA in FY2016). Bravura considers revenue and EBITDA before significant items (Operating Revenue and Operating EBTIDA) appropriate measures of underlying business performance which is consistent with how it expects the business to perform on an ongoing basis. Operating Revenue was $131.0 million in FY2014, $146.1 million in FY2015 and $181.8 million in FY2016. Operating EBITDA was $16.3 million in FY2014, $18.3 million in FY2015 and $28.0 million in FY2016. Refer to Sections 4.7.3 for further discussion of Lighthouse Contracts, significant items, Operating Revenue and Operating EBITDA.

   EBITDA, Operating Revenue and Operating EBITDA are "non-IFRS financial information". Bravura believes that this non-IFRS financial information provides useful information to users in measuring the financial performance and condition of Bravura, however investors should not place undue reliance on non-IFRS financial information included in this Prospectus.
3. NPAT shown after significant items.

Topic	Summary	For more information
What is Bravura's dividend policy?	Depending on the ongoing available earnings and the ongoing financial position of the Company, it is the Board's current intention to pay a final unfranked dividend for FY2017F in respect of the period from Completion to 30 June 2017 in line with the target dividend payout ratio of between 60% and 80% of pro forma NPAT. The payment of a dividend by Bravura, if any, is at the discretion of the Directors and will be a function of a number of factors (many of which are outside the control of Bravura, the Directors and Bravura management, and are not reliably predictable), including the operating results, the general business environment, cash flows and the financial condition of the Bravura, future funding requirements, capital management initiatives, taxation considerations (including the level of franking credits available), any contractual, legal or regulatory restrictions on the payment of dividends by the Bravura, and any other factors the Directors may consider relevant. The Directors do not provide any assurance of the future level of dividends to be paid by Bravura. It is currently intended that the Directors will target a dividend payout ratio in the range of 60% to 80% of statutory NPAT beyond FY2017. Further details of Bravura's dividend policy are set out in Section 4.14.	Section 4.14
When will the first dividend be paid?	It is the Board's current intention to pay a final dividend for FY2017 in September 2017 in respect of the period from Completion to 30 June 2017, targeting a payout ratio of between 60% and 80% of pro forma NPAT.	Section 4.14
Will dividends be franked in the future?	Bravura expects that dividends will not be franked for some time. The date of any franked dividend will depend on the amount of tax payable by Bravura. The ability of Bravura to offer fully franked dividends is contingent on it making taxable profits. Bravura's obligation to pay income tax is impacted by its carried forward tax losses. Forecasting the availability of future income tax payments is difficult and unpredictable.	Sections 4.14 and 5.2.14
Does Bravura currently have any debt facilities?	On Completion, Bravura will have approximately $20 million of debt facilities. The Board believes this is appropriate and provides flexibility for Bravura to pursue its growth strategy.	Section 4.11

1.4 Key strengths

Topic	Summary	For more information
Large addressable market with favourable structural trends	Bravura operates in attractive industries as described in Section 1.1 and which are expected to experience growth. There are a number of challenges that are driving an increase in spending on modern software products provided by specialist software vendors in these industries. The trend to modernisation, particularly within the life insurance, pension and superannuation sub-segments of the wealth management industry, provides a significant market opportunity for specialist software vendors, such as Bravura. IT spending in the APAC and European wealth management industries was approximately \$1.2 billion and \$2.7 billion respectively in 2014 and is expected to grow at a CAGR of 7.1% and 7.0% to \$1.9 billion and \$4.0 billion respectively by 2020. Spend on external software within these industries is expected to increase at a CAGR of 9.4% and 9.7% respectively between 2014 and 2020. Factors contributing to this growth include: 1. *an evolving and complex regulatory environment* – regulatory compliance is critical for Bravura's clients. The constantly evolving nature of the financial services regulatory environment, coupled with the increasing financial impact of non-compliance, has increased the operating complexity for wealth management and funds administration industry participants; 2. *increased customer demand for mobile and "self-directed" technology* – software product development within the wealth management and funds administration industries is also being driven by the rapid advance of digitisation. Many customers are increasingly focused on the ability to access their information in real time and through multiple digital platforms (e.g. smartphones, tablets and personal computers); and – concurrently, there has been growth in demand for customers or their advisers to be able to administer financial products and portfolios themselves without the need for assistance from customer service staff which allows industry participants to reduce the number of administrative staff required to provide these services, thereby reducing costs; 3. *need for rapid product innovation* – industry participants need to be able to develop and release new financial products rapidly to ensure their products continue to meet customer demands and that they remain competitive. Modern software products can assist industry participants to reduce costs and increase speed to market, for example, using workflow processes; 4. *cost and margin pressures that are impacting business models* – many industry participants are focused on unifying multiple legacy platforms into a single software solution and encouraging customer self-service to reduce costs and improve efficiency. Developing and maintaining in-house software require an investment of time, specialist resources and capital. This is driving industry participants to select software solutions provided by specialist software vendors that enable industry participants to achieve these outcomes and can assist industry participants to deliver higher quality customer service, improve customer retention and offer more competitive financial product pricing; and 5. *the need for technology that scales as businesses expand* – industry participants are continuing to experience growth in their underlying customer base and transactional volumes. This is as a result of organic growth and market consolidation. As the number of customers grows, industry participants are required to deploy software solutions that can handle a large number of transactions and be accessed by a large number of customers simultaneously, in real time and available on a 24/7 basis with rapid response times.	Sections 2.1 and 2.2

Topic	Summary	For more information
A market leading software product addressing the key challenges facing Bravura's clients	Bravura's flagship software product, Sonata, allows participants within the wealth management and funds administration industries to address key industry challenges (outlined in Section 1.1 and described in more detail in Section 3.3.1): – Sonata provides functionality that supports a wide range of financial products allowing Bravura's clients to replace multiple legacy platforms with a single software solution, thereby reducing costs and complexity; – Sonata provides a customer-centric solution that facilitates the delivery of financial products through a number of digital platforms, including smartphones, tablets and personal computers, allowing for distribution through multiple channels and delivery of an enhanced customer experience leading to improved customer engagement; – Sonata is easily configurable which means that clients can change their product features and Sonata workflow to adapt for new financial products. This increases the speed with which Bravura's clients can deliver new financial products and services to the market; – Sonata's sophisticated workflow engine allows clients to automate the process and manage errors by exception, thereby streamlining administration and reducing costs for Bravura's clients; – Sonata has been built using a single code base meaning that any development of Sonata's functionality can be made available to all new or existing clients of Sonata. This creates a "network effect" among Bravura's clients deploying Sonata, fostering a collaborative approach to development; – Sonata is continuously updated, with the software released predominantly once every four weeks allowing clients to, at their option, gain access to new developments in line with their business cycles. This assists Bravura's clients in complying with the evolving and complex regulatory environment within which they operate; and – Sonata can be deployed as either an installed or hosted cloud based solution. This flexibility is valuable to Bravura's clients as it enables them to select and switch between the delivery model that best suits their business needs.	Section 2.2, 2.3 and 3.3.1
Competitive landscape	There are several key factors, which provide Bravura with a competitive advantage. **1. Significant hurdles for new and existing competitors** – Developing and ensuring the ongoing technological competitiveness of software products requires a substantial ongoing investment of time, specialist resources and capital. – There is also significant cost (e.g. Bravura has invested approximately $100 million in Sonata over the last 10 years) and risks involved for existing competitors to unify functionality from legacy software products and client and country versions of their software products without disrupting the experience of existing clients. – Future investment in Sonata, which will seek to preserve its functional and technological advantages, is expected to be funded in part, by Bravura's clients. This had a positive cash flow effect in 2016 (refer to Section 4.7.4). **2. Increasing "network effect" accelerating the enhancement, functionality and profitability of Sonata** – The "network effect" created by Sonata's single code base enables Bravura to deploy additional modules to new and existing clients at competitive prices with limited incremental cost. This assists to create a high level of operating leverage, which is expected to continue to drive margin expansion and profitability of Sonata.	Section 2.4.2 and Section 3.3

Investment **Overview** (continued)

Topic	Summary	For more information
Attractive financial characteristics	Bravura has a number of attractive financial characteristics: 1. *strong and growing revenue driven by a rapidly growing Wealth Management business:* revenue growth is expected to continue to be driven by new Sonata sales, with a FY2014 to FY2017F Wealth Management revenue CAGR of 27.3%. Average revenue per Sonata client is also expected to grow as a result of each new client adding predictable maintenance, hosting and support fees, Bravura realising higher professional services days rates and volumes and Sonata being used for new lines of business by existing clients; 2. *relatively stable, high margin Funds Administration business generating strong cash flow:* Bravura's Funds Administration client base generates relatively stable maintenance, hosting and support fees and professional services fees and is supported by long term contracts; 3. *predictable base of Revenue from Existing Clients:* Bravura has a high proportion of Revenue from Existing Clients across both its Wealth Management (81% of Wealth Management revenue in FY2016 and 72% of Wealth Management revenue in FY2017F) and Funds Administration (99% of Funds Administration revenue in FY2016 and 99% of Funds Administration revenue in FY2017F) segments, supported by contracts with a typical duration of five to 10 years. This provides a relatively stable, underlying base of earnings; 4. *substantial pipeline of new sales opportunities:* As at 11 October 2016, Bravura had more than 83 potential pipeline opportunities across a number of different market segments, including wrap platforms, superannuation and pension, life insurance and investment and private wealth products. These pipeline opportunities are spread approximately evenly across APAC and EMEA (refer to Section 4.8.2 for further information); 5. *operating leverage driving EBITDA margin growth:* Sonata has significant resources providing maintenance and support services to clients, and the cost of these maintenance and support services is relatively fixed in nature. As more clients migrate to Sonata and maintenance and support revenue streams increase, Bravura expects EBITDA margins to benefit from increasing operating leverage (refer to Section 4.7.2 for further information); 6. *Sonata development capital expenditure expected to decrease as non client funded development reduces and more development is client funded:* Bravura expects a large proportion of future development expenditure to be funded by its clients. Sonata development costs and development revenue were net cash flow positive in FY2016, with this trend expected to continue in FY2017F (refer to Section 4.7.4.2 for further information); and 7. *strong free cash flow generation:* Bravura has a track record of strong cash flow generation, converting a high proportion of EBITDA to net free cash flow, primarily due to relatively stable, high margin Funds Administration segment and a positive working capital cycle due to annual maintenance and support fees paid in advance and upfront licence payments.	Section 4
Quality, blue-chip client base with long-term client relationships	Bravura has a blue-chip client base, with over 70 clients across the wealth management and funds administration industries in eight countries. Bravura's software products, when deployed, can become deeply integrated into the client's IT systems. This level of integration, and the potentially high switching costs, contribute to Bravura's long client tenure and high client retention rate. Bravura believes the scale of investment of time and capital in implementing Bravura's software products, such as Sonata, encourages clients to take a long-term view of their relationship with Bravura.	Section 3.4.1

Topic	Summary	For more information
Experienced leadership team	CEO Tony Klim has led the Bravura management team for over 5 years, and brings wide financial software industry expertise and a deep understanding of Bravura's software products and clients. The current management team has successfully overseen the development of Bravura's flagship product, Sonata, and has guided Bravura from approximately 682 FTEs in FY2013 to 960 FTEs as at 31 July 2016, most of whom have been recruited to support the development of Sonata. The management team is supported by Bravura's highly qualified and experienced Board.	Section 6.1 to 6.3

1.5 Key risks

Topic	Summary	For more information
Bravura may fail to attract new clients	Bravura is dependent on its ability to attract new clients, particularly in order to grow market share and increase revenue. Bravura operates in competitive industries and its ability to attract new clients is particularly dependent on the continued successful roll out of Sonata and Bravura's ability to demonstrate that Sonata can meet a range of client requirements. There is a risk that Bravura will not be able to attract new clients, or attract new clients at the rate, over the time frames or with pricing, revenues and costs it currently expects or has experienced historically (and is not able to off-set this with additional Revenue from Existing Clients), this may have a material adverse impact on the financial performance of Bravura.	Section 5.2.1
Bravura operates in competitive industries	Bravura competes with a number of specialist software vendors to participants in the wealth management and funds administration industries. Among these competitors, Bravura's operating performance is influenced by a number of factors including the success and awareness of its brand, the loyalty of its client base, the functionality of its product offering and its commitment to ongoing development. Any change in the foregoing competitive factors, or others, may impact Bravura's ability to retain existing clients and attract new clients.	Section 5.2.2
Bravura is exposed to foreign exchange movements	Bravura prepares its financial statements in Australian dollars. The majority of Bravura's revenue is currently generated and costs are incurred outside Australia and are denominated in foreign currencies (76% of FY2016 revenue/77% of FY2017F revenue; and 72% of FY2016 costs/71% of FY2017F costs). Therefore, Bravura is exposed a rise or fall in the value of the Australian dollar against a foreign currency (in particular, a rise in value against the British pound sterling) may impact the value of its assets, liabilities, revenues and costs, and consequently its financial results. This risk may be increased where the value of a foreign currency against the Australian dollar becomes more volatile, including in relation to the current volatility of the British pound sterling as a result of significant events like the Brexit vote or the future departure of the United Kingdom from the European Union, and the process leading up to that departure. For example, from 30 June 2016 to 21 October 2016, the British pound sterling to Australian dollar exchange rate declined from 1.79 to 1.61. As a result, on the Prospectus Date Bravura set that rate, as assumed for the purposes of the Forecast Financial Information, at 1.60. The duration and impact of the above factors is uncertain and may result in actual exchange rates differing from those assumed or expected by Bravura. Any adverse impact on Bravura's profitability as a result of these factors may also impact its ability to declare and pay dividends and to service any future indebtedness.	Section 5.2.3
Bravura's software and services may fail to meet requirements	Bravura relies on continued investment in its software and services. There is a risk that upgrading software, introducing new modules or transitioning clients onto new software may result in unforeseen costs, may fail to achieve anticipated revenue or may not achieve the intended outcomes.	Section 5.2.4

Topic	Summary	For more information
Bravura's brand may diminish in reputation and value	Maintaining the strength of Bravura's reputation is important to retaining and increasing Bravura's client base and successfully implementing Bravura's growth strategy. There is a risk that Bravura's reputation could be affected by the actions of third parties, such as business partners, technology providers and its client base. There is also a risk that unforeseen issues or events may arise that adversely affect Bravura's reputation.	Section 5.2.5
Bravura's client base is relatively concentrated	While Bravura endeavours to generate revenue streams over long-term contracts of five to 10 years' duration, Bravura has a relatively concentrated client base. Because of Bravura's relatively concentrated client base, the loss of any one or more material clients, or renewal of contracts on less favourable terms, could materially impact Bravura's future financial performance. For example, Bravura's top five and top 10 clients are expected to account for approximately 32% and 51% of Bravura's FY2017F revenue respectively. In addition, three of Bravura's top 10 clients by revenue have contracts that expire in the next two years.	Section 5.2.6
Bravura may be exposed to other risks	More detail on these risks and a number of other risks are outlined in Section 5.2, including: – Bravura may not be able to attract and retain key personnel; – Bravura may fail to retain existing clients and the level of services used by existing clients; – Bravura may be exposed to potential breaches of data security; – Bravura relies on its ability to protect its intellectual property; – Bravura relies on third party technology; – Bravura may be subject to litigation and intellectual property infringement claims from third parties; – Bravura may be unable to pay dividends and make other distributions; – Bravura may be exposed to risks from past and future business combinations; and – Bravura may fail to execute its growth strategy. In addition, Section 5.3 outlines a number of general investment risks.	Section 5.2 and Section 5.3

1.6 Directors and key management

Topic	Summary	For more information
Who are the Directors of Bravura?	– Brian Mitchell – independent Non-Executive Chairman and Non-Executive Director – Tony Klim – CEO of Bravura and Managing Director – Martin Deda – CFO of Bravura and Executive Director – Neil Broekhuizen – Non-Executive Director – Peter Mann – independent Non-Executive Director – Alexa Henderson – independent Non-Executive Director	Section 6.1
Who are the key members of Bravura's senior management team?	– Tony Klim – CEO of Bravura and Managing Director – Martin Deda – CFO of Bravura and Executive Director – Darren Stevens – Director, Product Management and Strategy – Nick Parsons – Global Chief Technology Officer – John Waddy – Sonata Global Product Development Director – Roland Slee – Managing Director, APAC – Jason Tong – Chief Operating Officer, Wealth Management APAC – Harry Storer – Chief Operating Officer, Wealth Management EMEA – Andy Chesterton – Chief Operating Officer, Funds Administration – Kirsty Worgan – Head of Sales, EMEA	Section 6.2

1.7 Significant interests of key people and related parties

Topic	Summary	For more information
Who are the Shareholders and what will their interest be before and after Completion?	See table and notes below	Section 6.4

	Shares held at the Prospectus Date (m)	% held at the Prospectus Date	Shares acquired/ (sold) (m)	Shares held post Completion (m)[4]	% held post Completion
Ironbridge Funds[1]	117.3	86.7%	(16.1)	101.1	47.2%
Brian Mitchell	3.2	2.3%	(1.3)	1.9	0.9%
Tony Klim	3.2	2.3%	(1.3)	1.9	0.9%
Martin Deda	1.1	0.8%	(0.3)	0.8	0.4%
Other Management Shareholders[2]	10.6	7.8%	(4.2)	6.4	3.0%
New Shareholders[3]	-	-%	102.1	102.1	47.7%
Total	**135.3**	**100.0%**	**78.9**	**214.2**	**100.0%**

Notes:

1. The Ironbridge Funds also hold Ironbridge Redeemable Preference Shares which are expected to be redeemed at Completion for $62.7 million (these figures include Ironbridge Redeemable Preference Shares held by Ironbridge Capital II G.P. Limited representing Ironbridge Fund II LP). Refer to Section 4.5.2 for further details.
2. Other Management Shareholders comprise 22 members of management of Bravura, but excludes Tony Klim (CEO of Bravura and Managing Director) and Martin Deda (CFO of Bravura and Executive Director). Refer to Section 6.3.2 for further detail of the interests of Directors.
3. This includes 35,000 Shares which the Non-Executive Directors are expected to acquire under the Priority Offer, as further described in Section 6.3.2.7.
4. At Completion, 52.3% of the Shares will be subject to voluntary escrow arrangements. See Section 6.3.4 for further information.
5. Shareholdings are indicative only and based on the Key Offer statistics on page 4

Bravura does not expect any Shareholder to control Bravura on Completion. However the Ironbridge Funds are expected to hold a significant shareholding of 47.2% on Completion.

Topic	Summary	For more information
What benefits and interests are payable to Directors and other persons connected with Bravura or the Offer, and what interests will they hold on Completion?	Directors and senior management are entitled to remuneration and fees on commercial terms as disclosed in Section 6.3.2. Directors and senior management will receive the Offer Price per Share sold by them as described above in the Section 1.7. In addition, Bravura proposes to pay a \$0.7 million transaction bonus associated with the Offer. The proposed transaction bonus will be paid to management (\$446,739 in aggregate), Executive Directors (Tony Klim: \$107,444 and Martin Deda: \$38,373) and the Chairman (\$107,444). The transaction bonus was expensed in the FY2016 statutory historical results will be paid subject to Completion. Advisers and other service providers are entitled to fees for services as disclosed in Section 6.3.1. On Completion, the Directors and management will hold Shares as follows:	Section 6.3

Directors and management[1]	Shares held immediately following Completion (millions)	% held immediately following Completion
Brian Mitchell	1.9	0.9%
Tony Klim	1.9	0.9%
Martin Deda	0.8	0.4%
Peter Mann[2]	0.025	0.0%
Alexa Henderson[2]	0.01	0.0%
Other Management Shareholders	6.4	3.0%

Notes:
1. Directors and management may hold their interests in Shares shown above directly or indirectly through holdings by companies or trusts.
2. Under the Priority Offer, Peter Mann is expected to purchase 25,000 Shares and Alexa Henderson is expected to purchase 10,000 Shares.

The Shares recorded in the table above not held by Peter Mann and Alexa Henderson will be subject to voluntary escrow arrangements as outlined in Section 6.3.4.

Topic	Summary	For more information
Other interests, benefits and related party transactions	The Ironbridge Funds will hold approximately 47.2% of Shares on issue at Completion.[1] Prior to the Prospectus Date, the independent Directors approved Bravura entering into a relationship deed with the Ironbridge Funds (**Relationship Deed**). Under the Relationship Deed, the Ironbridge Funds have the right to appoint two Directors to the Board for so long as the Ironbridge Funds hold more than 20%, or one Director to the Board for so long as the Ironbridge Funds hold at least 10%, of the Shares on issue. Neil Broekhuizen has an indirect interest in (and is a director of) Ironbridge Capital, he is employed by a company affiliated with Ironbridge Capital and has an indirect interest in the Ironbridge Funds. The Ironbridge Funds will receive a benefit in connection with the Offer through the redemption of the Ironbridge Redeemable Preference Shares for \$62.7 million as described in Section 4.5. Ironbridge Capital has also received fees from Bravura under a services agreement. This services agreement will terminate on Completion and a fee will be paid to Ironbridge Capital at that time as referred to in Section 6.5.1. While these arrangements were entered into on arm's length terms, member approval was obtained before the Prospectus Date.	Section 6.3.2

Topic	Summary	For more information

Will any Shares be subject to restrictions on disposal following Completion?	Yes.
	
	The Ironbridge Funds and each Management Shareholder (including Directors who are Existing Shareholders) have entered into voluntary escrow arrangements with Bravura in relation to all of the Shares they will hold on Completion as set out below.
	
	– The Ironbridge Funds (101.1 million Shares)
	  – in respect of 25% of the Shares held by Ironbridge at Completion, from Completion until after 4.15pm on the date both of the following conditions have been satisfied: (a) Bravura's financial results for the half year ending 31 December 2016 have been released to ASX; and (b) the volume-weighted average Share price for any 10 consecutive days (in aggregate) beginning on the day after the release of those financial results, exceeds the Offer Price by at least 20%;
	  – in respect to the remaining Shares held by the Ironbridge Funds, from Completion until after 4.15pm on the date on which Bravura's financial results for the financial year ending 30 June 2017 are released to ASX.
	
	– Management Shareholders (11.0 million Shares)
	  – in respect of 33.3% of the Shares held by each Management Shareholder at Completion, from Completion until after 4.15pm on the date both of the following conditions have been satisfied: (a) Bravura's financial results for the financial year ending 30 June 2017 have been released to ASX; and (b) the volume-weighted average Share price for any 10 consecutive days (in aggregate) beginning on the day after the release of those financial results, exceeds the Offer Price by at least 20%; and
	  – in respect of the remaining Shares held by each Management Shareholder from Completion until after 4.15pm on the date on which the financial results of Bravura for the half year ending 31 December 2017 are released to ASX.
	
	– Other than in respect of Brian Mitchell, no Shares held by Non-Executive Directors will be subject to any escrow restrictions.
		Section 6.3 and Section 7.10

1.8 Proposed use of funds and key terms and conditions of the Offer

Topic	Summary	For more information
Who is the issuer of this Prospectus?	Bravura and SaleCo.	Section 7.1
What is the Offer?	The Offer comprises an offer of the issue of 78.9 million Shares by Bravura, and the sale of 23.2 million Shares by SaleCo through the Retail Offer and Institutional Offer.	Section 7.1.1
What is SaleCo?	SaleCo is a special purpose vehicle, established to enable Selling Shareholders to sell part of their investment in Bravura on Completion.	Section 7.1.4.1

Topic	Summary	For more information
Why is the Offer being conducted?	The Offer is being conducted to provide: – a liquid market for Shares and an opportunity for others to invest in Bravura; – Bravura with access to the capital markets to improve capital management flexibility and assist with investing in future growth strategies and mergers and acquisitions; – Bravura with a stronger balance sheet by increasing the cash and cash equivalents, as well as the ability to repay debt, including the Ironbridge Redeemable Preference Shares on Completion; – an opportunity for Existing Shareholders to realise, in part, their investment in Bravura; and – Bravura with the benefits of an increased profile that arises from being a publicly listed entity, including attracting and retaining quality employees.	Section 7.1.2

How is the Offer structured?	The Offer comprises:
	– The Retail Offer which comprises:
	  – the Broker Firm Offer, which is open to Australian and New Zealand resident retail clients of Brokers who receive a firm allocation of Shares from their Broker and who have a registered address in Australia or New Zealand and are not located in the United States;
	  – the Priority Offer, which is made to selected investors nominated by the Company who have received a Priority Offer invitation; and
	  – the Employee Offer, which is made to Eligible Employees nominated by the Company; and
	– the Institutional Offer, which consisted of an offer to Institutional Investors in Australia and certain other eligible jurisdictions, made with disclosure under this Prospectus.
		Section 7.1.1, 7.3, Section 7.4, Section 7.5 and Section 7.8

Is the Offer underwritten?	Yes. The Offer is fully underwritten by the Lead Managers.	Section 7.9, Section 9.4
Who are the Lead Managers on the Offer?	The Lead Managers are Goldman Sachs and Macquarie Capital.	Section 9.5
Will the Shares be quoted on ASX?	The Company will apply within seven days after the Prospectus Date, for admission to the Official List and quotation of its Shares on ASX (which is expected to be under the code BVS). It is anticipated that quotation will initially be on a deferred settlement basis. Completion is conditional on ASX approving that application. If approval is not given within three months after such application is made (or any longer period permitted by law), the Offer will be withdrawn and all application monies received will be refunded (without interest) as soon as practicable in accordance with the requirements of the Corporations Act.	Section 7.2
What is the allocation policy?	The allocation of Shares between the Broker Firm Offer, Priority Offer, Employee Offer, and the Institutional Offer was determined by the Company, SaleCo and the Lead Managers having regard to the allocation policy outlined in Sections 7.3.4, 7.4.4, 7.5.4 and 7.8.2. The allocation of Shares among applicants in the Institutional Offer was determined by the Lead Managers in consultation with Bravura. With respect to the Broker Firm Offer, it is a matter for the Brokers how they allocate Shares among their eligible retail clients. The allocation of Shares among applicants in the Priority Offer and the Employee Offer is at the absolute discretion of the Company and SaleCo. The Company, SaleCo and the Lead Managers reserve the right to reject any application or to allocate a lesser number of Shares than that applied for.	Sections 7.3, 7.4, 7.5 and 7.8

Topic	Summary	For more information
Is there any brokerage, commission or stamp duty payable by applicants?	No brokerage, commission or stamp duty is payable by applicants on an acquisition of Shares under the Offer.	Section 7.2
What are the tax implications of investing in the Shares?	A summary of certain Australian tax consequences of participating in the Offer and investing in Shares is set out in Section 9.7. The tax consequences of any investment in Shares will depend upon an investor's particular circumstances. It is the obligation of the investors to make their own enquiries concerning the taxation consequences of an investment in Bravura. If you are in doubt as to the course you should seek professional guidance from your accountant, financial adviser, stockbroker, lawyer or other professional adviser. Applicants should obtain their own tax advice prior to deciding whether to invest.	Section 9.7
When will I receive confirmation that my application has been successful?	It is expected that initial holding statements will be dispatched by standard post on or around 15 November 2016. Refunds to applicants, who make an application and are scaled back, will be made as soon as possible post Completion, which is expected to occur on or around 16 November 2016. No refunds will be made where the overpayments relate solely to rounding at the Offer Price.	Section 7.2 and Key dates on page 4
How can I apply?	Eligible investors may apply for Shares by completing a valid Application Form attached to or accompanying this Prospectus. Broker Firm Offer applicants may apply for Shares by completing a valid Application Form attached to or accompanying this Prospectus, and lodging it with the Broker who invited them to participate in the Offer. Applicants under the Priority Offer may apply online in accordance with the instructions provided in their personalised Priority Offer invitation. Employee Offer applicants, who have been invited by Bravura to participate in the Offer, may apply for Shares by completing a valid online Application Form, and lodging it with the Company. The Lead Managers have separately advised Institutional Investors of the application procedure under the Institutional Offer. To the extent permitted by law, an application by an applicant under the Offer is irrevocable.	Section 7.2
What is the minimum application size?	The minimum application under the Broker Firm Offer is as directed by the applicant's Broker. There is no maximum value of Shares that may be applied for under the Broker Firm Offer. The minimum application under the Priority Offer is $10,000 of Shares and in multiples of $500 thereafter. You may apply for an amount up to the amount indicated on your personalised invitation. The minimum application size under the Employee Offer is $2,000 and in multiples of $500 thereafter.	Section 7.2
When can I sell my Shares on ASX?	It is expected that trading of Shares on ASX will commence on or about 16 November 2016 on a deferred settlement basis. It is expected that dispatch of holding statements will occur on or about 17 November 2016 and that Shares will commence trading on ASX on a normal settlement basis on 18 November 2016. It is the responsibility of each applicant to confirm their holding before trading their Shares. Applicants who sell Shares before they receive an initial holding statement do so at their own risk.	Section 7.2 and Key dates on page 4

Topic	Summary	For more information
Can the Offer be withdrawn?	The Company and SaleCo reserve the right to not proceed with the Offer at any time before the issue or transfer of Shares to successful applicants. If the Offer does not proceed, application monies will be fully refunded. No interest will be paid on any application monies refunded as a result of the withdrawal of the Offer.	Section 7.2
Where can I find out more information about this Prospectus or the Offer?	All enquiries in relation to this Prospectus should be directed to the Bravura IPO Information Line on: – within Australia: 1300 911 275; or – outside Australia: +61 1300 911 275, from 8.30am to 5.30pm (Sydney Time), Monday to Friday (excluding public holidays). If you are unclear in relation to any matter, or are uncertain as to whether Bravura is a suitable investment for you, you should seek professional guidance from your accountant, financial adviser, stockbroker, lawyer or other professional adviser before deciding whether to invest.	Key dates and Key Offer statistics on page 4

Section 2
Industry Overview

02

Industry Overview

2.1 Overview of the wealth management and funds administration industries

Bravura provides software products and services to clients operating in the wealth management and funds administration industries, with a particular focus on Australia and New Zealand in Asia-Pacific (**APAC**) and the United Kingdom in Europe, Middle East and Africa (**EMEA**).

2.1.1 Wealth management industry

The wealth management industry centres on the provision of financial products and investment advice relating to investment products and wrap platforms, superannuation, pension and retirement products, life insurance, private wealth and portfolio administration.

Participants in the industry include banks, superannuation providers and life insurance companies, third party administrators (**TPAs**), financial advisers and investment managers. These participants use software products and services to originate, distribute and administer financial products for their customers. Table 2.1 provides an overview of these key financial products.

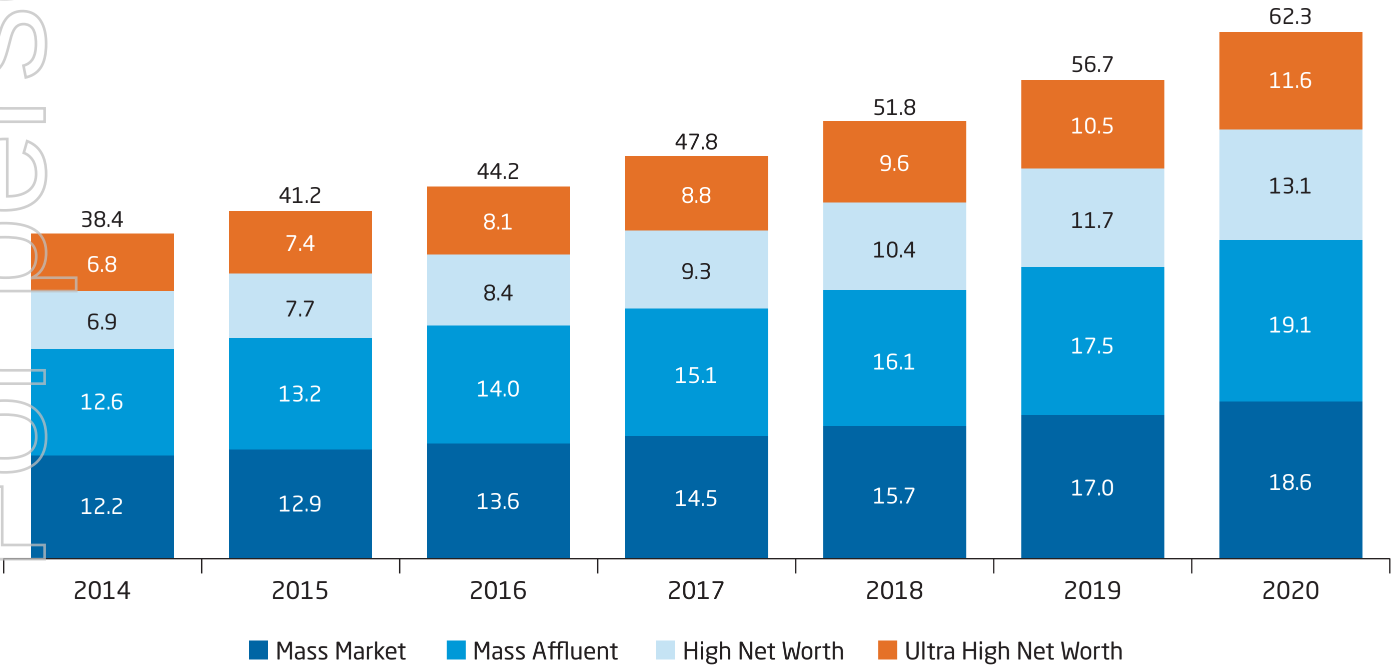
Table 2.1: Overview of key financial products

Financial product	Description
Investment products and wrap platforms	Managed funds and unit trusts, equities, cash and term deposits, individual savings accounts, structured products, hedge funds, exchange-traded funds and other investment products. These are often distributed and administered on investment platforms and wrap platforms.
Superannuation, pension and retirement products	Accumulation and de-accumulation phases of defined contribution and defined benefit style superannuation and pension funds including self-managed superannuation funds and self-invested pension plans. These are offered through a number of providers including industry superannuation funds, retail wealth managers, TPAs, public sector and government funds and life insurance companies.
Life insurance products	Death and/or permanent disability insurance, salary continuance, trauma insurance, annuity and traditional life insurance products and savings plans.

Bravura operates predominantly in the APAC and EMEA wealth management industries, with a particular focus on Australia, New Zealand and the United Kingdom.

The APAC wealth management industry, measured by total investable assets, is expected to grow at a CAGR of 8.4% between 2014 and 2020 to a total size of $62.3 trillion, as outlined in Figure 2.1.

Figure 2.1: Estimated APAC total wealth by investable assets ($ trillion)



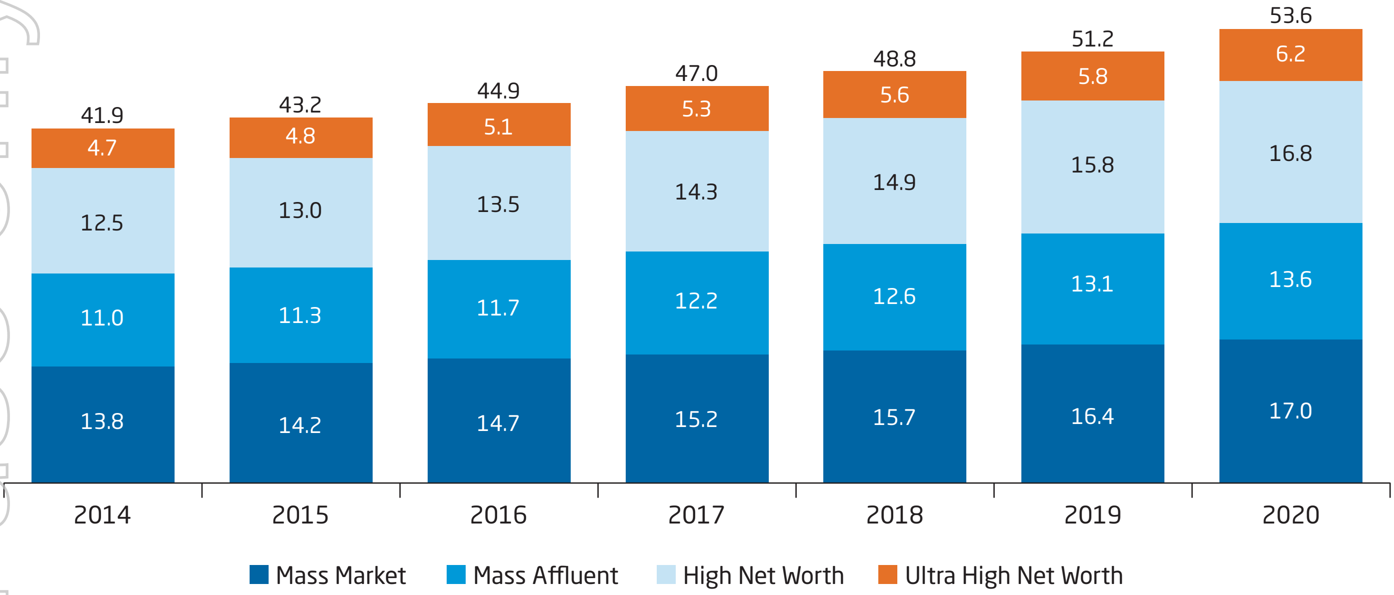
Source: Celent, "Wealth management and life insurance overview" (11 April 2016), commissioned by Bravura.

Note: Assumes USD/AUD exchange rate of 1.30. "Mass Market", "Mass Affluent", "High Net Worth" and "Ultra High Net Worth" are categorisations of investors based on the total amount of their investable assets.

Note: APAC is defined as Australia, China, Hong Kong, India, Indonesia, Japan, Malaysia and Singapore.

The European wealth management industry, measured by total investable assets, is expected to grow at a CAGR of 4.2% between 2014 and 2020 to a total size of $53.6 trillion, as outlined in Figure 2.2.

Figure 2.2: Estimated European total wealth by investable assets ($ trillion)



Source: Celent, "Wealth management and life insurance overview" (11 April 2016), commissioned by Bravura.

Note: Assumes USD/AUD exchange rate of 1.30. "Mass Market", "Mass Affluent", "High Net Worth" and "Ultra High Net Worth" are categorisations of investors based on the total amount of their investable assets. Europe is defined as Austria, Belgium, Denmark, Germany, Finland, France, Italy, Luxembourg, Netherlands, Norway, Spain, Sweden, Switzerland and the United Kingdom.

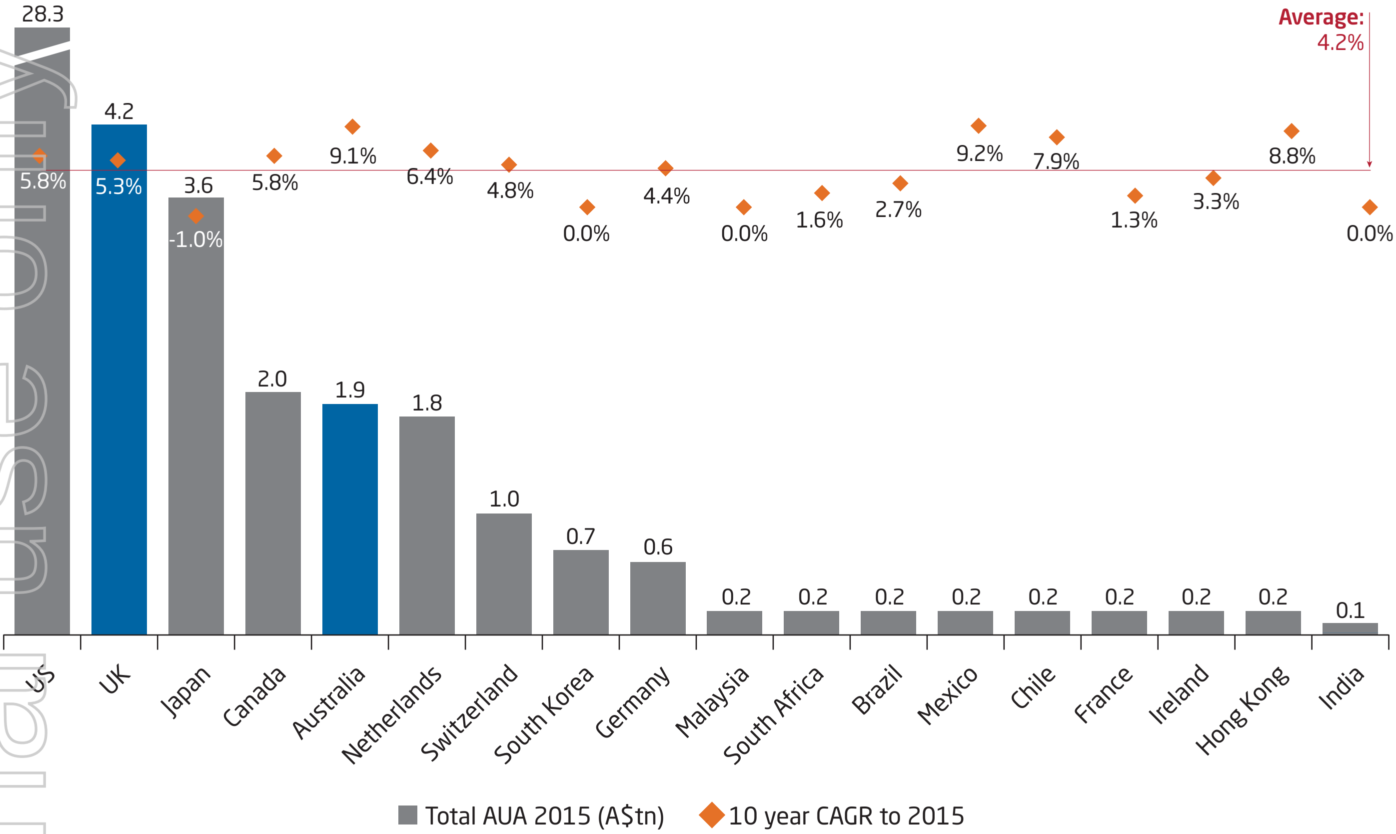
Within the wealth management industry, Bravura has a significant presence in the superannuation and pension market as well as a presence in the life insurance market.

Growth in the global wealth management industry will be supported by the growth in superannuation and pension assets under administration (**AUA**), which is underpinned by a growing and ageing population and supportive government policy. In 2015, global superannuation and pension AUA reached $45.8 trillion, with an average CAGR of 4.2% in the 10 year period to 2015.

Each of Australia and the United Kingdom, two of Bravura's core geographies, are within the top five largest pools of superannuation and pension AUA globally and grew significantly over the 10 years to 2015 at a CAGR of 9.1% and 5.3% to a total size of $1.9 trillion and $4.2 trillion respectively[1]. Figure 2.3 illustrates current global superannuation and pension AUA and the CAGR over the 10 years to 2015 of select countries.

1. Source: Willis Towers Watson, "Global Pension Assets Study 2016" (2016)

Figure 2.3: Estimated global superannuation and pension AUA ($ trillion) (2015) and respective 10 year CAGRs to 2015



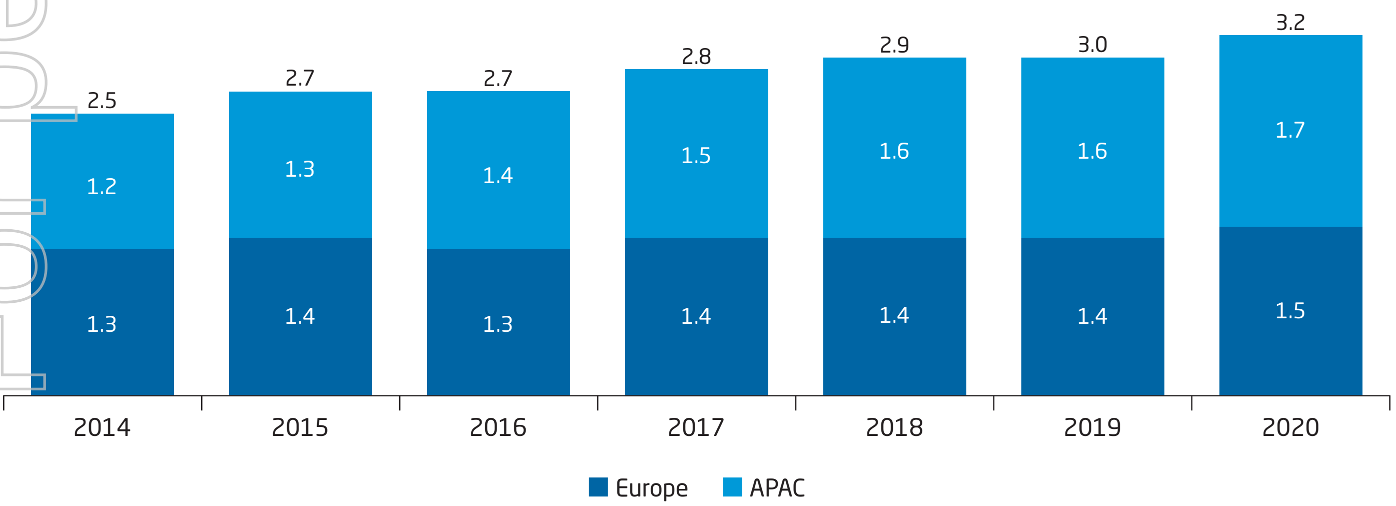
Source: Willis Towers Watson, "Global Pension Assets Study 2016" (2016).

Note: Highlighted columns refer to Bravura's current core geographies.

Note: Assumes USD/AUD exchange rate of 1.30.

Figure 2.4 illustrates that the APAC and European life insurance markets, measured by annual premium income, were estimated at $1.2 trillion and $1.3 trillion respectively in 2014 and are expected to grow at a CAGR of 5.5% and 1.8% to $1.7 trillion and $1.5 trillion respectively between 2014 and 2020.

Figure 2.4: Estimated APAC and European life insurance market by annual premium income ($ trillion)



Source: Celent, "Wealth management and life insurance overview" (11 April 2016), commissioned by Bravura, with reference to Swiss Re Sigma "World in Insurance" (2013, 2014).

Note: Assumes USD/AUD exchange rate of 1.30.

Note: Europe is defined as Austria, Belgium, Denmark, Germany, Finland, France, Italy, Luxembourg, Netherlands, Norway, Spain, Sweden, Switzerland and the United Kingdom, and APAC is defined as Australia, China, Hong Kong, India, Indonesia, Japan, Malaysia and Singapore.

2.1.2 Funds administration industry

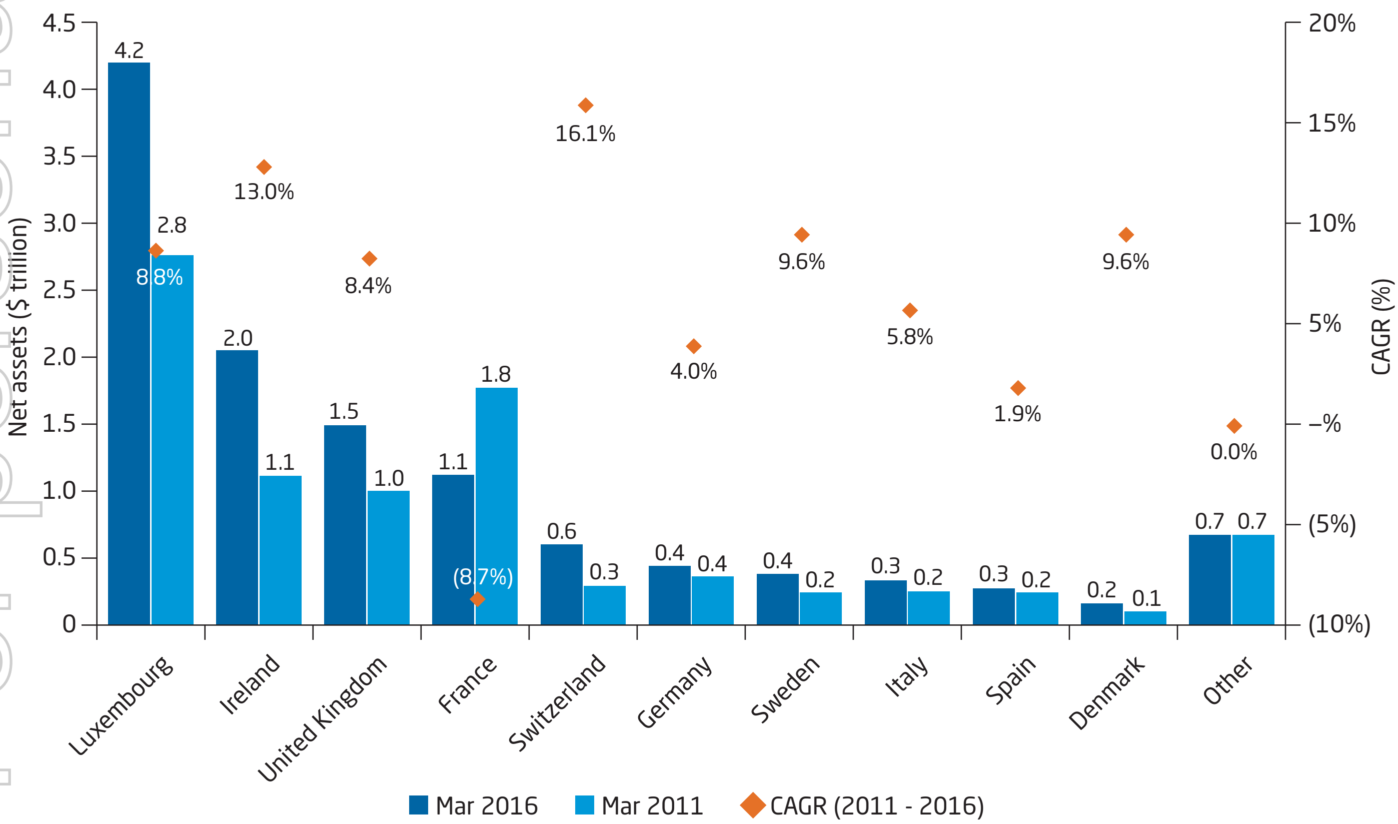
Bravura provides software products and services for the administrative processing of mutual funds, unit trusts, investment trusts, open ended investment companies, money market funds and exchange-traded funds managed by financial advisers and investment managers on behalf of their retail and institutional customers. These products and services support investment managers and TPAs in the United Kingdom, Luxembourg and Ireland who in turn support retail and institutional clients across Europe and Asia. Table 2.2 provides an overview of the key administrative processes provided by participants to their customers.

Table 2.2: Overview of key administrative processes

Administrative process	Description
Member maintenance	Data and communication management for investors and fund members as well as call centre operations.
Transaction processing and reporting	Regular ongoing administration of investments, switching and redemptions, fees, distributions and statement processing.
Management of investment portfolios	Services regarding portfolio management including customer accounting, direct investment and trustee services.

The European funds administration industry grew at a CAGR of 5.9% between 2011 and 2016 to a total size of $11.7 trillion, measured by total investment fund assets. Bravura operates predominantly in the European funds administration industry with a particular focus on the United Kingdom, Luxembourg and Ireland. These are the three largest countries within the European funds administration industry by total investment fund assets, with an aggregate market share of approximately 66% as at March 2016. Figure 2.5 illustrates that total investment fund assets in each of the United Kingdom, Luxembourg and Ireland grew at a CAGR of 8.4%, 8.8% and 13.0% respectively between 2011 and 2016 to a total size of $1.5 trillion, $4.2 trillion and $2.0 trillion respectively.

Figure 2.5: Estimated European investment fund assets



Source: European Fund and Asset Management Association, "European Quarterly Statistical Release" (accessed August 2016).
Note: Assumes EUR/AUD exchange rate of 1.47.

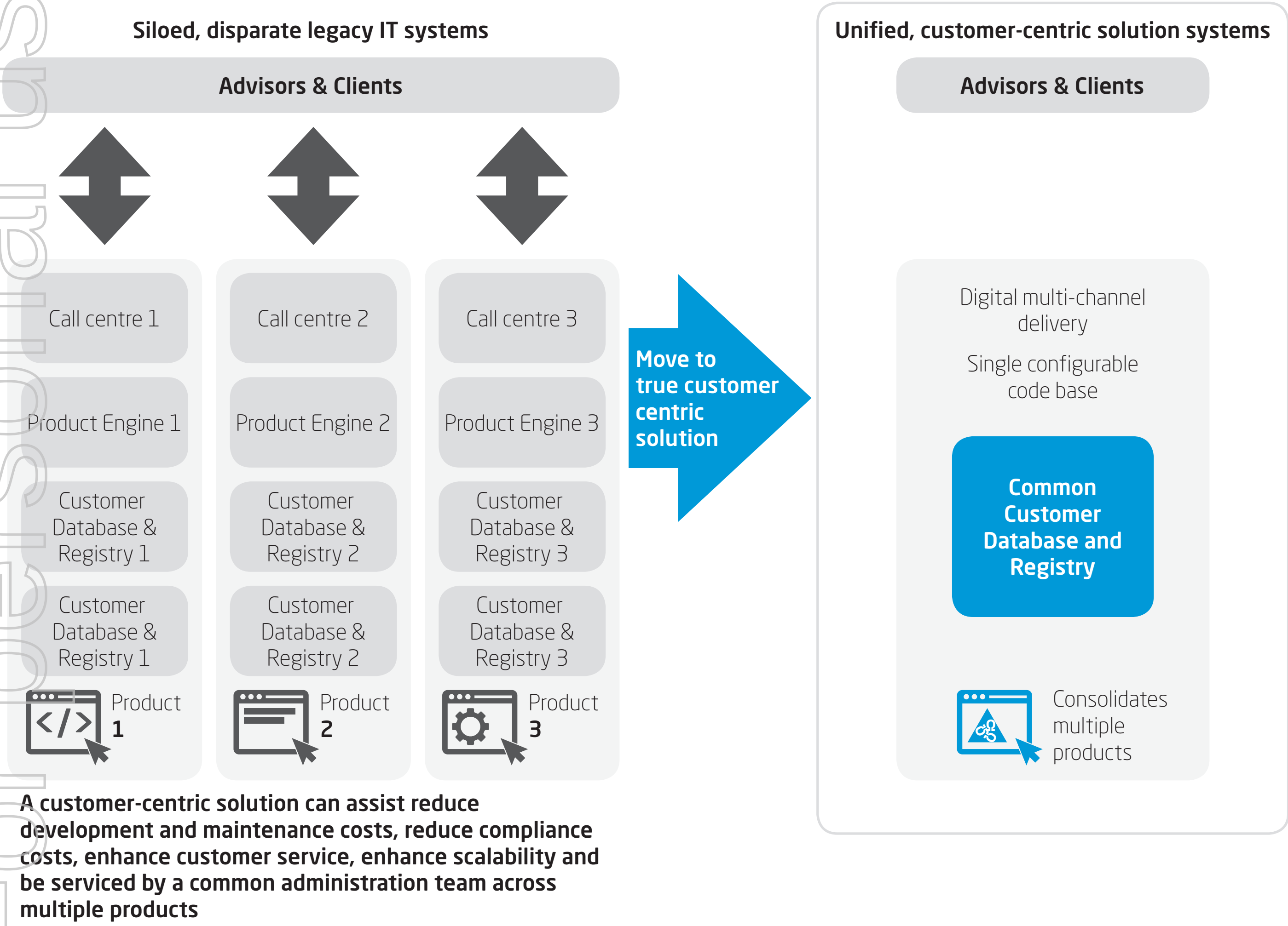
2.2 Software within the wealth management and funds administration industries

There are a number of challenges facing participants in the wealth management and funds administration industries. These challenges include:

- an evolving and complex regulatory environment;
- increased customer demand for mobile and "self-directed" technology;
- need for rapid product innovation;
- increasing costs and margin pressures that are impacting industry business models; and
- the need for technology that scales as businesses expand.

These challenges are causing industry participants to implement modern software solutions (such as those provided by Bravura and its peers), with the capability to address these challenges and/or outsource their administration. The trend to modernisation in the wealth management industry provides a significant market opportunity for specialist software vendors, such as Bravura with unified, customer centric solutions covering life insurance, pensions, superannuation and investments.

Figure 2.6: Evolution of financial product administration



2.2.1 An evolving and complex regulatory environment

Regulatory compliance is critical to Bravura's wealth management and funds administration clients. The constantly evolving nature of the financial services regulatory environment, coupled with the increasing financial impact of non-compliance, has increased the operating complexity for wealth management and funds administration industry participants.

The wealth management and funds administration industries in Australia, New Zealand and the United Kingdom (where Bravura currently operates) are governed by a number of local and international regulations including:

- in Australia: Superannuation Industry Supervision Act, Corporations Act, Taxation Administration Act and Life Insurance Act;
- in New Zealand: KiwiSaver Act, Life Insurance Act, Income Tax Act and Financial Markets Conduct Act;
- in the United Kingdom: numerous annual Finance Acts initiated by HM Revenue & Customs; and
- in the European Union: Undertakings for Collective Investments in Transferable Securities Directive, Alternative Investment Fund Managers Directive and Packaged Retail and Insurance-based Investment Products Regulation.

In recent years, there have been a number of new regulatory requirements introduced that further impact participants in the wealth management and funds administration industries:

- international financial institutions continue to be faced with changes around Know Your Customer obligations and Anti-Money Laundering as well as the US Foreign Account Tax Compliance Act; and
- region-specific regulatory changes such as:
  - in Australia: Stronger Superannuation, proposed Life Insurance Framework and the Future of Financial Advice (**FOFA**); and
  - in the United Kingdom: the UK Retail Distribution Review (**RDR**) and Pension Schemes Act;
  - in Europe: the Markets in Financial Instruments Directive (**MiFID**);
  - in South Africa: the Retail Distribution Review.

Regulatory change, which has been a constant theme for a number of years, has resulted in increased reporting complexity and the requirement for greater transparency and increased disclosure obligations for wealth management and funds administration industry participants. For example, there is a relatively new requirement in Australia and the United Kingdom for industry participants to report and compare their fees for certain financial products against those of their peers.

For example, within the life insurance sub-segment of the wealth management industry, the UK Financial Conduct Authority (**FCA**), published (TR16/2) "Fair treatment of long-standing customers in the life insurance sector". This publication noted the implicit requirement for life insurance companies to invest in modern software to assist them keep abreast of regulatory and legislative changes. Referencing this publication, a report by KPMG notes that they have seen examples of companies that "over the last 18 months ... have really embraced the transition to move to a more customer centric, simple and transparent, digitally-enabled business model"[2] and these insurers are "best equipped to meet the challenges presented by the wave of change sweeping the industry"[3].

The potential financial impact of non-compliance with regulatory regimes is also increasing. This is illustrated by the increasing amount spent by banks on litigation for regulatory compliance matters in Europe and the United States since the global financial crisis. In response to the increased level of compliance requirements and the consequences of non-compliance, wealth management and funds administration industry participants are seeking to enhance compliance and risk management. Some software products (such as those provided by Bravura) include risk management capabilities, with software regularly updated to reflect regulatory changes.

2.2.2 Increased customer demand for mobile and "self-directed" technology

Software product development within the wealth management and funds administration industries is also being driven by the rapid advance of digitisation.

Many customers of industry participants are increasingly focused on the ability to access their information in real time and through multiple digital platforms, for instance, smartphones, tablets and personal computers. Providing a positive digital experience to potential customers has become a crucial means for industry participants to attract and retain customers.

Concurrently, there has been growth in demand from customers or their advisers to be able to administer financial products and portfolios themselves, for instance, updating their profile, personal information or investment holdings, or requesting additional services, without the need for assistance from customer service staff. Software products that provide this functionality (referred to as "self-directed" technology) allow industry participants to reduce the number of administrative staff required to provide these services, thereby reducing costs.

2. KPMG, "Life insurance legacy review: Turning the old into the new" (4 June 2016).
3. KPMG, "Life insurance legacy review: Turning the old into the new" (4 June 2016).

2.2.3 Need for rapid product innovation

Industry participants need to be able to develop and release new financial products rapidly to ensure their products continue to meet customer demands and that they remain competitive. Modern software products can assist industry participants to reduce costs and increase speed to market, for example, using workflow processes as described below.

Workflow processes are the series of tasks and procedures that need to be carried out to sell and administer a financial product (e.g. tasks involved in applying for a product, entering customer details, investing and transacting in a product and all the relevant regulatory checks that are required). Some modern software solutions use sophisticated workflow processes that are easily configurable and allow for management of errors by exception. The use of workflow processes can increase speed to market and reduce costs for industry participants. Historically, modifying software products for new financial products may have required software development on legacy platforms that was expensive and time consuming. Industry participants are seeking modern software products that are configurable, and allow them to more easily change the underlying software product to cater for a broader range of financial products, without the need for external assistance.

Increasingly, participants within the wealth management and funds administration industries are "white labelling" their products for distribution through partner organisations under the partner's brand. The ability to rapidly and efficiently create versions of their products for these distribution partners is crucial for their business.

2.2.4 Increasing costs and margin pressures that are impacting industry business models

Many wealth management and funds administration industry participants are focused on unifying multiple legacy platforms into a single software solution and encouraging customer self-service to reduce costs and improve efficiency.

For example, McKinsey noted in July 2015 that industry participants within the United Kingdom pension sub-segment of the wealth management industry will need to "drive down costs by 15 to 30 percent to preserve competitiveness in a transparent, regulated, fee-based, and fee-capped environment. Savings of this magnitude will likely require addressing the full range of efficiency levers: front-to-back digitization, distribution transformation, and lean operational practices"[4].

Historically, industry participants relied on a number of disparate software systems that handled specialised lines of business or geographical regions. As a consequence, they often operated a number of separate software systems that were not necessarily integrated in real time and were costly to maintain.

Many customer service functions were also historically very manual processes with customers being required to call the relevant industry participants in order to complete basic administrative functions, such as updating personal information or conducting financial transactions. This contributed to the cost structures of industry participants requiring significant staff numbers, training and risk and compliance teams to monitor these manual processes.

Software which unifies and enhances functionality, as well as increasing the number of processes that customers can automate through integrated workflow processes, is increasingly valuable to participants in the wealth management and funds administration industries as it can lower staff numbers and reduce the need for participants to support multiple legacy platforms and compliance structures, thereby increasing efficiency and reducing costs. These factors can also combine to assist industry participants to deliver higher quality customer service, improve customer retention and offer more competitive financial product pricing.

2.2.5 The need for technology that scales as businesses expand

Many industry participants are continuing to experience growth in their customer base and transactional volumes. This is as a result of organic growth, industry consolidation and the unification of multiple legacy platforms. As the number of customers using a financial product grows, it is critical that industry participants deploy software products that can process a large number of transactions, be accessed by a large number of customers simultaneously in real time and be available on a 24/7 basis with rapid response times.

4. McKinsey (Philipp Koch, Christine Korwin-Szymanowska, Ildiko Ring), "Are you ready for the new-look UK retirement market?" (July 2015).

2.3 Trend to outsourced software solutions in the wealth management and funds administration industries

There are three approaches that participants within the wealth management and funds administration industries typically adopt in determining which software solutions they will deploy to address the challenges facing them:

1. *in-house built and maintained systems:* where proprietary software is developed in-house and the maintenance and regulatory compliance is also performed in-house. These are often ageing legacy software platforms which may be in the process of being replaced by modern software provided by specialist software vendors or the functions outsourced to technology specialists;
2. *software provided by specialist software vendors:* where industry participants license software from third parties, such as Bravura, and the licensed software is provided as either an installed solution on the client's technology infrastructure or as a hosted cloud based solution where the software is hosted on the third party's technology infrastructure and accessible by the client via the internet as needed. Depending on the specific software product, this hosted delivery model is either delivered as a software-as-a-service (**SaaS**) model or as a managed-software-as-a-service (**MSaaS**) model (as referred to in Section 3.3.3.2); or
3. *fully outsourced third party administration:* TPAs are institutions that provide administration services to industry participants using either their own software products and services or those provided by specialist software vendors, such as Bravura. TPAs' customers fully outsource their administrative functions and IT, saving investment capital and management resources, and technical/information technology resources.

It is becoming increasingly common for participants in the wealth management and funds administration industries to pursue alternatives 2 and 3, rather than develop and maintain legacy, in-house solutions[5] which the Australian Prudential Regulation Authority noted in April 2016 were proving inadequate within the life insurance industry to navigate challenges relating to managing risk assessment and pricing pressures and maintaining profit levels.[6]

The trend to modernise existing software solutions is supporting the movement of industry participants to outsourced software. This movement is evidenced by the increasing spend on information technology (**IT**) in the wealth management industry on software and services provided by specialist software vendors, and the emerging popularity of cloud based delivery models.

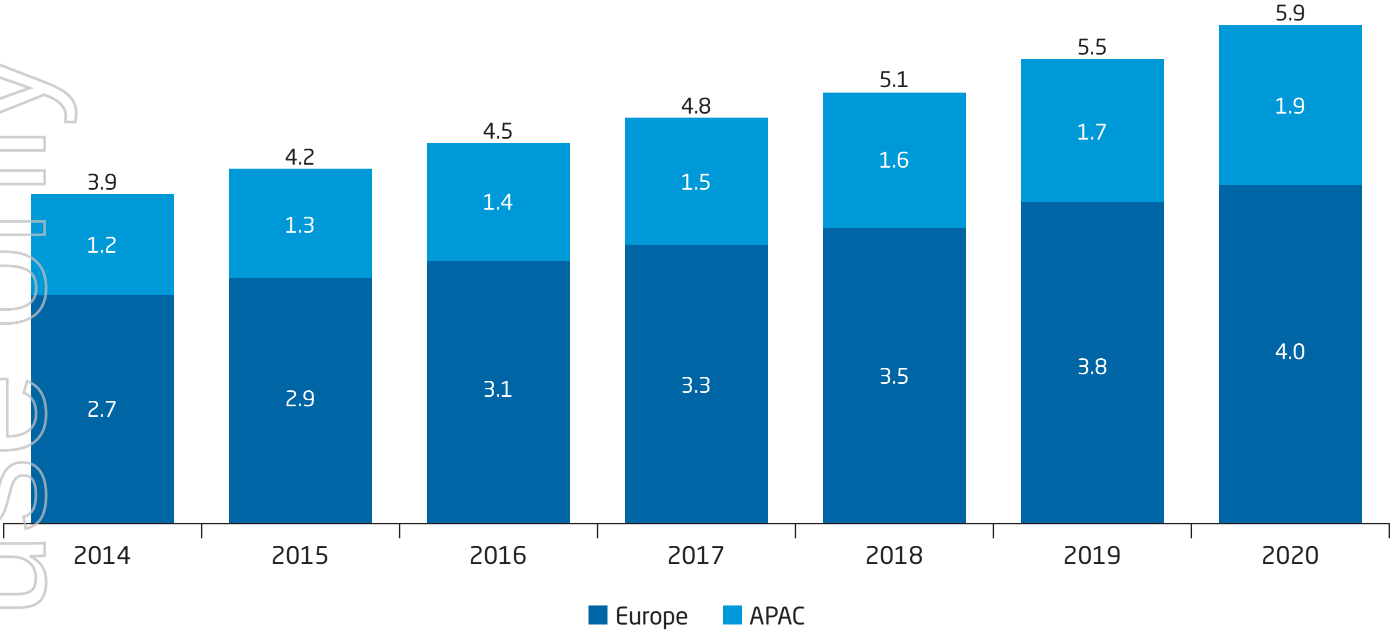
2.3.1 Increasing IT spend in external software and external services

Ernst & Young notes that "a wave of transformation spend"[7] is hitting the wealth management industry "aimed at modernising outdated technology and core systems"[7] as a result of "constrained system capacity, limited availability or test environments, static release schedules and fixed maintenance timetables that make implementing change more challenging"[7].

As shown in Figure 2.7, IT spending in the APAC and European wealth management industries was approximately $1.2 billion and $2.7 billion respectively in 2014 and in 2014 was expected to grow at a CAGR of 7.1% and 7.0% to $1.9 billion and $4.0 billion respectively by 2020.

5. Celent, "Wealth management and life insurance overview" (11 April 2016), commissioned by Bravura
6. Australian Prudential Regulation Authority, "Inquiry into the Scrutiny of Financial Advice – Life Insurance, "Submission to the Senate Economic Committee (April 2016)
7. Ernst & Young, "Digital disruption and the game-changing role of technology in global wealth management – IT in Wealth Management 2015" (2015).

Figure 2.7: Estimated wealth management industry IT spending by region ($ billion)



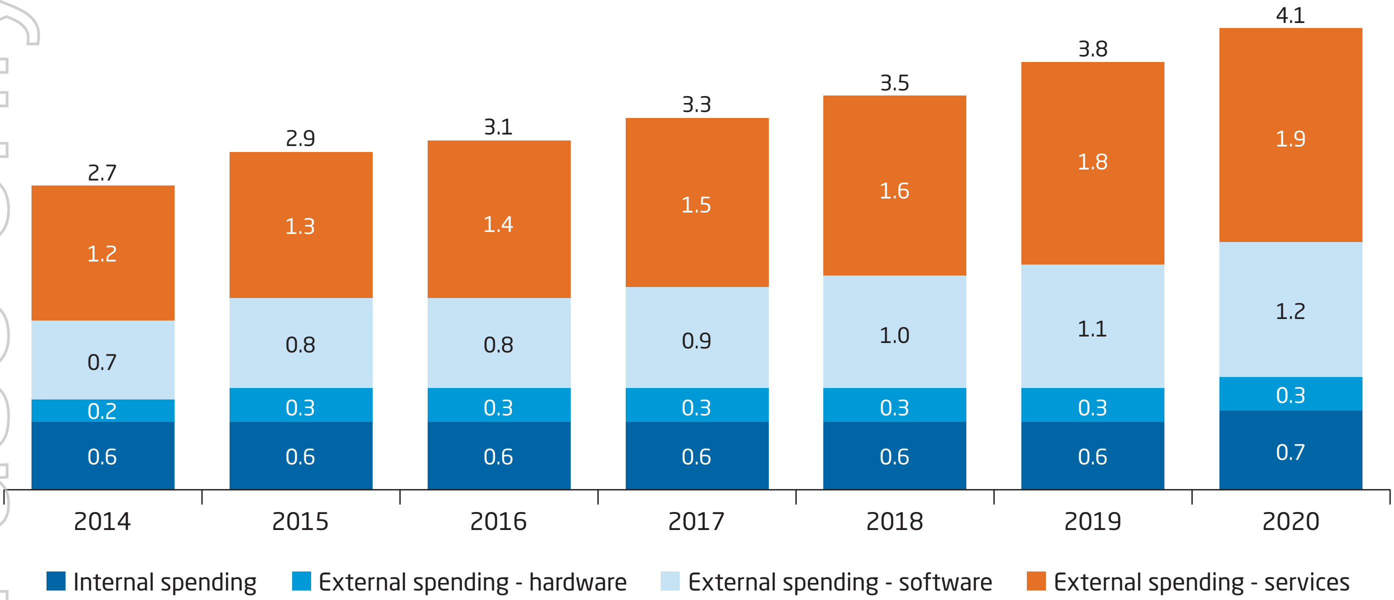
Source: Celent, "Wealth management and life insurance overview" (11 April 2016), commissioned by Bravura.
Note: Assumes a USD/AUD exchange rate of 1.30.
Note: Europe is defined as Austria, Belgium, Denmark, Germany, Finland, France, Italy, Luxembourg, Netherlands, Norway, Spain, Sweden, Switzerland and the United Kingdom, and APAC is defined as Australia, China, Hong Kong, India, Indonesia, Japan, Malaysia and Singapore.

IT spending is categorised as follows:

- *internal IT spending:* relates to expenses associated with the internal management, analysis, development, maintenance, support and operation of information technology; and
- *external IT spending:*
  - *external hardware:* includes all expenses associated with the purchase or lease of computer hardware, including servers and networking equipment, and associated peripherals;
  - *external software:* includes the purchasing costs or licensing fees associated with third party software solutions, but excludes installation fees and costs of customisation upon initial installation; and
  - *external services:* includes all expenses associated with IT services purchased from external sources, including fees charged by specialist software vendors for installation and consulting, and TPAs or outsourcers.

Figure 2.8 illustrates that, in Europe, IT spending is predominantly related to external software and external services (72% of 2014 IT spend). The estimated CAGR over 2014 to 2020 for external software spend in Europe is 9.4%, and external services is 8.1%.

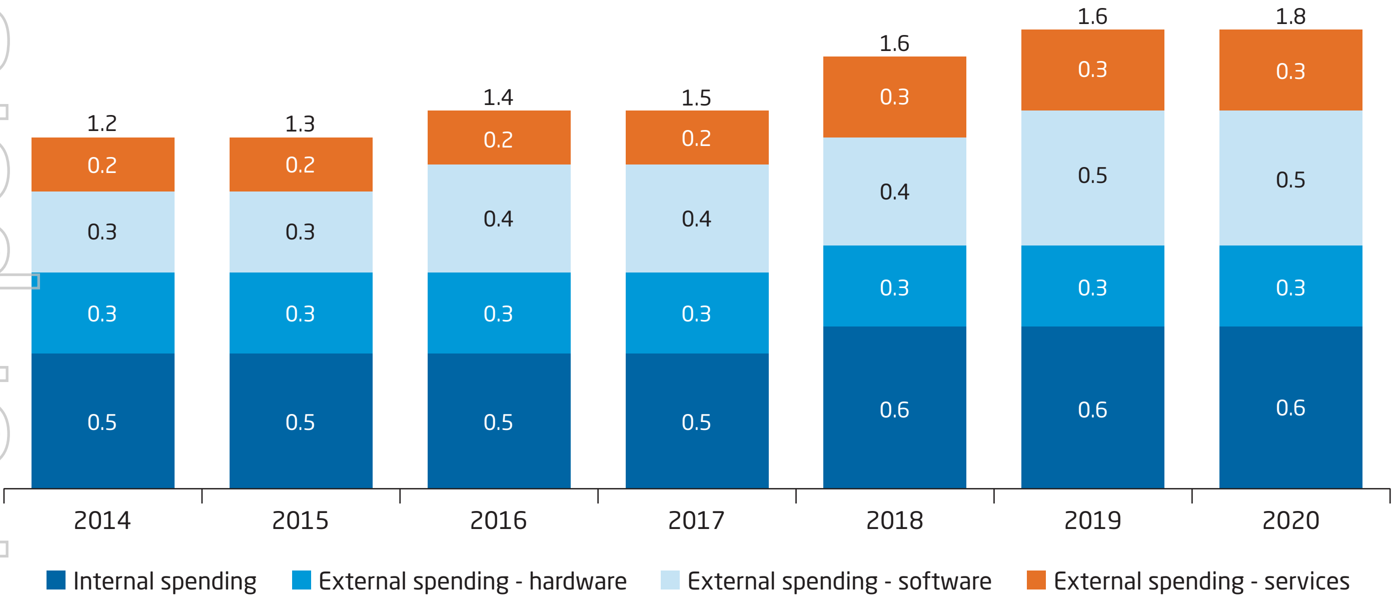
Figure 2.8: Estimated European wealth management industry IT spend ($ billion)



Source: Celent, "Wealth management and life insurance overview" (11 April 2016), commissioned by Bravura.
Note: Assumes a USD/AUD exchange rate of 1.30.
Note: Europe is defined as Austria, Belgium, Denmark, Germany, Finland, France, Italy, Luxembourg, Netherlands, Norway, Spain, Sweden, Switzerland, and the United Kingdom.

Figure 2.9 illustrates that, in APAC, IT spending is comprised largely of external software and external services (40% of 2014 IT spend). The estimated CAGR over 2014 to 2020 for external software spend in APAC is 9.7%, and external services is 7.4%.

Figure 2.9: Estimated APAC wealth management industry IT spend ($ billion)



Source: Celent, "Wealth management and life insurance overview" (11 April 2016), commissioned by Bravura.
Note: Assumes a USD/AUD exchange rate of 1.30.
Note: APAC is defined as Australia, China, Hong Kong, India, Indonesia, Japan, Malaysia and Singapore.

2.3.2 Increasing popularity of cloud based delivery models

Over recent years, the software industry has seen the development of a number of different software delivery models. Traditionally, clients would license a software product and that software product would be installed on the client's technology infrastructure.

Across a number of industries, cloud based delivery models have emerged as a popular alternative to the traditional installed delivery model. Cloud based delivery models are where hardware and software are provided to the client as a service by a third party rather than the client having to buy, install and manage it in-house. The software is then accessed by the client over the internet. The growth in cloud based delivery models has been enabled by improvements in connectivity which provide the benefits of only having to pay for the level of computing power and services needed rather than having to otherwise purchase expensive hardware and software in-house.

The centralised nature of hosted cloud based platforms allows specialist software vendors direct access to and control over their software. This allows efficient maintenance and updating of the software, and is readily scalable in a cost effective manner as their business grows. The hosted delivery platform also provides specialist resources to clients and customers, enabling them to outsource the cost of otherwise having these resources in-house.

In the wealth management and funds administration industries, participants using cloud based delivery models often use "private clouds" where the software is hosted on dedicated servers for their business only, rather than public or shared servers. This is typically to retain more control of security and privacy of data or to cater for regulatory requirements around data sovereignty, which is where information that has been converted and stored in a digital form is subject to the laws of the country in which it is located.

2.3.3 Benefits of external software and services

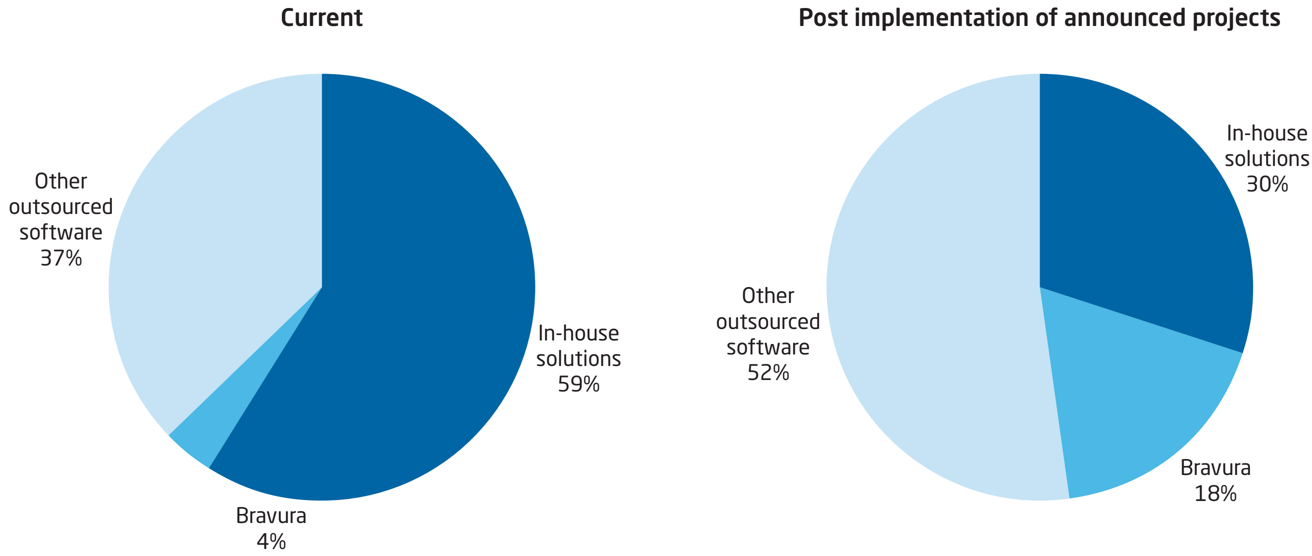
There are a number of potential key benefits to using software products developed by specialist software vendors and cloud based delivery models. A summary of these potential key benefits is provided in Table 2.3.

Table 2.3: Potential key benefits of using software products developed by third parties

Scale advantages and "network effect"	– Specialist software solutions, including those provided through a cloud based delivery model, are typically developed and licensed to multiple clients, enabling them to scale their software products by spreading the cost of software development across a provider's entire client base. Software functionality developed on behalf of one client of a specialist software vendor may be made available to and benefit all clients. – Industry participants who develop software internally are required to individually manage and bear the cost of software development and ongoing maintenance, programming and upgrading.
Regulatory risk management	– Specialist software vendors are in the business of updating software in accordance with client demands to meet changing legislation and regulatory requirements. Some software vendors update their software and make updates available to all clients through periodic updates. Some software vendors, such as Bravura, also employ specialist professional services staff with the requisite technical skills, industry experience and knowledge to provide help desk support to clients. – Industry participants who develop software internally are required to contract or employ specialist professionals themselves to monitor and manually implement any changes to legislation and regulations across multiple legacy platforms.
Software investment	– Specialist software vendors assume the substantial cost of initially developing and subsequently maintaining their software products as a cost of doing business. This cost is shared across their client base. – Internally developed software is typically only used by the one organisation and all costs (including upgrading software) are borne by that organisation.
Leading technology and innovation	– Specialist software vendors should upgrade their software products in order to remain technologically relevant and continue to meet client (and customer) expectations. – It is expensive and complex for in-house software solutions to be kept at the same level of functionality as that which is provided by specialist software vendors. Any loss of technological currency may impact the ability to deliver the desired customer experience as well as ensure customer satisfaction and retention.

Platforum expects the trend to engaging specialist software vendors (including Bravura) to continue in the wealth management industry. For example, as illustrated by Figure 2.10, from an analysis by Platforum of the United Kingdom direct and adviser platform market (a sub-segment of Bravura's key industries), the use of in-house solutions is expected to decline from 59% to 30% of platform.

Figure 2.10: United Kingdom wealth management industry software market share (based on United Kingdom direct and adviser platform AUA)[8]

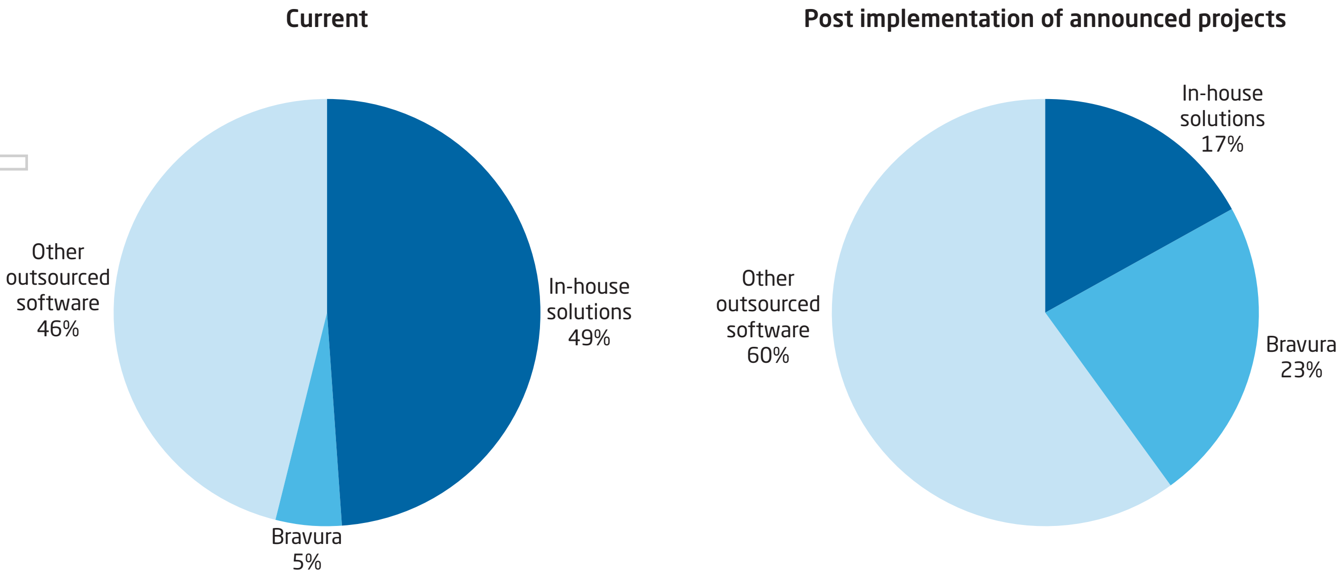


Source: Platforum, "Bravura Bespoke Project" (August 2016), commissioned by Bravura.

Note: Data prepared by Platforum following its analysis of relevant software platforms and proposed new software project implementations announced prior to August 2016. "Post implementation of announced projects" demonstrates expected United Kingdom wealth management industry software market share after the implementation of announced projects assuming all announced projects are implemented and no additional projects are implemented.

Within the United Kingdom adviser platform market approximately 49% of participants (that have approximately $290 billion adviser platform AUA) are currently using in-house software solutions. Based on research by Platforum, this is expected to decline to 17% of adviser platform AUA, or approximately $100 billion adviser platform AUA with approximately $190 billion adviser platform AUA expected to be transitioned to outsourced software solutions, including Bravura, as illustrated by Figure 2.11.

Figure 2.11: United Kingdom wealth management industry software market share (based on United Kingdom adviser platform AUA)



Source: Platforum, "Bravura Bespoke Project" (August 2016), commissioned by Bravura.

See Note to Figure 2.10.

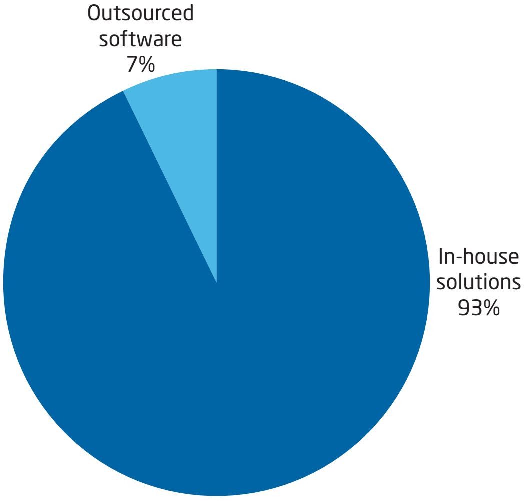
Note: Assumes a GBP/AUD exchange rate of 1.60.

8. Includes both direct and TPA administered platforms.

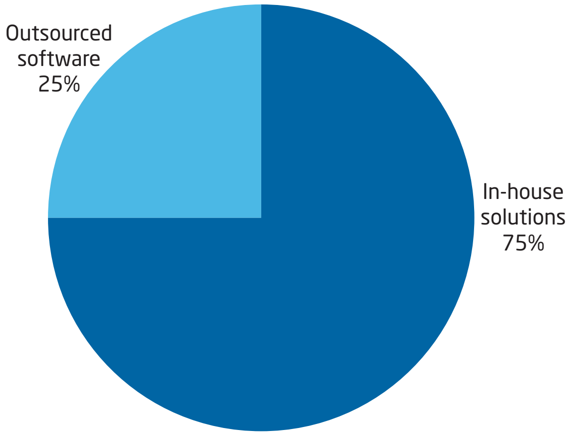
Within the United Kingdom direct platform market approximately 93% of participants (that have in aggregate more than $165 billion direct platform AUA) are currently using in-house software solutions. Based on research by Platforum, this is expected to decline to 75% of direct platform AUA, or approximately $135 billion direct platform AUA, as illustrated by Figure 2.12.

Figure 2.12: United Kingdom wealth management industry software market share (based on United Kingdom direct platform AUA)

Current



Post implementation of announced projects



Source: Platforum, "Bravura Bespoke Project" (August 2016), commissioned by Bravura.

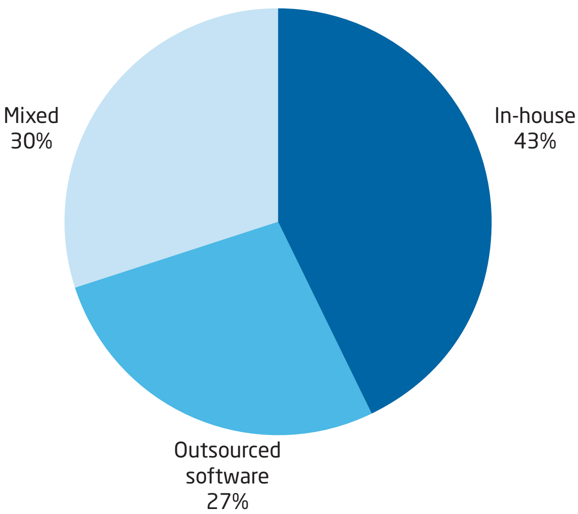
See Note to Figure 2.10.

Note: Assumes a GBP/AUD exchange rate of 1.60.

Similarly, within the United Kingdom workplace market (where industry participants offer financial products to corporates who make these products available to their employees) more than 70% of participants (that have in aggregate more than $250 billion AUA) are currently using in-house or a mixture of in-house and outsourced software solutions. A large number of these participants are life insurance providers presenting a key growth opportunity for specialist software vendors (including Bravura) to expand within the workplace market but also to expand into the wider life insurance sub-segment, where Bravura currently has four clients using Sonata, including Prudential.

Figure 2.13: United Kingdom wealth management industry software market share (based on United Kingdom workplace market)

Current



Source: Platforum, "Bravura Bespoke Project" (August 2016), commissioned by Bravura.

Note: "Mixed" refers to the situation where participants use a mixture of in-house and outsourced software solutions.

See Note to Figure 2.10.

Note: Assumes a GBP/AUD exchange rate of 1.60.

2.4 Competitive landscape

2.4.1 Overview of competitive landscape

The market for specialist software vendors of wealth management and funds administration industry software and services is comprised of:

- a relatively small number of international providers, such as Bravura; and
- several local or regional providers focused on discrete market segments.

Bravura is one of the few international providers that operate in EMEA and APAC across both the wealth management and funds administration industries.

Specialist software vendors generally charge an upfront or ongoing licence fee combined with a fee for maintenance and professional services. The size of the fee varies depending on the scale of the business supported, the type of software product and services provided and the level of ongoing support required. The main parameters of competition between specialist software vendors are cost, product functionality and operational efficiency, including product support and the quality of professional services.

Bravura's competitors vary depending on geography and business segment (see Table 2.4 where examples of some of Bravura's competitors are listed).

Table 2.4: Examples of specialist software vendors

	APAC	EMEA
Wealth management		
Investment products and wrap platforms	Bravura; GBST; Avaloq Group; FNZ UK	Bravura; FNZ UK; IFDS Group; GBST
Superannuation, pension and retirement products	Bravura; GBST; Syncsoft (Link); Financial Synergy	Bravura; TCS
Life insurance products	Bravura; Computer Sciences Corporation; TCS	Bravura; Sapiens International Corporation; Keylane; IFDS Group; Computer Sciences Corporation; FIS Global
Funds administration		
Funds administration products and services	Bravura; SimCorp	Bravura; IFDS Group; Linedata Services; Multifonds

Note: List of competitors is not exhaustive. Competitors may alter their product coverage and geographies over time and offer ancillary products in areas other than those listed above.

Wealth management

As outlined in Section 2.1.1, within the wealth management industry, Bravura operates in a number of market sub-segments including supporting participants who provide investment products and wrap platforms, superannuation, pension and retirement products and life insurance products across APAC and EMEA, with particular focus in Australia, New Zealand, the United Kingdom and South Africa. In these geographies, there are over 250 registered life insurance companies as well 450 platform superannuation and pension providers, a sub-segment of the wider superannuation and pension industry.

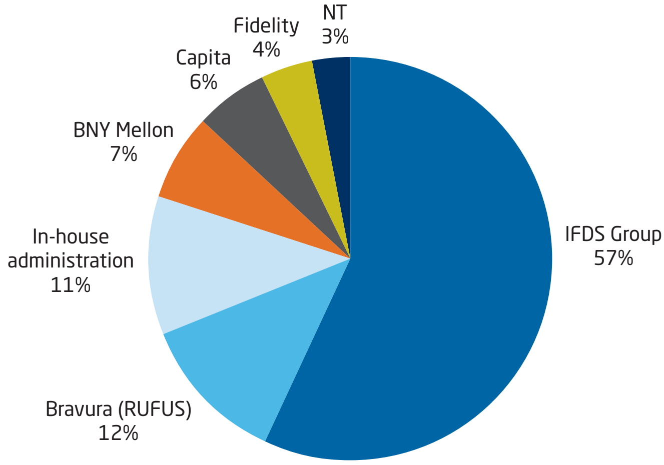
There is a significant opportunity for specialist software vendors, such as Bravura, as participants within and across these sub-segments seek to replace their existing software solutions in order to remain competitive and address key challenges within the industry, some of which are discussed in Section 2.2. Bravura believes that its unified, customer centric software product offering, in particular Sonata, which spans multiple market sub segments and individual competitor product offerings, position it well to capitalise upon the opportunity. Bravura believes that the consolidation of legacy products, particularly in the life and pensions segment, represents a major market opportunity going forward.

There are further opportunities available in adjacent geographies throughout Europe and Asia which Bravura is targeting as part of its growth strategy (refer to Section 3.7). While not all industry participants will come to market at the same time (or at all), Bravura believes that its software product offering, in particular Sonata, position it well to capitalise upon the modernisation trend and requirements of the wealth management industry.

Funds administration

In the United Kingdom funds administration industry, Bravura estimates that it has a market share of approximately 12%, by administration option, through one of its software products, RUFUS. Bravura also has access to a larger number of customers through its partnerships with select TPAs, including BNY Mellon. This increases its market exposure by a further 7% to a total of 19% (see Figure 2.14).

Figure 2.14: United Kingdom funds administration industry software market share (by administration option)



Source: Based on Bravura's analysis of information obtained from the Investment Association data on UK funds statistics (January 2016).

Bravura also has a significant presence in Dublin and Luxembourg through partnerships with select TPA clients, such as BNY Mellon, with those select TPAs having combined AUA in excess of $1.2 trillion.

2.4.2 Key factors affecting entry into the specialist software vendor market

There are a number of dynamics and attributes in the specialist software vendor market that benefit existing market participants including:

- **software product investment:** developing and maintaining software products that meet the needs of clients and customers requires a substantial and ongoing investment of time, specialist resources and capital. This substantial investment, and the breadth and depth of functionality required to be competitive, represent a significant competitive advantage for existing market participants over new entrants, and those who develop and maintain software products in-house;
- **specialist software expertise:** specialist software vendors require knowledge of the evolving technology hardware and software to ensure what they develop will perform appropriately;
- **specialist market expertise:** specialist software vendors require knowledge of client and customer demands, such as functionality required for particular financial products, as well as the capacity to monitor changes in regulatory frameworks in their core geographies; and
- **switching:** there are costs and time associated with switching between software products, which may include the upfront investment required and transitioning of data. These factors may reduce the propensity for customers to switch between specialist software vendors.

Although these factors (particularly, software product investment and switching) may represent competitive advantages to established specialist software vendors, these vendors must also compete with each other when seeking to win market share.

2.5 Industry regulation

Specialist software vendors are typically subject to general legal requirements (e.g. ordinary corporate and employment regulations) in the jurisdictions in which they operate. These regulations are distinct from the regulations faced by their clients, which include regulations associated with Know Your Customer obligations, Anti-Money Laundering and a number of other local and international regulations relating to the provision of financial products.

Section 3
Company Overview

03

Company Overview

3.1 Overview of Bravura

Bravura provides software products and services to clients operating in the wealth management and funds administration industries. Bravura's software products and services support the front-office, middle-office and back-office functions needed to manage and administer financial products across investment products and wrap platforms, superannuation, pension and retirement products, life insurance, private wealth and portfolio administration (refer to Section 3.3 for further information).

Bravura is a market leader in the wealth management and funds administration industries across Australia, New Zealand and the United Kingdom with over 70 blue-chip clients who manage more than $2.3 trillion of assets under administration (**AUA**) across millions of customers using Bravura's software products and services.

Bravura reports across two business segments: Wealth Management and Funds Administration. Bravura's software products include its flagship product, Sonata, as well as a number of other software products.

Table 3.1: Overview of Bravura's reporting segments

	Wealth Management	Funds Administration
Description	Software to support front-office, middle-office and back-office functions relating to the management of investment products and wrap platforms, superannuation, pension and retirement products, life insurance, private wealth and portfolio administration	Supports back-office administration requirements for a range of investment managers, custodians and TPAs for both retail and institutional customers
Key software products[1]	– **Sonata** – **Other existing products:** Garradin, ePASS, Babel, SuperB, Calibre and Talisman	– **Sonata** – **Other existing products:** RUFUS, GTAS, Babel and GFAS
Pro forma FY2016 revenue	$100 million	$85 million
Pro forma FY2017F revenue	$122 million	$66 million
Client locations	Australia, United Kingdom, New Zealand, South Africa, Hong Kong, Vietnam and Thailand	United Kingdom, Ireland, Luxembourg, Poland and Singapore
Number of clients	60 (including 17 Sonata clients)	11
% Revenue from Existing Clients		
FY2016 (Bravura: 90%)	81%	99%
FY2017F (Bravura: 82%)[2]	72%	99%
% Bravura revenue[3]		
FY2016	54%	46%
FY2017F	65%	35%
% FY2016 revenue by category[4]		
Licence fees (Bravura: 7%)	11%	3%
Maintenance/hosting/support fees (Bravura: 50%)	36%	66%
Professional services fees (Bravura: 43%)	53%	31%

Note: In relation to FY2017F numbers included above, refer to Section 4 and the risks in Section 5 for further information.

1. Bravura will continue to develop Sonata functionality across the funds administration industry. Refer to Section 3.7 of this Prospectus for further information.
2. The other component of revenue is New Sales Revenue which is forecast to be 18% of total FY2017F revenue. As at 20 October 2016, Bravura has contracted $12.1 million of New Sales Revenue from signed contracts with new and existing clients, representing approximately 35% of the New Sales Revenue forecast in FY2017. Refer to Section 4.8 for further information.
3. Total revenue comprises Revenue from Existing Clients and New Sales Revenue. Refer to Section 4.8 for further information.
4. FY2017 segment revenue by category expected to be broadly in line with FY2016.

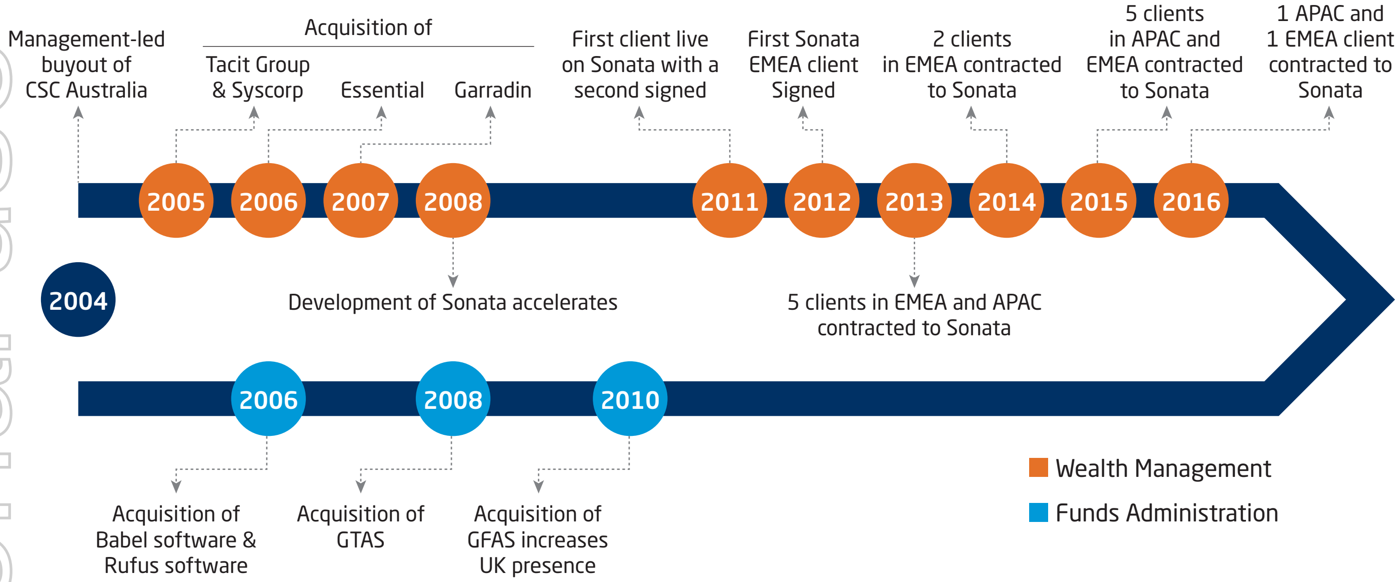
3.2 History of Bravura

Bravura was established in 2004 following a management-led buyout of the wealth management business unit of CSC Australia. Bravura was listed on the ASX in 2006 and was delisted on 10 October 2013 when an entity ultimately owned by funds which were advised by Ironbridge Capital, and management, completed the privatisation of Bravura via a scheme of arrangement.

Since delisting, Bravura has been able to accelerate the implementation of its strategy and position itself for future growth by focusing on the continued investment and roll out of Sonata, and successfully completing the implementation of Sonata for a number of strategic clients.

As outlined in Figure 3.1, throughout its history, Bravura has successfully completed a number of acquisitions, some of which had established client portfolios that have assisted in expanding Bravura's geographic reach and building a core set of intellectual property (**IP**). This core IP, coupled with significant product development, has contributed to the development of Sonata, Bravura's flagship product and key growth driver.

Figure 3.1: History of Bravura



3.3 Bravura's software products

3.3.1 Sonata

Sonata is Bravura's flagship software product that allows its clients to administer a range of financial products that they offer to their customers across their front-office, middle-office and back office functions through a unified platform. Sonata's front-office functionality assists a client's customer-facing sales personnel to quickly originate and distribute financial products. Sonata's middle-office functionality seeks to meet a client's regulatory risk and corporate strategy needs. Sonata's back-office functionality assists a client's administrative personnel to efficiently process customer transactions, reporting and correspondence.

Revenue generated from Sonata grew from $5 million in FY2013 to $67 million in FY2016 (CAGR 137%) and is forecast to increase to $92 million in FY2017F[5] (+37% revenue growth from FY2016). Bravura now has 17 wealth management clients who have implemented, or are in the process of implementing, Sonata.

Sonata unifies the features and IP from a number of Bravura's other existing software products into a single, modern software solution that offers functionality across multiple financial products and geographies. This allows Bravura's clients to replace multiple legacy platforms with a single software solution, improving efficiency and reducing costs.

Sonata has been developed to meet the needs of Bravura's clients using a single code base, written on modern Java technology using an Oracle database. Sonata's single code base enables Bravura to rapidly update and implement functionality and new modules of Sonata. Sonata's single code base also means that developments in Sonata functionality can be made available to all new or existing clients, creating a "network effect". This allows Sonata's clients to benefit from additional functionality developed on behalf of other clients in a subsequent upgrade release, which predominantly occurs once every four weeks.

The modern technology on which Sonata is built is well understood within the software industry, meaning that Bravura is able to select its developers from a large pool of specialist skills in the market. Sonata's modern technology has been developed using standards-based Service-oriented Architecture that allows it to integrate in real time with other modern solutions and to scale with Bravura's clients and their customer base. This makes the process of implementation a simpler and more cost effective task.

5. In relation to forecast numbers, refer to Section 4 and the risks in Section 5 for further information.

Sonata has the flexibility to be implemented locally on a client's technology infrastructure or can be provided to them as a cloud based hosted solution (refer to Section 3.3.3 for further information).

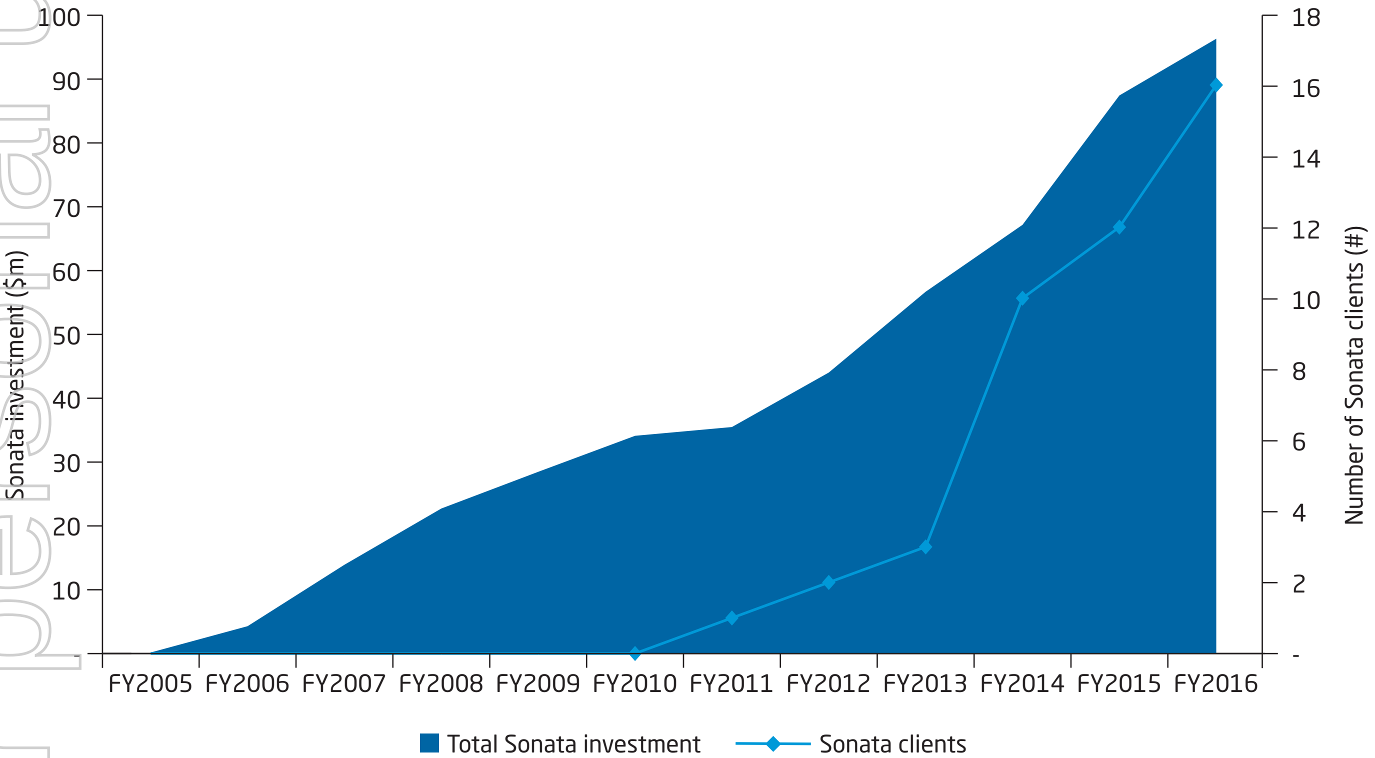
Bravura's 17 existing Sonata clients operate in the wealth management industry and accordingly, Sonata revenue is currently reported as part of Bravura's Wealth Management segment. However, Bravura is developing Sonata to provide functionality for the funds administration industry and other adjacent financial services products in the future.

Bravura has invested approximately $100 million in the development of Sonata over a period of 10 years to create a modern, customer-centric software solution. This investment comprises both direct investment from Bravura as well as development expenditure incurred for Sonata clients as part of their contract. Part of the investment in Sonata relates to attractive rates agreed with several of Sonata's early clients to obtain reference sites in APAC and EMEA. These are referred to by Bravura as Lighthouse Contracts.

The initial development of Sonata was focused on creating a software product that unifies much of the functionality in Bravura's other existing software products. Since FY2011, the development of Sonata has been focused on enhancing Sonata's product offering to attract new clients and meet the needs of clients within the wealth management industry, particularly in the United Kingdom.

Figure 3.2 shows the acceleration in Bravura's investment in Sonata from FY2011 to FY2015 as Bravura continued to directly invest in the development of Sonata. This acceleration is reflected in the growth in Sonata's client base to 17 in the five years since FY2011. Going forward, the further development of Sonata is expected to be funded, in part, by new and existing Sonata clients requesting specific modifications and functionality. This client-funded Sonata development expenditure had a net positive cash flow impact in FY2016 and is expected to continue in FY2017.

Figure 3.2: Bravura's cumulative investment in Sonata ($ million) and number of Sonata clients over time

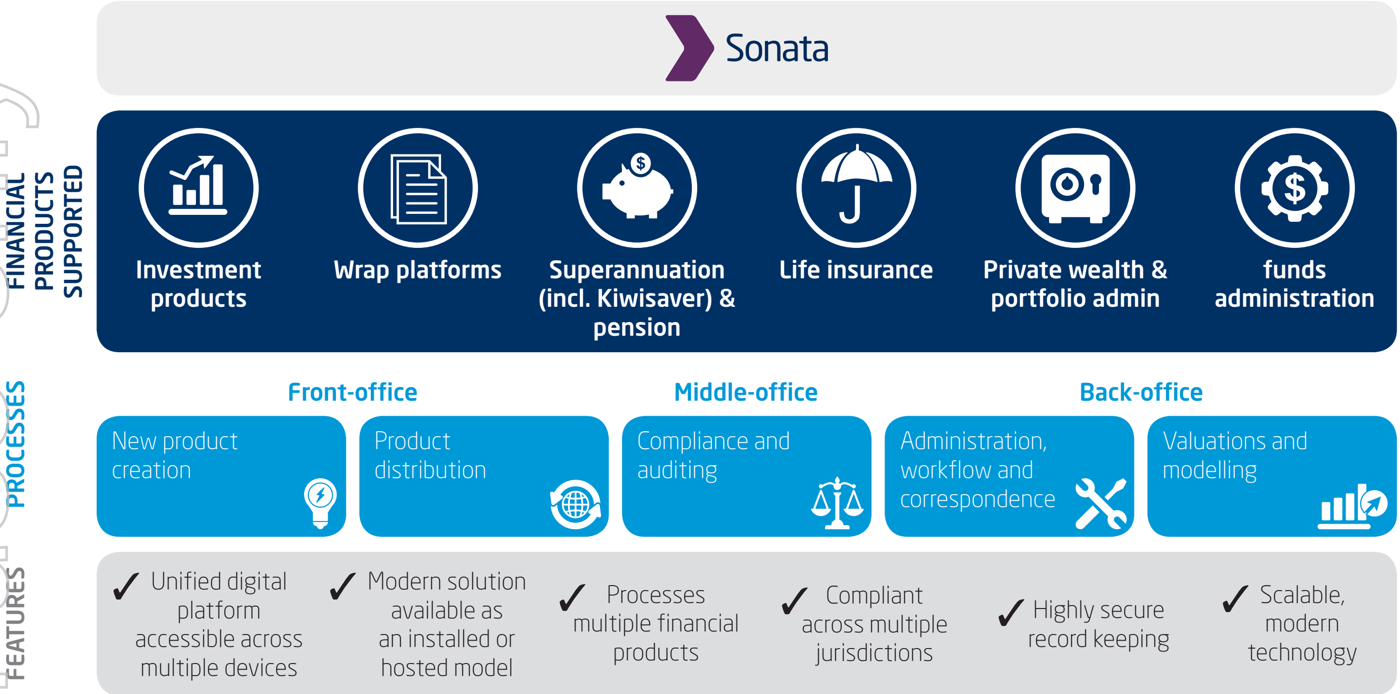


3.3.1.1 Features of Sonata

Sonata provides a platform that can enable Bravura's clients to unify a number of disparate, siloed IT systems and provides a single-client view of customer information that facilitates consolidated reporting. In doing so, Sonata assists clients to reduce the costs associated with maintaining multiple software systems and enhances their customer experience through a more streamlined engagement. Sonata is continuously reviewed and updated to ensure that it continues to meet the demands of Bravura's clients.

Figure 3.3 provides an overview of Sonata's key features.

Figure 3.3: Sonata's features



Sonata supports a range of financial products and delivers support for a broad range of administrative processes for financial products from product origination, distribution and administration:

- **supports a broad range of financial products:** Sonata provides functionality to support a range of financial products across the superannuation, pension, investment platforms, wrap platforms and life insurance markets. It supports these markets in a number of geographies including Australia, New Zealand and the United Kingdom. This is all provided from Sonata's single code base. Sonata's product coverage also allows users to create products that support all stages of their customers' lives from accumulation though to retirement. The financial products supported include many legacy style products that are still maintained by Bravura's clients. This assists Bravura's clients to unify older legacy systems onto Sonata, simplify their business and reduce costs and risks;
- **new product creation and product distribution:** Sonata is configurable which means that clients can change their product features and processes through Sonata's workflow to adapt for new financial products and services. This significantly increases the speed with which Bravura's clients can deliver new financial products to the market. Sonata provides functionality to enable Bravura's clients to white label the financial products they provide, enabling them to distribute their products through partner organisations. For example, some of Bravura's clients distribute their insurance products using other, well-known, corporate brands, allowing them to increase the number of customer accounts using Bravura's software;
- **compliance and auditing:** Sonata is continuously updated, with the software released predominantly once every four weeks allowing clients to, at their option, gain access to new developments in line with their business cycles. This assists Bravura's clients in complying with the evolving and complex regulatory environment within which they operate;
- **administration, workflow and correspondence:** Sonata's broad business functionality streamlines the day-to-day administration processes and record keeping activities;

  Sonata has a built-in sophisticated and user-configurable workflow and process management capability. This allows clients to automate many processes for their customers' financial products, allowing them to manage errors or activities by exception. These automated workflows can also be used to build in strong compliance and risk management processes as well as create a more personalised service for customers. Sonata is a customer-centric solution in that it enables customers to view their information and conduct self-service transactions in real time through a number of digital platforms (e.g. smartphones, tablets and personal computers);

  Sonata can generate and display correspondence and reporting required by users, including customers and their advisers. Sonata also contains a data repository that allows the users to carry out detailed management information reporting and analysis to improve the efficiency of their business; and
- **valuations and modelling:** Sonata operates as a real time solution that allows customers and their advisers to view their financial products, review up-to-date valuations and develop model portfolios and investment approaches to assist in improving their financial strategies and products. It allows customers to log in remotely through their web browser enabling real time management of individual customer portfolios. This assists in delivering an enhanced customer experience and improved customer engagement.

While designed as a platform supporting front-office, middle-office and back-office processes, a key feature of Sonata is the ability of clients to license only those modules or lines of business they require. Once contractually agreed, the process of accessing additional modules is quick and efficient due to Sonata's single code base.

Client testimonials

Partners Life

"Bravura rapidly built a holistic understanding of our needs, and from the moment we chose Sonata to our launch date, implementation took only four months – this type of efficiency is rare. Within a four week period of going-live, we had written our first million dollars in premiums." (Naomi Ballantyne, CEO, Partners Life).

VicSuper

"It was critical for us to partner with a business who also wanted to innovate to help us become the best fund we could possibly be. This was vitally important to us. Both VicSuper and Bravura share the same aspirations for global best practice. It has been, and continues to be, an excellent cultural fit." (Michael Dundon, CEO, VicSuper).

Prudential Assurance

"We can now really start to see the extent of what has been built over the last 12 months, since we received the first system build. It is expected that management data will show the operational efficiencies that we'll ultimately deliver, confirming that our customers will have more functionality/features at their fingertips, in addition to processing times being largely halved for new business and the time saving being even greater for servicing." (Simon Matthews, Head of Applications, Prudential Assurance).

Nucleus Financial

"Our decision to embrace Sonata as the core technology of the Nucleus wrap was an important and pioneering move. Being the first UK platform to be operating on next generation technology means we now have the development approach, the responsiveness, the resilience and the scalability we need to confidently accelerate our growth." (David Ferguson, CEO, Nucleus Financial).

Fidelity International

"Fidelity International has invested significantly in its UK platform to enhance the proposition, service, usability and client experience. We chose Bravura's Sonata platform to sit at the core of this program to enhance our ability to respond to the evolving needs of the advisor and direct investor market by increasing our agility. Sonata will especially aid Fidelity International to create an expanded and differentiated product offering and will play a pivotal role in delivering profitable growth and operational efficiencies to our business." (Peter Horrell, Managing Director, Fidelity UK).

Mercer Australia

"Mercer appointed Bravura as the provider of our new enhanced record keeping system and has delivered a new platform and transitioned a new client on time, under budget and exceeded our expectations that we set out at the beginning of the program...it was success to the point that our key client contact has said it is one of the best implementations he has been involved in in his experience in the Superannuation industry." (Andrew Godfrey, Financial Services Business Leader, Mercer Australia).

3.3.2 Other software products

In addition to Sonata, Bravura has a number of other products that are available to clients. Bravura has developed the Sonata platform to provide a market-leading solution for its clients' longer-term needs. Bravura will continue to support all existing products as individual solutions for Bravura's clients, but will only continue to actively market its established products (Babel, Garradin, ePASS, RUFUS and GTAS) and Sonata.

Figure 3.4: Overview of Bravura's other existing software products

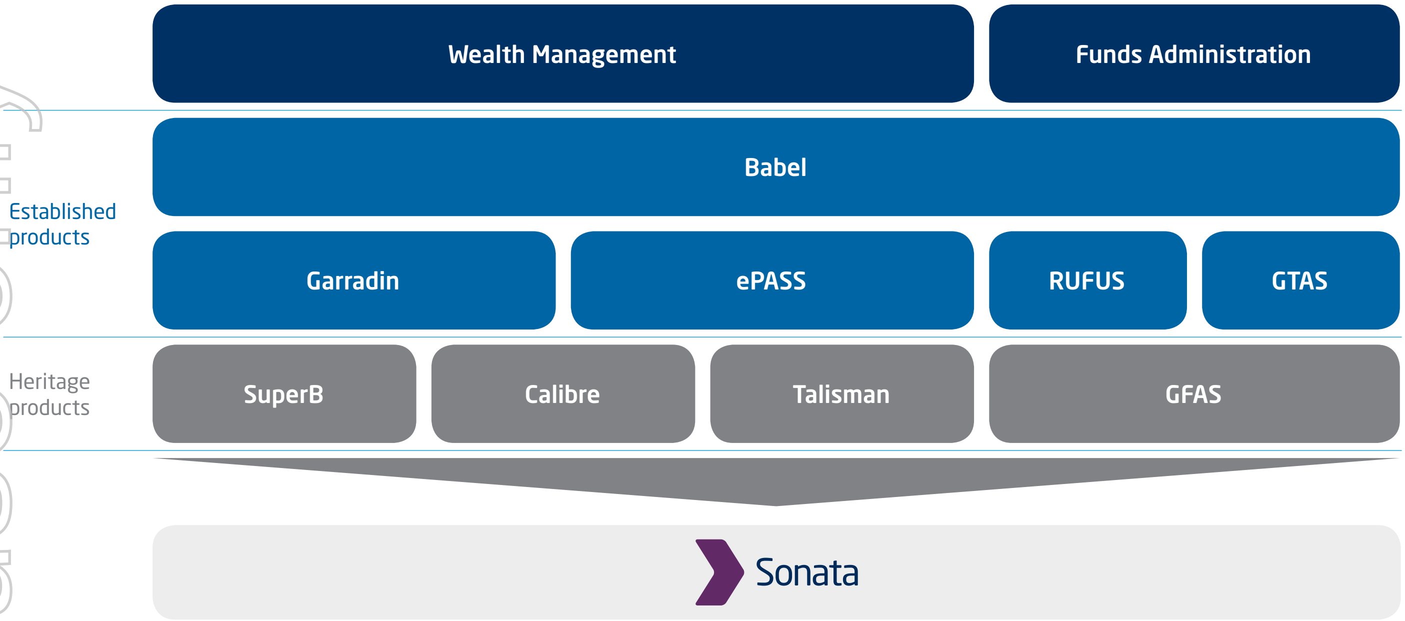


Table 3.2: Wealth Management software products

Product	Description
Garradin	Garradin is a multi-currency investment management and private wealth system, providing portfolio administration with integrated asset administration, administration of trusts and estates, registry and tax management functions.
ePASS	ePASS is an enterprise eBusiness application for superannuation and pension. ePASS allows wealth managers to deliver online services to employers, members and advisers.
SuperB	SuperB is a wealth management administration system for the superannuation and pension market. SuperB will continue to be maintained for existing clients to accommodate legislative, compliance and efficiency enhancements.
Calibre	Calibre is a wealth management system for the administration of superannuation, pension and investment products. Calibre will continue to be maintained for existing clients to accommodate legislative, compliance and efficiency enhancements.
Talisman	Talisman is a solution that supports administration of life insurance, investment and KiwiSaver products. Talisman supports the administration life cycle, from client acquisition, ongoing transacting, through to customer servicing and reporting.

Note: Babel also provides functionality to Wealth Management clients, though it is reported in the Funds Administration segment.

Table 3.3: Funds Administration software products

Product	Description
RUFUS	RUFUS supports retail and institutional funds administration. RUFUS tracks the accounts of investments in mutual funds, equities and cash. It is multi-currency and multi-lingual and has integrated foreign exchange processing capabilities.
GTAS	GTAS is a funds administration application that supports the administration of retail and institutional funds administration by investment managers and TPAs.
Babel	Babel is a group-wide financial messaging platform that connects message providers to many financial product distributor platforms and the back-office functions of investment managers using a wide range of message media and formats.
GFAS	GFAS is a multi-jurisdictional and multi-currency platform that supports the administration of managed funds. GFAS is a modular-based platform that supports the funds administration business of management companies.

3.3.3 Installed or hosted solution delivery model

Bravura provides its software products through either an installed or hosted delivery model. This flexibility is valuable to Bravura's clients as it enables them to select and switch between the solutions that best suit their business needs.

3.3.3.1 Installed

Bravura provides its software products through an installed delivery model where its software products are installed on the client's technology infrastructure. The client is responsible for ensuring its infrastructure is technically capable of delivering Bravura's software products. This delivery model enables Bravura's clients to retain control over the environment they use to deploy Bravura's software products.

3.3.3.2 Hosted

Bravura also provides its software products through a hosted delivery model where its software products are hosted on a third party's technology infrastructure. As a hosted solution, Bravura's clients can access the software as needed. Depending on the client's specific requirements, this hosted delivery model is typically delivered as either a software-as-a-service (**SaaS**) model, where the software provider hosts, maintains and upgrades its software on its or a third party's technology infrastructure, or as a managed-software-as-a-service (**MSaaS**) model, which has similarities to a SaaS model, but adopts a more "managed services" approach with a comprehensive outsourcing of the software function where, in Bravura's case, clients work closely with Bravura to develop, install, manage, maintain and arrange hosting of Bravura's software which is specifically implemented to meet the client's particular products and business requirements.

This hosted delivery model enables Bravura's clients to outsource the technological requirements for the deployment of Bravura's products and can deliver significant cost savings for clients while providing a very high quality client service.

Bravura provides its hosted delivery model with select third party hosting partners including Vodafone and Fidelity International in EMEA, NTT in Australia and Revera in New Zealand (refer to Section 3.6.2 for further information).

3.4 Business and revenue model

3.4.1 Clients

Bravura has 60 clients in the wealth management industry (17 of which have implemented, or are in the process of implementing, Sonata) and 11 clients in the funds administration industry.

- **Wealth management:** Bravura has software contracts and relationships spanning over 10 years with all top six Australian bank-based wealth management businesses, measured by AUA, in Australia and/or New Zealand. Bravura's clients in the wealth management industry include blue-chip financial institutions such as Fidelity International, Prudential, Scottish Friendly, Mercer, Westpac NZ, TAL, Fidelity Life (NZ) and Partners Life.
- **Funds administration:** Bravura's clients in the funds administration industry include blue-chip financial institutions such as Bank of New York Mellon, Legal & General, Schroders and Citi. Within these organisations, Bravura's funds administration software supports in excess of 285 investment management companies.

Bravura provides software products and services both directly to clients as well as through select TPAs. Bravura's contracts vary in duration but are typically medium to long-term (e.g. five to 10 years). Bravura is responsible for delivering the products and services to certain agreed service levels (e.g. ensuring system availability above certain levels and delivering agreed enhancements to the base product in accordance with certain design specifications). There are contractual consequences if Bravura breaches these relevant obligations. These range from rectification within an agreed time frame to service credits, and in the worst case, damages.

Contracts may be terminated by the parties for breach in certain circumstances. In certain cases, clients are able to terminate without cause, however, this is often offset by the payment of a significant termination fee, or the requirement to give notice that aligns with a medium initial contract term.

A description of the fees that Bravura charges for the products and services it delivers under its contracts is contained in Section 3.4.2.

When deployed, Bravura's software products become deeply integrated into the client's IT systems. This level of integration, and the potentially high switching costs, contribute to Bravura's long client tenure and high client retention rate. Bravura believes that the scale of investment of time and capital in implementing Bravura's software products, such as Sonata, encourages clients to take a long-term view of their relationship with Bravura. Table 3.4 provides the profile of the top five clients in each of Bravura's Wealth Management and Funds Administration segments and the length of their relationship with Bravura.

Table 3.4: Overview of top five clients by segment (by FY2017F revenue)

Wealth Management				Funds Administration			
Client	Product	Length of relationship	Contract expiry date	Client	Product	Length of relationship	Contract expiry date
Client 1	Sonata	2-3yrs	Dec 2023	Client 1	RUFUS	>20yrs	Jul 2022
Client 2	Sonata	4yrs	Jul 2017	Client 2	RUFUS GFAS	>20yrs	Dec 2016 Jun 2017
Client 3	Sonata	2yrs	Mar 2030	Client 3	GTAS	12yrs	Dec 2018
Client 4	SuperB & Sonata	>20yrs	Jul 2025	Client 4	RUFUS	>20yrs	Mar 2021
Client 5	Sonata	2yrs	Jun 2022	Client 5	RUFUS	12yrs	Dec 2017

Notes:
1. Client 2 in the Wealth Management segment is currently negotiating a contract renewal; and
2. Client 2 in the Funds Administration segment has notified Bravura of its intention to discontinue its RUFUS and GFAS contracts due to a decision to move from an in-house administration model to a TPA; however, management expects the migration to another provider will take a number of years to complete.

3.4.2 Revenue model

Bravura generates revenue primarily through the licensing, maintenance, hosting and support of its software products, and professional services fees generated from consulting and fee-for-service project work provided to its clients.

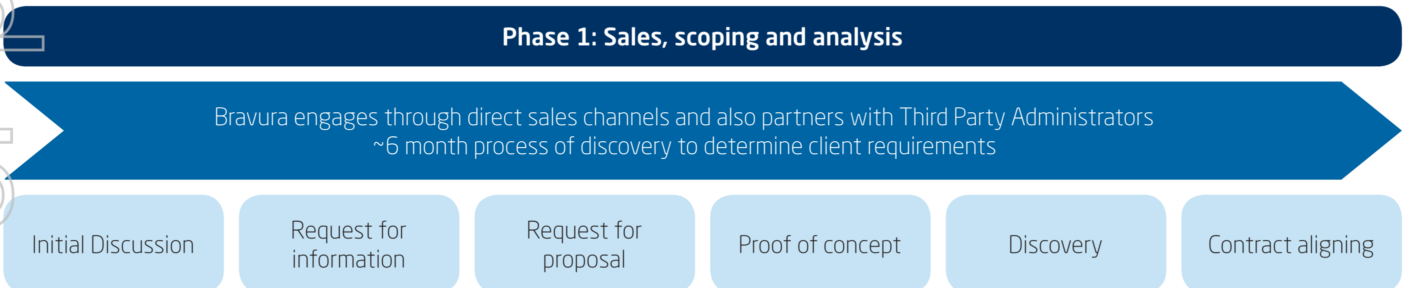
Bravura's revenue model comprises two distinct phases:

Phase 1: Sales cycle: Sale, scoping and analysis

Bravura markets its products through a number of sales channels:

- **direct marketing**: Bravura applies a direct sales model in all markets in which it operates. The Company undertakes a number of marketing activities including thought leadership, conference participation and trade shows, running regional client user groups and client events.
- **indirect marketing**: Bravura works with select partners such as systems integrators, consulting firms and other specialist software partners as a means of expanding its sales channels.
- **third party administrators**: TPAs are institutions that provide administration services using either their software products and services or those provided by specialist software vendors. TPAs' customers fully outsource their administrative functions, potentially saving investment capital and management resources, and provide an enhanced digital customer experience through leading software solutions. Bravura provides software products and services to its select TPA partners who administer the software products on behalf of the client. Bravura currently works with 8 TPA partners in marketing its products who have more than 600 underlying customers. The partnership with TPAs enables Bravura to expand its market channels by leveraging the relationships and services provided by its TPA partners. Bravura's TPA partners include BNY Mellon, Genpact, Mercer, and Citi.

Figure 3.5: Bravura's sales cycle



Bravura's sales cycle is divided into a number of component parts from initial discussions through to demonstrations (proof of concept) and project scoping and planning (discovery). Throughout the sales cycle, Bravura works extensively with its potential clients to determine their requirements and ensure delivery of its software products to their specifications.

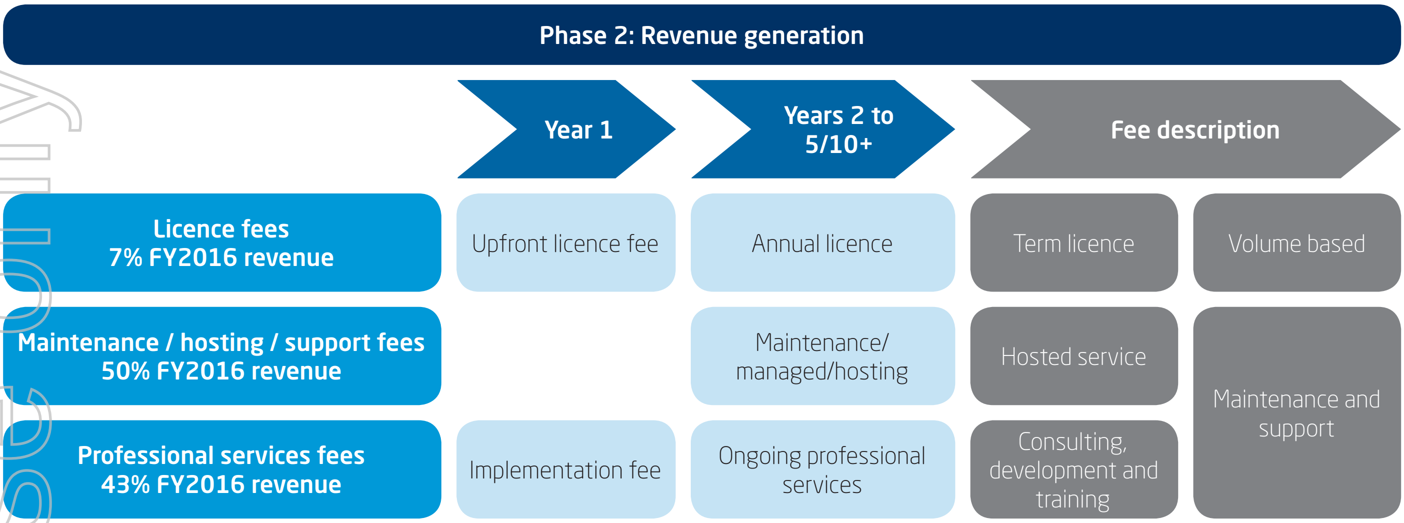
Phase 2: Revenue generation

Bravura generates revenue in three main categories, as outlined in Figure 3.6:

- licence fees;
- maintenance/hosting/support fees; and
- professional services fees.

Company **Overview** (continued)

Figure 3.6: Bravura's main revenue categories



Bravura has a high proportion of Revenue from Existing Clients (82% of FY2017F revenue), as described further in Section 4.8. Bravura's business model affords it with a significant level of visibility over future revenue given that its contracts are typically five to ten years in duration.

Professional services fees have also historically provided Bravura with a relatively stable source of revenue. Types of services provided by Bravura which contribute to professional services fees include services associated with implementing Bravura's software products, implementing subsequent upgrades, developing additional product functionality on behalf of clients and providing ongoing help desk support. Professional services fees are expected to increase in FY2017 driven predominantly by new Sonata client implementations.

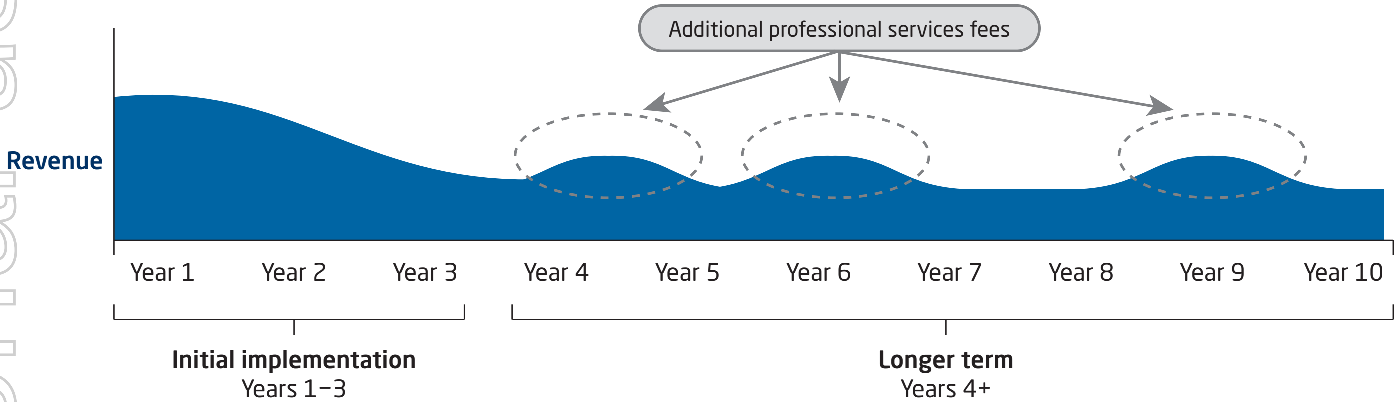
Table 3.5: Overview of Bravura's revenue categories

Type	Description
Licence fees	Generally comprised of a combination of: – upfront licence fee; and/or – annual licence fees. Term licences can be structured as a combination of either a single upfront payment and/or as licence fees received over the term of the contract. Licence fee payments can be structured as either a fixed amount per annum or volume and growth based (e.g. dependent on a client's number of policies, members, accounts or AUA on Bravura's software).
Maintenance/hosting/support fees	Fees comprise contracted payments received over the life of a contract across the following key categories: – **maintenance**: Bravura provides maintenance of code on deployed platforms, monitoring for new legislation and changes to existing legislation; – **managed/hosted service**: Bravura provides its software products in the form of either a direct software licence installed at the client's premises or as a managed/hosted service where Bravura hosts the software on its own services; and – **support**: Emergency and other general help desk services aimed at helping clients and customers make better use of Bravura's software solutions and remedying any issues in the functionality and performance of Bravura's software products. These are occasionally included in the wealth management and funds administration industries annual licence fees.

Type	Description
Professional services fees	Range of consulting and software development services. These services include: – implementation and ongoing specialist consulting across Bravura's software products including on-site training; and – ongoing development of tailored software product functionality for clients. Historically services have been provided on either a time and materials basis or under fixed fee arrangements, for instance, to attract Sonata's first clients. In the future, Bravura intends to provide services only on a time and materials basis.

The contract value attributable to a particular client can vary according to the size and individual requirements of the client. Figure 3.7 provides an illustration of revenue flow which may be generated from a 10 year Sonata contract. As reflected in Figure 3.7, Sonata contracts typically comprise licence fees, maintenance, hosting and support services fees and professional services fees which are for agreed amounts or rates (contracted revenue), with periods of additional professional services fees (attached revenue), for example in relation to subsequent significant upgrades to the client's Sonata product (refer to Section 4.8.2.1 for further information).

Figure 3.7: Example of revenue flow which may be generated from a 10 year Sonata contract



Note: This illustration does not purport to represent the contract term or revenue volume, timing or profile for all existing Sonata contracts or contracts which may be entered in the future. The size of fees received on initial implementation and timing and extent of additional professional services fees received over the longer term may vary from the example shown above. In this illustration, licence fees are charged over the life of the contract. In other cases they may be charged upfront.

3.4.3 Key operating expenses

Bravura's key operating expenses relate to:

- **employee benefits expense**: expenses associated with the wages and salaries, sales commissions, and bonuses of all Bravura staff, as well as superannuation, pension and national insurance contributions and leave and staff recruitment expenses. Employee benefit expense comprises the largest category of operating expenses for Bravura; and
- **third party cost of sales**: expenses related to computer software and licence costs, as well as computer infrastructure and hardware costs relate to the hosting of client data (recharged to clients).

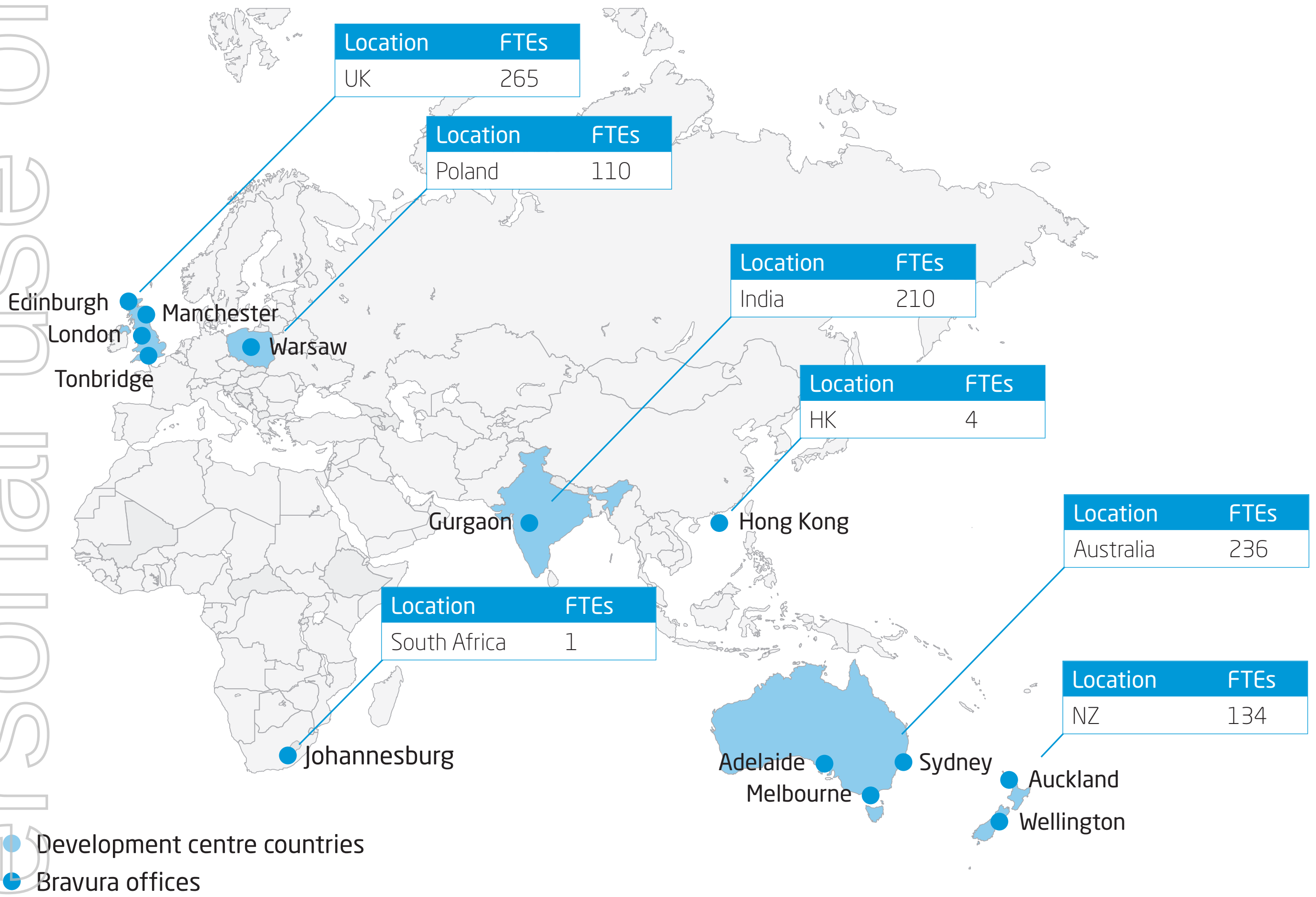
Bravura also has a number of other costs relating to rent, other development costs and travel and accommodation costs. Refer to Section 4.7.2 for further information.

3.5 Bravura's geographic footprint

Bravura has a broad geographic footprint with 12 offices throughout eight countries in APAC and EMEA. Bravura has had a presence in Australia since 2004, New Zealand and Europe since 2005, and Asia since 2008.

Across these offices, Bravura operates eight development centres in the United Kingdom, Poland, India, Australia and New Zealand. As at 31 July 2016, Bravura employed 960 full-time equivalent employees (**FTEs**), over 85% of who are developers and consultants.

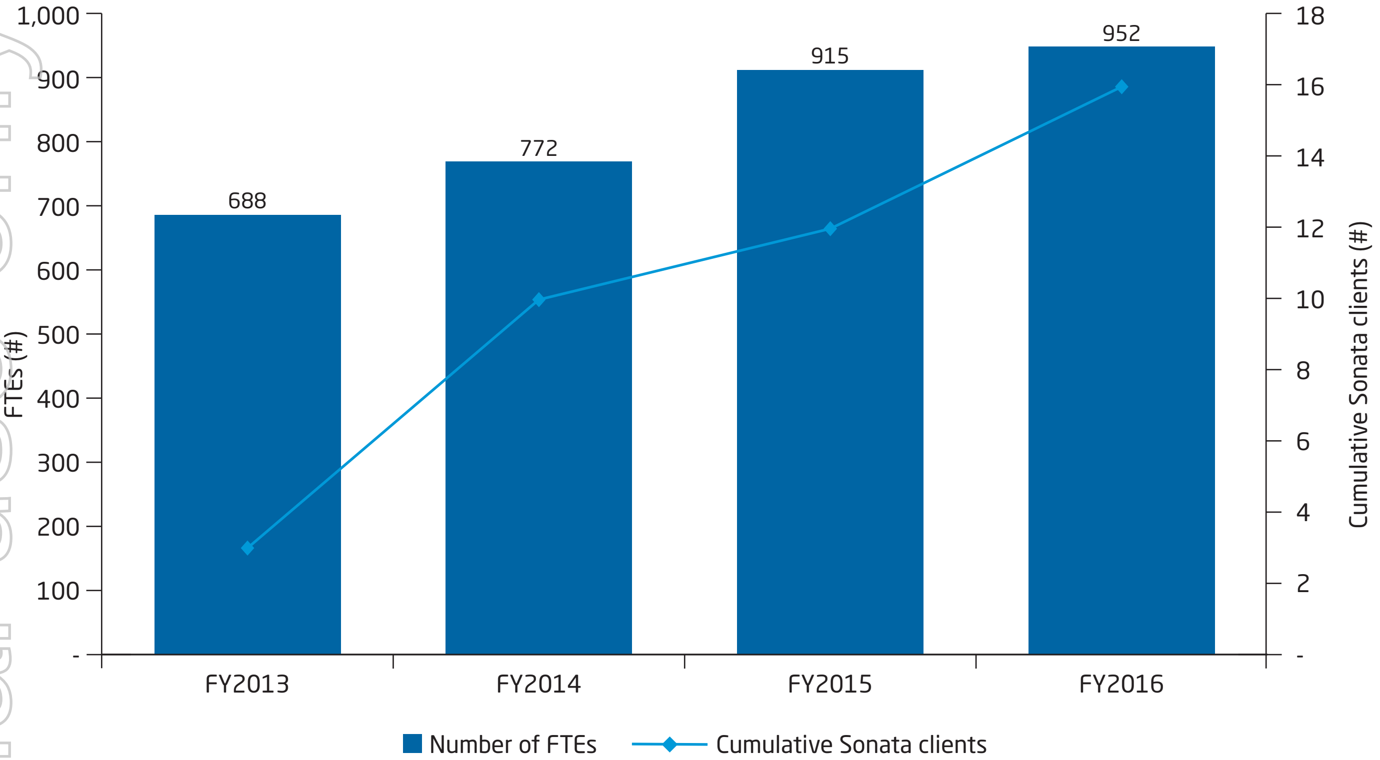
Figure 3.8: Bravura's international team



Note. Bravura does not have an office in South Africa with its sole FTE working in a shared office space.

Over the past four years, Bravura has significantly increased its FTEs, as depicted in Figure 3.9.

Figure 3.9: Growth in FTEs and number of Sonata clients (June year end)



A large proportion of these FTEs were employed to support the development and roll out of Sonata and many of them are employed and based in India, as depicted in Figure 3.8. Bravura's corporate functions such as accounting, marketing and legal are generally based in Bravura's Sydney and London offices. Each regional office provides software product development and support services to Bravura's clients through regionally-focused teams of analysts, programmers, and client relationship consultants.

Figure 3.10: Number of clients by region (June 2016)

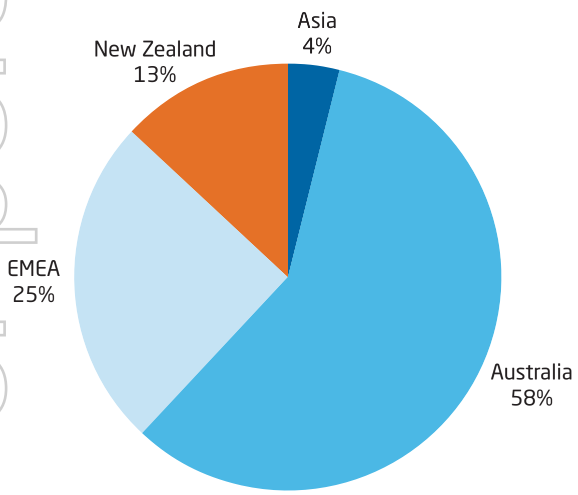
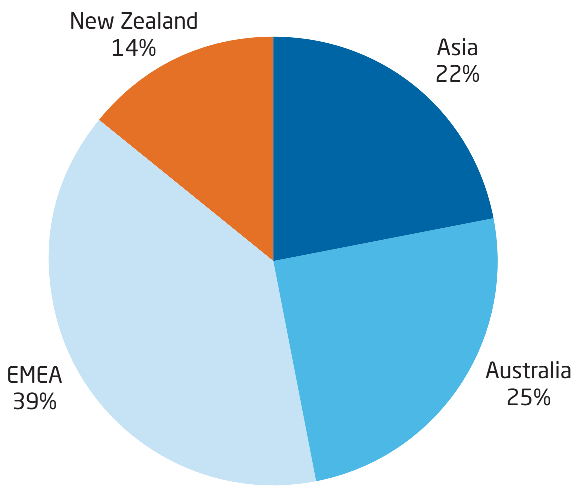


Figure 3.11: Number of FTEs by region (June 2016)



Note: Asia includes India. EMEA includes the United Kingdom, Poland and South Africa.

3.6 Information technology

3.6.1 Internal IT infrastructure

Bravura's internal IT infrastructure and services are provided via in-house technology infrastructure, which is protected by disaster recovery procedures for:

- software development and maintenance;
- corporate IT systems including accounting systems, time recording systems and email systems; and
- hardware including personal computers, notebook, printers, telephones and associated devices and networks.

Bravura uses standard infrastructure, systems, tools, operating systems and frameworks to support its internal operations and hosting services and for the development of its products.

3.6.2 Third party IT infrastructure

Bravura provides its hosted solution via arrangements with third party hosting providers including Vodafone and Fidelity International in EMEA, NTT in Australia and Revera in APAC. Bravura manages its relationships with these third parties through contracts that outline clearly defined service levels and operating specifications, and which provide for an initial term of no less than three years which may not be terminated by the relevant service provider without cause (other than in one case, where the service provider can terminate after the initial term with 12 months' notice).

3.7 Growth strategy

Bravura's growth strategy is focused on a number of identified strategies:

- continuing the roll out of Sonata in its core geographies;
- expanding sales of Sonata and other existing software products into new geographies;
- expanding its distribution network through ongoing and new partnerships with TPAs, systems integrators and resellers;
- increasing the functionality of Sonata; and
- evaluating businesses or products that add value to Bravura on an ongoing basis.

3.7.1 Continuing the roll out of Sonata in its core geographies

Bravura commenced the roll out of Sonata throughout Australia, New Zealand and the United Kingdom with the first client going live in 2011. Bravura now has 17 clients who have implemented, or are in the process of implementing, Sonata. Bravura is focused on continuing to win Sonata clients in these countries, attracted by the increasing software capabilities and growing base of international users.

As the network of Sonata clients increases, Bravura expects to gain significant economies of scale in the maintenance and support of its clients and through ongoing client-funded development.

Further, Bravura will also drive increased profitability of individual Sonata contracts as demand for financial products offered by Sonata's clients, and AUA and customer accounts within the broader wealth management industry grow.

3.7.2 Expanding sales of Sonata and other existing software products into new geographies

Bravura has identified a number of adjacent geographies (e.g. Europe, South Africa and other countries in Asia) that currently have, or are undergoing a process of moving towards, a regulatory system similar to that of Bravura's core geographies of Australia, New Zealand and the United Kingdom. Bravura intends to leverage its international operational footprint, software product and service offering to capitalise on the opportunity to grow its current client base within these geographies.

The similarities in these regulatory regimes may allow Bravura to leverage its understanding of complementary regulatory regimes and financial products from the United Kingdom into EMEA, including United Kingdom pensions and life insurance products, as well as taking financial products from the United Kingdom into Australia and New Zealand (such as United Kingdom wrap and platform functionality) and workplace pensions functionality based on Australian superannuation from APAC to the United Kingdom.

For example, in South Africa, which is undergoing a period of regulatory reform and has similarities with the United Kingdom, Bravura has identified a new market where innovations in financial products are driving the need for new software products over the longer term. Similar opportunities have been identified in parts of Asia, where Bravura has contracts with several clients.

Over the long-term, changes in global superannuation and pension regimes may provide opportunities for the deployment of Sonata in developing markets by exporting the functionality and software technology developed in more mature retirement markets such as the United Kingdom and Australia.

3.7.3 Expanding its distribution network through ongoing and new partnerships with TPAs, systems integrators and resellers

Bravura's clients typically consider two approaches to their technology and administration needs. Clients may either continue to administer financial products in-house, which may require them to deploy new technology solutions such as Sonata, or outsource their administration functions to a third party. Bravura currently works with a number of TPAs including BNY Mellon, Genpact, Mercer and Citi.

Going forward, Bravura will seek to continue partnering with select leading TPAs in Bravura's target markets to gain exposure to clients who are looking to outsource their administration capabilities. Partnering with TPAs and resellers is expected to enable Bravura to:

- expand its marketing and distribution channels and leverage the sales workforce provided by its TPA partners to market its software products; and
- enhance its product offering and capabilities by enabling Bravura to facilitate a fully administered solution to new and existing clients.

Furthermore, Bravura is developing relationships with major global systems integrators and potential resellers who wish to take Sonata forward as a key component of their own market propositions. This may provide Bravura with an opportunity to expand its distribution into new market sectors and geographies.

3.7.4 Increasing the functionality of Sonata

Sonata has been developed for use across several sub-segments of the wealth management industry such as life insurance, superannuation, pensions and wrap platforms. Bravura will continue to develop Sonata's functionality for additional sub-segments of the wealth management industry and is currently developing Sonata to provide functionality across the funds administration industry. In doing so, Bravura will seek to leverage the experience it has gained in providing its other existing products to other sub-segment of the wealth management industry and the funds administration industry and its knowledge of client requirements.

3.7.5 Evaluating businesses or products that add value to Bravura on an ongoing basis

Bravura has a history of successful acquisitions that have delivered client, product and geographic expansion. Bravura intends to maintain its disciplined and focused acquisition strategy to enhance its product and service offering, expand its international operations, and add new clients.

Section 4

Financial Information

04

4.1 Introduction

4.1.1 Overview of the Financial Information

The financial information of Bravura contained in this Section 4 includes statutory and pro forma historical consolidated financial information for FY2014, FY2015 and FY2016 and statutory and pro forma forecast consolidated financial information for FY2017 as summarised in Table 4.1. The Historical Financial Information and the Forecast Financial Information together form the **Financial Information**.

Table 4.1: Overview of Financial Information

	Statutory Financial Information	Pro Forma Financial Information
Historical Financial Information	**Statutory Historical Financial Information** includes the: • statutory historical consolidated statements of profit or loss for FY2014, FY2015 and FY2016 (**Statutory Historical Results**); • statutory historical consolidated cash flows for FY2014, FY2015 and FY2016 (**Statutory Historical Cash Flows**); and • statutory historical consolidated statement of financial position as at 30 June 2016 (**Statutory Historical Statement of Financial Position**).	**Pro Forma Historical Financial Information** includes the: • pro forma historical consolidated statements of profit or loss for FY2014, FY2015 and FY2016 (**Pro Forma Historical Results**); • pro forma historical consolidated cash flows for FY2014, FY2015 and FY2016 (**Pro Forma Historical Cash Flows**); and • pro forma historical consolidated statement of financial position as at 30 June 2016 (**Pro Forma Historical Statement of Financial Position**).
Forecast Financial Information	**Statutory Forecast Financial Information** includes the: • statutory forecast consolidated statement of profit or loss for FY2017 (**Statutory Forecast Results**); and • statutory forecast consolidated cash flows for FY2017 (**Statutory Forecast Cash Flows**).	**Pro Forma Forecast Financial Information** includes the: • pro forma forecast consolidated statement of profit or loss for FY2017 (**Pro Forma Forecast Results**); and • pro forma forecast consolidated cash flows for FY2017 (**Pro Forma Forecast Cash Flows**).

All amounts disclosed in this Section 4 and Appendix A are presented in either Australian dollars or British pounds sterling (**GBP**) and, unless otherwise noted, are rounded to the nearest 0.1 million. Some numerical figures included in this Prospectus have been subject to rounding adjustments. Any discrepancies between totals and sums of components in figures or tables contained in this Prospectus are due to rounding.

This Section 4 also summarises:

- the basis of preparation and presentation of the Financial Information (refer to Section 4.2);
- management discussion and analysis of the Pro Forma Financial Information (refer to Section 4.7);
- general assumptions and specific assumptions underlying the Forecast Financial Information (refer to Section 4.8) and key sensitivities in respect of the Pro Forma Forecast Financial Information (refer to Section 4.9);
- a summary of Bravura's debt finance facilities (refer to Section 4.11) and lease commitments (refer to Section 4.12); and
- a summary of Bravura's proposed dividend policy (refer to Section 4.14).

The information in this Section 4 should also be read in conjunction with the risk factors set out in Section 5, Appendix A and the other information contained in this Prospectus.

Bravura's significant accounting policies are set out in Appendix A. Accounting policies have been consistently applied throughout the periods presented.

The Financial Information as defined above has been reviewed by Ernst & Young Transaction Advisory Services Limited, in accordance with the Australian Standard on Assurance Engagements ASAE 3450 *Assurance Engagements involving Corporate Fundraisings and/or Prospective Financial Information*, as stated in its Independent Limited Assurance Report. Investors should note the scope and limitations of the Independent Limited Assurance Report (contained in Section 8).

4.2 Basis of preparation and presentation of the Financial Information

4.2.1 Overview

The Historical Financial Information and the Forecast Financial Information have been prepared for the purpose of the Offer and are intended to present potential investors with information to assist them in understanding the underlying historical financial performance, cash flows and financial position of Bravura, together, with the Forecast Financial Information for FY2017. The Directors are responsible for the preparation and presentation of the Financial Information.

The Statutory Financial Information included in this Section 4 has been prepared in accordance with the recognition and measurement principles of Australian Accounting Standards (**AAS**) (including the Australian Accounting Interpretations) issued by the Australian Accounting Standards Board which are consistent with International Financial Reporting Standards (**IFRS**) and Interpretations issued by the International Accounting Standards Board.

The Pro Forma Financial Information has been prepared in accordance with the recognition and measurement principles contained in AAS, other than that it includes adjustments which have been prepared in a manner consistent with AAS, that reflect the recognition of certain items in periods different from the applicable period under AAS, the exclusion of certain transactions that occurred in the relevant periods, and the impact of certain transactions as if they occurred on or before 30 June 2016 in the Pro Forma Historical Financial Information or on 1 July 2016 in the Pro Forma Forecast Financial Information.

The Financial Information is presented in an abbreviated form and does not include all of the presentation, disclosures, statements or comparative information as required by AAS applicable to general purpose financial reports prepared in accordance with the Corporations Act. In addition to the Financial Information, this Section 4 includes non-IFRS measures that Bravura uses to manage and report on its business that are not in accordance with Australian Accounting Standards or IFRS.

A discussion of the segments that the Directors report under Australian Accounting Standards (AASB) 8 *Operating Segments* is set out in Section 4.3.2.

4.2.2 Background on historical reporting structure

On 10 October 2013, a new holding company which is ultimately owned by the Ironbridge Funds, and members of Bravura's management team (**New HoldCo**), completed the privatisation of the then holding company of Bravura (**Old HoldCo**) via a scheme of arrangement.

Since October 2013, New HoldCo has lodged annual financial reports with ASIC that consolidated the financial performance, financial position and cash flows of New HoldCo and its subsidiaries (including Old HoldCo) for FY2014, FY2015 and FY2016.

The financial report lodged by New HoldCo for FY2014 only represented the consolidated financial performance, financial position and cash flows of Bravura for the nine month period to 30 June 2014. As a result, and as referred to below, the financial report lodged by Old HoldCo with ASIC for FY2014 has been used to derive the Statutory Historical Financial Information in this Prospectus (rather than that of New HoldCo). Explanation of the reconciliation of Old HoldCo's consolidated profit or loss in FY2014 and New HoldCo's consolidated profit or loss in FY2014 has been disclosed as a note to Table 4.6.

Old HoldCo and New HoldCo have similar names which have changed over time. In October 2013, Old HoldCo was known as Bravura Solutions Limited. After the privatisation, it was converted to a private company with the name Bravura Solutions Pty Limited. On 4 October 2016, its name changed to Bravura Solutions Operations Pty Ltd. In October 2015, New HoldCo was known as Bravura Solutions Holdings Pty Limited. It converted to a public company on 30 September 2016 and is now called Bravura Solutions Limited: this is the entity that is seeking admission to ASX and making an offer of new Shares under this Prospectus. When referring to a corporate entity in this Prospectus, Bravura or the Company refers to New HoldCo, other than where referring to the entity that prepared the audited consolidated financial statements for FY2014, in which case it refers to Old HoldCo.

4.2.3 Preparation of the Historical Financial Information

The Historical Financial Information is presented on both a statutory and pro forma basis.

The Statutory Historical Financial Information has been derived from the following:

- Old HoldCo audited consolidated financial statements for FY2014; and
- New HoldCo audited consolidated financial statements for FY2015 and FY2016.

The consolidated financial statements for Old HoldCo for FY2014 and New HoldCo for FY2015 and FY2016 were audited by Ernst & Young in accordance with Australian Auditing Standards. Ernst & Young issued unqualified audit opinions in respect of these consolidated financial statements.

Bravura has a 30 June financial year end. As such, any references in this Section 4 to "FY" refer to a 30 June financial year end.

The Pro Forma Historical Financial Information has been derived from the Statutory Historical Financial Information and adjusted for the effects of pro forma adjustments described in Sections 4.3.3, 4.4.2 and 4.5.1. Section 4.3.3 sets out the pro forma adjustments to the Statutory Historical Results and a reconciliation of the Statutory Historical Results to the Pro Forma Historical Results. Pro forma adjustments have been made to the Statutory Historical Results to reflect:

- the impact of incremental public company operating costs as if they were incurred from 1 July 2013;
- the elimination of costs associated with other items such as:
  - change in capital structure;
  - costs associated with the Offer; and
  - costs associated with the privatisation of Bravura in FY2014; and
- the elimination of certain non-recurring items.

Section 4.4.2 sets out the pro forma adjustments to the Statutory Historical Cash Flows and a reconciliation of the Statutory Historical Cash Flows to the Pro Forma Historical Cash Flows. Pro forma adjustments were made to the Statutory Historical Cash Flows to reflect the cash impact of the pro forma adjustments to the Statutory Historical Results.

Section 4.5.1 sets out the pro forma adjustments to the Statutory Historical Statement of Financial Position, and a reconciliation of the Statutory Historical Statement of Financial Position to the Pro Forma Historical Statement of Financial Position. Pro forma adjustments were made to the Statutory Historical Statement of Financial Position to reflect the impact of the Offer as if it had occurred as at 30 June 2016.

Investors should note that past results are not a guarantee of future performance. Due to its nature, the Pro Forma Historical Financial Information does not represent Bravura's actual or prospective financial performance, cash flows or financial position.

4.2.4 Preparation of the Forecast Financial Information

The Forecast Financial Information is presented on both a statutory and pro forma basis.

The Statutory Forecast Financial Information has been prepared by Bravura for inclusion in this Prospectus and represents the Directors' best estimate assumptions of the financial performance and cash flows that it expects to report in its general purpose statutory consolidated financial statements for FY2017.

The Pro Forma Forecast Financial Information has been derived from the Statutory Forecast Financial Information, after adjusting for the effects of the pro forma adjustments described in Section 4.3. Due to its nature, the Pro Forma Forecast Financial Information does not represent Bravura's actual or prospective financial performance or cash flows for FY2017.

In preparing the Pro Forma Forecast Financial Information, pro forma adjustments have been made to the Statutory Forecast Financial Information to reflect the elimination of costs associated with certain items such as:

- costs associated with the Offer; and
- adjustments to reflect the impact of the post-Offer capital structure including the New Banking Facilities being in place as at 30 June 2016 and redemption of the Ironbridge Redeemable Preference Shares as at 30 June 2016.

Table 4.8 sets out a reconciliation of statutory forecast net free cash flow to pro forma forecast net free cash flow. Table 4.9 sets out a reconciliation of statutory forecast net cash flow to pro forma forecast net cash flow. Pro forma adjustments were made to the statutory forecast net cash flow to reflect:

- the cash impact of the pro forma adjustments to the Statutory Forecast Results; and
- the cash impact of costs and proceeds associated with the Offer including repayment of existing banking facilities and redemption of the Ironbridge Redeemable Preference Shares.

The Forecast Financial Information has been prepared by Bravura based on an assessment of current economic and operating conditions and on the general and specific assumptions regarding future events and actions as set out in Section 4.8. The Forecast Financial Information is subject to the risk factors set out in Section 5. The inclusion of these assumptions and these risks is intended to assist investors in assessing the reasonableness and likelihood of the assumptions occurring, and is not intended to be a representation that the assumptions will occur.

The Directors believe the general and specific assumptions, when taken as a whole, to be reasonable at the time of preparing this Prospectus. However, the information is not fact, and investors are cautioned not to place undue reliance on the Forecast Financial Information.

Investors should be aware that the timing of actual events and the magnitude of their impact might differ from that assumed or expected in preparing the Forecast Financial Information and that this may have a material positive or negative effect on Bravura's actual financial performance, cash flows or financial position. In addition, the assumptions upon which the Forecast Financial Information is based are by their very nature subject to significant uncertainties and contingencies, many of which will be outside the control of the Company, the Directors and Bravura management, and are not reliably predictable. Accordingly, none of the Company, the Directors, Bravura management or any other person can give investors any assurance that the outcomes disclosed in the Forecast Financial Information will arise. Events and outcomes might differ in amount and timing from the assumptions, with a material consequential impact on the Forecast Financial Information.

The Forecast Financial Information should be read in conjunction with the general assumptions set out in Section 4.8.1, the specific assumptions set out in Section 4.8.2, the sensitivity analysis set out in Section 4.9, the risk factors set out in Section 5, the significant accounting policies set out in Appendix A and other information in this Prospectus.

Bravura has no intention to update or revise the Forecast Financial Information or other forward looking statements or to publish prospective financial information in the future, regardless of whether new information, future events or any other factors affect the information contained in this Prospectus, except where required by law or regulation.

4.2.5 Explanation of certain non-IFRS financial measures

Bravura uses certain measures to manage and report on its business that are not recognised under AAS or IFRS. These measures are collectively referred to in this Section 4 as 'non-IFRS financial measures' pursuant to Regulatory Guide 230 'Disclosing non-IFRS financial information' published by ASIC. Management uses these non-IFRS financial measures to evaluate the performance and profitability of the overall business. The principal non-IFRS financial measures that are referred to in this Prospectus are as follows:

- **capital expenditure** is a combination of costs primarily related to both property, plant and equipment and development capital expenditure. Development capital expenditure is related to part of the development of proprietary IT systems and platforms to meet client needs;
- **constant currency** represents the calculation of historical revenue and Operating Revenue on a segment basis and EBITDA and Operating EBITDA by applying constant foreign exchange rates across the historical periods using the foreign exchange rate used to calculate the FY2017 forecasts;
- **Corporate Costs** represent expenses including executive office, human resources, finance, IT, product and strategy, and sales and marketing functions, as well as development costs that do not qualify for capitalisation. Corporate Costs largely comprise employee expenses but also include rent, IT software and infrastructure, insurance, training and audit related costs which are not directly attributable to Bravura's business segments;
- **EBIT** is reported earnings before the following:
  - interest revenue or expense;
  - financing FX losses; and
  - income taxation expense;
- **EBITDA** is reported earnings before the following:
  - interest revenue or expense;
  - financing FX losses;
  - depreciation and amortisation;
  - goodwill and other intangible asset impairment; and
  - income taxation expense;
- **financing FX losses** related to FY2014, FY2015 and FY2016 and arose due to foreign exchange movements related to Bravura's intercompany finance structure comprising intercompany loans and balances across jurisdictions and cash balances held in foreign currencies;
- **net debt** represents total loans and borrowings and bank overdrafts and Ironbridge Redeemable Preference Shares, less cash and cash equivalents;
- **net free cash flow** is EBITDA after changes in working capital and capital expenditure but before the net cash impacts of financing, tax and dividends;
- **net working capital** is the sum of current trade and other receivables, accrued revenue and prepayments, less the sum of trade and other payables, current provisions, deferred revenue and other current creditors;
- **New Sales Revenue** represents expected revenue (including licence fees, maintenance/hosting/support fees and professional services fees) from new sales based on an assessment of, and sourced from, the Company's pipeline opportunities (which arise from new or existing clients) and which represent a portion of the total forecast pipeline revenue opportunity for FY2017. Refer to Section 4.8.2.1 for further details;
- **Operating EBITDA** is EBITDA before significant items described in Section 4.7.3. Management uses Operating EBITDA to evaluate the operating performance of the business prior to the impact of significant items, and the non-cash impact of depreciation and amortisation, financing FX losses, interest and tax charges, which are significantly impacted by the historical capital structure and historical tax position of Bravura;
- **Operating EBITDA margin** and **Segment Operating EBITDA margin** are calculated as Operating EBITDA and Segment Operating EBITDA respectively as a percentage of segment revenue;
- **Operating Revenue** is revenue before significant items described in Section 4.7.3;
- **Revenue from Existing Clients** is revenue from Wealth Management and Funds Administration clients and comprises:
  - licence fees, maintenance and support services fees and professional services fees which have been agreed to be provided under existing contracts for agreed amounts or rates (referred to below as "contracted revenue"); and
  - revenue from additional professional services in connection with an existing contract that the business expects to generate with a high level of consistency over the life of the existing contract (referred to below as "attached revenue").

  Refer to Section 4.8.2.1 for further details;
- **Segment EBITDA** represents EBITDA before Corporate Costs;
- **Segment Operating EBITDA** represents Operating EBITDA before Corporate Costs; and

- **significant items** relate to the following, with further details on these items set out in Table 4.7.3.2:
  - onerous contract provision recognised in the statement of financial position as at 30 June 2016 and expensed in the FY2016 Statutory Historical Results; and
  - onerous contracts representing all revenue and unavoidable costs of the onerous contracts in the Statutory Historical Results.

The recording of the onerous contract provision in FY2016 was on its own, material to the understanding of Bravura's financial performance in FY2016 and as such Bravura has disclosed the aggregate of the provision and the actual incurred losses of the onerous contracts in FY2016 as a significant item. For comparative reasons, the contribution of these specific contracts to the prior period results, have been consistently disclosed as significant.

4.3 Pro Forma Historical Results, Pro Forma Forecast Results and Statutory Forecast Results

4.3.1 Pro Forma Historical Results, Pro Forma Forecast Results and Statutory Forecast Results

Table 4.2 sets out a summary of the Pro Forma Historical Results, the Pro Forma Forecast Results and the Statutory Forecast Results. The Statutory Historical Results and the Statutory Forecast Results are reconciled to the Pro Forma Historical Results and the Pro Forma Forecast Results respectively, in Section 4.3.3.

Table 4.2: Pro Forma Historical Results, Pro Forma Forecast Results and Statutory Forecast Results

		Pro Forma Historical Results			Pro Forma Forecast Results	Statutory Forecast Results
June year end, A$m	Notes	FY2014	FY2015	FY2016	FY2017F	FY2017F
Wealth Management		59.0	76.5	99.6	121.6	121.6
Funds Administration		76.5	75.6	85.1	66.0	66.0
Revenue	1	**135.5**	**152.1**	**184.7**	**187.6**	**187.6**
Employee benefit expense		(83.6)	(96.1)	(118.7)	(113.9)	(113.9)
Third party cost of sales		(12.3)	(15.4)	(15.8)	(14.8)	(14.8)
Travel and accommodation costs		(4.0)	(4.9)	(4.9)	(4.6)	(4.6)
Occupancy costs		(5.5)	(6.6)	(7.1)	(7.2)	(7.2)
Telecommunication costs		(6.3)	(5.8)	(7.0)	(7.6)	(7.6)
Development operating expense		(1.7)	(2.2)	(2.1)	(2.6)	(2.6)
Other expenses		(3.9)	(4.0)	(8.8)	(4.6)	(7.0)
Total operating expenses		(117.3)	(135.0)	(164.5)	(155.3)	(157.7)
EBITDA	1	**18.2**	**17.1**	**20.2**	**32.3**	**29.8**
Depreciation		(4.2)	(4.9)	(5.4)	(5.0)	(5.0)
Amortisation	2	(10.0)	(8.6)	(2.9)	(3.4)	(3.4)
EBIT	3	3.9	3.7	11.9	23.8	21.4
Financing FX losses	4			(3.2)	-	-
Net finance expense	5			(0.2)	(0.2)	(4.6)
NPBT				8.4	23.6	16.9
Income tax expense	6			(1.6)	(2.6)	(2.6)
NPAT				**6.8**	**21.0**	**14.3**

1. Revenue and EBITDA includes the impact of significant items relating to onerous contracts. In FY2013 and FY2014, Bravura entered into a number of Lighthouse Contracts to create reference sites for the new Sonata product in APAC and EMEA on fixed price implementations and/or client favourable maintenance and support terms. These were loss making contracts for Bravura. Three of these Lighthouse Contracts are expected to be loss making in FY2017F and were treated as onerous contracts for accounting purposes in the FY2016 Statutory Historical Results. These significant items total $1.9 million in FY2014, $(1.1) million in FY2015 and $(7.8) million in FY2016. No adjustment for significant items are expected for FY2017F.

   Since entering these Lighthouse Contracts, Bravura has renewed and won a number of Sonata contracts on a profitable time and materials basis and the Company considers revenue and EBITDA before significant items (Operating Revenue and Operating EBITDA) an appropriate measure of underlying business performance which is consistent with how the Company expects the business to perform on an ongoing basis. Operating Revenue was $131.0 million in FY2014, $146.1 million in FY2015 and $181.8 million in FY2016. Operating EBITDA represents EBITDA before significant items. Operating EBITDA was $16.3 million in FY2014, $18.3 million in FY2015 and $28.0 million in FY2016.

   Refer to Sections 4.7.3 for further discussion of Lighthouse Contracts, significant items, Operating Revenue and Operating EBITDA.
2. Amortisation includes amortisation of intangible assets consisting of business contracts and relationships and intellectual property and software. An adjustment has been made to the Statutory Historical Results in FY2015 to remove an $80.7 million impairment of goodwill and other intangible assets, with the majority relating to the Funds Administration business unit which resulted in a reduction in amortisation expense from $8.6 million in FY2015 to $2.9 million in FY2016. Refer to Note 8 of Table 4.4 for further details.
3. The Pro Forma Historical Results in FY2014 and FY2015 has been prepared to EBIT as the Company's historical capital structure is not considered representative of the capital structure post Completion. Bravura has been privatised, re-leveraged and maintained intercompany finance structures comprising intercompany loans and balances across jurisdictions and cash balances held in foreign currencies, predominantly pounds sterling, through the historical period. Pro Forma NPAT in FY2016 has been provided to show the impact of the New Banking Facilities as if they had been in place since 1 July 2015. The financing FX losses in FY2016 have been included as an additional disclosure. Bravura's intercompany finance structures were restructured as of 1 July 2016. As a result, Bravura does not expect any further material FX impacts from these finance structures.
4. Financing FX losses in FY2016 amounts to $3.2 million, relating to FX movements on Bravura's intercompany finance structures comprising intercompany loans and balances related to funding arrangements across jurisdictions and cash balances held in foreign currencies, predominantly British pounds sterling. Bravura's intercompany finance structures were restructured as of 1 July 2016. As a result, Bravura does not expect any further material FX impacts from these finance structures. Refer to Note 3 of Table 4.6 for further details.
5. Pro forma net finance expense reflects the estimated finance costs of $0.2 million for FY2016 and FY2017F which would have been incurred had the New Banking Facilities been in place as at 1 July 2015. This net finance expense reflects the fee payment and amortisation of the capitalised borrowing costs. Statutory forecast net finance expense reflects the position that the existing debt facilities will be in place until Completion and the New Banking Facilities are in place post Completion.
6. The benefit of Bravura's carried forward tax losses and carried forward tax offsets (estimated to be $37.0 million and $4.4 million respectively as at 30 June 2016) in the Australian tax consolidated group and Bravura's carried forward tax losses in the United Kingdom tax group (estimated to be GBP21.1 million as at 30 June 2016) have not been recognised as deferred tax assets in Bravura's statement of financial position.

   As a result of these unrecognised carried forward tax losses and tax offsets, the statutory and pro forma income tax expense for FY2016 and FY2017F in both Australia and the United Kingdom is expected to be nil, while Bravura's pro forma income tax expense for the Bravura tax group as a whole is expected to amount to $1.6 million and $2.6 million for FY2016 and FY2017F respectively (effective tax rate FY2016: 19.4% and FY2017F: 10.9%). There is no tax impact related to the pro forma adjustments as a result of the unrecognised carried forward tax losses and tax offsets. As such the income tax expense in the FY2017F Statutory Forecast Results is the same as the income tax expense in the FY2017F Pro Forma Forecast Results. If the impact of the carried forward tax losses and tax offsets were ignored, Bravura's pro forma income tax expense would amount to $1.6 million and $2.9 million for FY2016 and FY2017F respectively (effective tax rate FY2016: 19.4% and FY2017F: 12.1%). The effective tax rate reflects the weighted statutory tax rates in the jurisdictions in which Bravura derives its profits.

4.3.2 Segment Pro Forma Historical Results and segment Pro Forma Forecast Results

In accordance with AASB 8, Bravura has determined that its reporting segments for future periods comprise Wealth Management and Funds Administration.

- **Wealth Management**: Wealth Management segment provides software and services that support back-office functions relating to the management of investment products and wrap platforms, superannuation, pension and retirement products, and life insurance.
- **Funds Administration**: Funds Administration segment provides software and services that support back-office administration requirements for a range of investment managers, custodians and TPAs for both retail and institutional customers.

Each operating segment earns revenue and incurs expenses in connection with its associated business activity.

Bravura also reports an additional expense category titled Corporate Costs which represent expenses including for executive office, human resources, finance, IT, product and strategy, and sales and marketing functions, as well as development costs that do not qualify for capitalisation. Corporate Costs largely comprise employee expenses but also includes rent, IT software and infrastructure, insurance, training and audit related costs which are not directly attributable to Bravura's business segments.

Bravura monitors the operating results of Bravura's divisions separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on Segment EBITDA.

Table 4.3 illustrates the revenue and Segment EBITDA generated by each of the Bravura segments, and Corporate Costs and EBITDA.

Table 4.3: Segment Pro Forma Historical Results and segment Pro Forma Forecast Results

		Pro Forma Historical Results			Pro Forma Forecast Results
June year end, A$m	Notes	FY2014	FY2015	FY2016	FY2017F
Wealth Management revenue		59.0	76.5	99.6	121.6
Funds Administration revenue		76.5	75.6	85.1	66.0
Revenue	1	**135.5**	**152.1**	**184.7**	**187.6**
Wealth Management Segment EBITDA		12.6	8.7	10.0	30.3
Funds Administration Segment EBITDA		27.0	31.2	40.2	30.5
Segment EBITDA		**39.6**	**39.9**	**50.2**	**60.8**
Corporate Costs		(21.4)	(22.8)	(30.0)	(28.5)
EBITDA	1	**18.2**	**17.1**	**20.2**	**32.3**

1. Revenue and EBITDA includes the impact of significant items relating to onerous contracts. Refer to Sections 4.7.3 for further discussion of Lighthouse Contracts, significant items, Operating Revenue and Operating EBITDA.

4.3.3 Pro forma adjustments to the Statutory Historical Results and the Statutory Forecast Results

Table 4.4 sets out the pro forma adjustments that have been made to Bravura's statutory historical and statutory forecast EBIT.

Table 4.4: Reconciliation of statutory historical and forecast NPAT to pro forma historical and forecast EBIT

		Historical			Forecast
June year end, A$m	Notes	FY2014	FY2015	FY2016	FY2017F
Statutory NPAT		**(14.5)**	**(89.5)**	**(6.5)**	**14.3**
Income tax expense		5.0	3.3	1.6	2.6
Statutory NPBT		**(9.4)**	**(86.1)**	**(4.8)**	**16.9**
Financing FX losses	1	3.4	3.6	3.2	-
Net finance expense	2	4.0	5.4	11.7	4.6
Statutory EBIT		**(2.1)**	**(77.1)**	**10.1**	**21.4**
Incremental public company costs	3	(0.4)	(0.3)	(0.3)	(0.3)
Costs associated with the Offer	4	-	-	1.4	2.7
Transaction bonus	5	-	-	0.7	-
Privatisation costs	6	4.7	0.4	-	-
Share based payments	7	1.7	-	-	-
Impairment	8	-	80.7	-	-
Total pro forma adjustments		**5.9**	**80.8**	**1.8**	**2.4**
Pro forma EBIT		**3.9**	**3.7**	**11.9**	**23.8**

1. Financing FX losses – arose due to foreign exchange movements related to Bravura's intercompany finance structure comprising intercompany loans and balances across jurisdictions and cash balances held in foreign currencies, predominantly British pounds sterling. Bravura's intercompany finance structures were restructured as of 1 July 2016. As a result, Bravura does not expect any further material FX impacts from these finance structures. Refer to Note 3 of Table 4.6 for further details.
2. Net finance expense – reflects interest and finances charges on existing debt facilities, interest on the Ironbridge Redeemable Preference Shares, borrowing costs and net loss on derivatives. Refer to Table 4.6 for further details.

3. Incremental public company costs – reflect Bravura's estimates of the additional annual costs Bravura will incur as a public company of $1.3 million offset by a reversal of administration related costs Bravura had incurred in the historical period and advisory fees paid to Ironbridge Capital ($0.2 million in FY2014 and FY2015, $0.7 million in FY2016 and $0.3 million in FY2017F for the period up to and including Completion). No such fees will be paid in respect of the period following Completion. The additional public company costs include Chairman and other Non-Executive Director remuneration, additional audit and legal costs, tax, investor relations services, listing fees, directors' and officers' insurance premiums as well as annual general meeting and annual report costs.
4. Costs associated with the Offer – total costs of the Offer are estimated at $18.1 million, of which $14.0 million are directly attributable to the issue of new Shares by the Company and will be offset against equity raised in the Offer. The remaining $4.1 million relates to the sale of existing Shares by the Selling Shareholders, with $1.4 million expensed in the Statutory Historical Results in FY2016 and $2.7 million expensed in the Statutory Forecast Results. Total costs associated with the Offer also include $4.0 million (net of GST) of transaction related advisory fees Bravura will pay to Ironbridge Capital, subject to Completion.
5. Transaction bonus – an adjustment has been made to remove the costs of the transaction bonus associated with the Offer which was expensed in the FY2016 Statutory Historical Results and will be paid subject to Completion.
6. Privatisation costs – advisory costs and costs associated with restructuring activities incurred in relation to the privatisation of Bravura via a scheme of arrangement on 10 October 2013.
7. Share based payments – non-cash acceleration of the share based payment expense associated with the privatisation of Bravura via a scheme of arrangement on 10 October 2013.
8. Impairment – an adjustment has been made to the Statutory Historical Results in FY2015 to remove an $80.7 million impairment of goodwill and other intangible assets with the majority relating to the Funds Administration business unit that was expensed in the Statutory Historical Results in FY2015. The goodwill on the Funds Administration business unit was reduced to nil in FY2015 as the Funds Administration market going forward is intended to be serviced with functionality that Bravura plans to enhance in Sonata.

Table 4.5 sets out the pro forma adjustments that have been made to Bravura's statutory historical and forecast NPAT in FY2016 and FY2017F.

Table 4.5: Reconciliation of statutory historical and forecast NPAT to pro forma historical and forecast NPAT for FY2016 and FY2017F

		Historical	Forecast
June year end, A$m	Notes	FY2016	FY2017F
Statutory NPAT		**(6.5)**	**14.3**
Incremental public company costs	1	(0.3)	(0.3)
Costs associated with the Offer	2	1.4	2.7
Transaction bonus	3	0.7	-
Net finance expense	4	11.5	4.3
Pro forma NPAT	5	**6.8**	**21.0**

1. Incremental public company costs – refer to Note 3 of Table 4.4 for further details.
2. Costs associated with the Offer – refer to Note 4 of Table 4.4 for further details.
3. Transaction bonus – refer to Note 5 of Table 4.4 for further details.
4. Net finance expense in the Statutory Historical Results in FY2016 and the Statutory Forecast Results in FY2017F have been adjusted to:
   - reflect fee payments associated with the New Banking Facilities as if they were in place as at 1 July 2015 (net impact of $10.6 million in FY2016 and $4.0 million in FY2017F). It is noted that existing bank guarantees will be rolled into the New Banking Facilities at Completion; and
   - remove the impact of the amortisation and write-off of capitalised borrowing costs relating to the existing debt facilities and replace with the amortisation of capitalised borrowing costs relating to the New Banking Facilities (net impact of $0.9 million in FY2016 and $0.3 million in FY2017F).
5. There is no tax impact related to the pro forma adjustments as a result of the unrecognised carried forward tax losses and tax offsets.

4.3.4 Statutory Historical Results

Table 4.6 sets out the Statutory Historical Results.

Table 4.6: Statutory Historical Results

		Statutory Historical Results		
June year end, A$m	Notes	FY2014	FY2015	FY2016
Wealth Management		59.0	76.5	99.6
Funds Administration		76.5	75.6	85.1
Revenue	1	**135.5**	**152.1**	**184.7**
Employee benefit expense		(85.3)	(96.1)	(118.7)
Third party cost of sales		(12.3)	(15.4)	(15.8)
Travel and accommodation costs		(4.0)	(4.9)	(4.9)
Occupancy costs		(5.5)	(6.6)	(7.1)
Telecommunication costs		(6.3)	(5.8)	(7.0)
Development operating expense		(1.7)	(2.2)	(2.1)
Onerous contract provision		-	-	(3.4)
Other expenses		(8.2)	(4.1)	(7.2)
Total operating expenses		(123.2)	(135.0)	(166.3)
EBITDA		**12.2**	**17.0**	**18.4**
Depreciation		(4.2)	(4.9)	(5.4)
Amortisation		(10.0)	(8.6)	(2.9)
Impairment	2	-	(80.7)	-
EBIT		**(2.1)**	**(77.1)**	**10.1**
Financing FX losses	3	(3.4)	(3.6)	(3.2)
Net finance expense	4	(4.0)	(5.4)	(11.7)
NPBT		**(9.4)**	**(86.1)**	**(4.8)**
Income tax expense		(5.0)	(3.3)	(1.6)
NPAT	5	**(14.5)**	**(89.5)**	**(6.5)**

1. Bravura's statutory historical revenue of $135.5 million for FY2014 reported by Old HoldCo reconciles to New HoldCo's statutory historical revenue of $106.9 million in FY2014, with the reconciling variance related to $28.6 million of revenue generated during the period from 1 July 2013 to 10 October 2013, being the period prior to the privatisation of Bravura as described in Section 4.2.2.
2. Impairment relates to an impairment of goodwill and other intangible assets, with the majority relating to the Funds Administration business unit and the remaining relating to legacy Bravura platforms, that were expensed in the FY2015 Statutory Historical Results. The goodwill on the Funds Administration business unit was reduced to nil in FY2015 as the Funds Administration market going forward is intended to be serviced with functionality that Bravura plans to enhance in Sonata.
3. Financing FX losses arose due to foreign exchange movements related to Bravura's intercompany finance structure comprising intercompany loans and balances across jurisdictions and cash balances held in foreign currencies, predominantly British pounds sterling. The balances are related to the finance structuring of Bravura and capital flows between the Bravura entities. In FY2014, the balances related partly to the conversion of foreign currency intercompany balances as part of the privatisation and partly from the intercompany and cash holdings in foreign denominated currencies accumulated to fund the operations, in FY2015 the balance related to a capital reduction in the United Kingdom and the FY2016 balance arose as part of the intercompany and cash holdings in foreign denominated currencies accumulated to fund the operations, predominately in British pounds sterling. Bravura's intercompany finance structures were restructured as of 1 July 2016. As a result, Bravura does not expect any further material FX impacts from these finance structures.

   A portion of Financing FX losses were deemed to be operating in nature as they arose due to foreign exchange movements related to Bravura's working capital balances and were reported in Other expenses. In FY2014, the amount reported in Other expenses was a $0.4 million gain and in FY2016, the amount reported in Other expenses was a $0.4 million loss.

4. Net finance expense represents interest and finances charges on existing debt facilities, interest on the Ironbridge Redeemable Preference Shares, borrowing costs and net loss on derivatives.
5. Bravura's statutory historical NPAT loss of $14.5 million for FY2014 reported by Old HoldCo reconciles to New HoldCo's statutory historical NPAT loss of $7.5 million in FY2014, with the reconciling items as follows:
   - NPAT loss of $5.8 million in the period from 1 July 2013 to 10 October 2013 recognised by Old HoldCo, representing the period prior to the privatisation of Bravura as described in Section 4.2.2;
   - plus income tax expense adjustment of $5.3 million to reduce New HoldCo's income tax expense in FY2014 arising from resetting the tax cost base of assets of New HoldCo upon joining Old HoldCo's tax consolidation group; and
   - less privatisation costs of $4.1 million recognised by New HoldCo in FY2014, representing advisory costs in relation to the privatisation of Bravura (of which $2.1 million was paid to Ironbridge Capital).

4.4 Pro Forma Historical Cash Flows, Pro Forma Forecast Cash Flows and Statutory Forecast Cash Flows

4.4.1 Overview

Table 4.7 sets out the Pro Forma Historical Cash Flows, the Pro Forma Forecast Cash Flows and the Statutory Forecast Cash Flows.

Table 4.7: Pro Forma Historical Cash Flows, Pro Forma Forecast Cash Flows and Statutory Forecast Cash Flows

		Pro Forma Historical Cash Flows			Pro Forma Forecast Cash Flows	Statutory Forecast Cash Flows
June year end, A$m	Notes	FY2014	FY2015	FY2016	FY2017F	FY2017F
EBITDA	1	**18.2**	**17.1**	**20.2**	**32.3**	**29.8**
Changes in working capital	2	10.3	7.0	9.6	(0.3)	(2.4)
Capital expenditure - plant, property and equipment (**PPE**)		(1.9)	(2.9)	(3.1)	(4.0)	(4.0)
Development capital expenditure		(5.5)	(8.8)	(4.0)	(6.6)	(6.6)
Net free cash flow		**21.1**	**12.5**	**22.6**	**21.4**	**16.8**
Tax	3			(1.7)	(2.6)	(2.6)
Interest	4			(0.3)	(0.3)	(1.3)
Proceeds from issue of Shares	5			-	-	100.5
Repayment of borrowings	6			-	-	(62.9)
Redemption of Ironbridge Redeemable Preference Shares	7			-	-	(59.7)
Net cash flow				**20.6**	**18.5**	**(9.1)**
Net free cash flow conversion (%)		***116.2 %***	***72.7 %***	***111.8 %***	***66.2 %***	***56.4 %***

1. Statutory EBITDA in FY2017F includes incremental public company costs of $0.3 million and costs associated with the Offer of $2.7 million expensed in the Statutory Forecast Results. These costs have been adjusted from pro forma EBITDA in FY2017F.
2. Statutory changes in working capital in FY2017F reflect the payment of a transaction bonus ($0.7 million) and payment of the Offer transaction costs ($1.4 million) that was accrued in the Statutory Historical Statement of Financial Position as at 30 June 2016. These payments have been adjusted from pro forma changes in working capital in FY2017F.
3. Cash tax outflow is equal to income tax expense in FY2016 and FY2017F.
4. Pro forma interest represents forecast cash interest (proposed to be nil) and fee payments under the New Banking Facilities assuming they were in place on 1 July 2015. Statutory forecast cash interest reflects the position that the existing debt facilities are in place until Completion and the New Banking Facilities post Completion.
5. Proceeds from issue of Shares are expected to be $114.5 million on a gross basis. Proceeds are shown net of $14.0 million of costs which are directly attributable to the Offer.

6. Repayment of borrowings represents the redemption of existing debt facilities at Completion from proceeds from the Offer ($61.9 million) and a repayment of the existing banking facilities prior to Completion ($1.0 million).
7. Redemption of Ironbridge Redeemable Preference Shares represents the redemption of the Ironbridge Redeemable Preference Shares ($59.7 million) at 30 June 2016 from proceeds from the Offer. The redemption of the Ironbridge Redeemable Preference Shares is estimated to be $62.7 million at Completion, with an additional $3.0 million of proceeds raised in the Offer to cover the additional amount required to be paid at Completion.

4.4.2 Pro forma adjustments to the Statutory Historical Cash Flows and Statutory Forecast Cash Flows

Tables 4.8 and 4.9 set out the pro forma adjustments that have been made to Bravura's statutory historical and forecast cash flows for various items impacting the historical and forecast periods.

Table 4.8: Reconciliation of statutory historical and statutory forecast net free cash flow to pro forma historical and pro forma forecast net free cash flow

		Historical			Forecast
June year end, A$m	Notes	FY2014	FY2015	FY2016	FY2017F
Statutory net free cash flow		**16.9**	**12.4**	**22.8**	**16.8**
Incremental public company costs	1	(0.4)	(0.3)	(0.3)	(0.3)
Costs associated with the Offer	2	-	-	-	4.1
Transaction bonus	3	-	-	-	0.7
Privatisation costs	4	4.7	0.4	-	-
Cash impact of pro forma adjustments		4.3	0.1	(0.3)	4.5
Pro forma net free cash flow		**21.1**	**12.5**	**22.6**	**21.4**

1. Incremental public company costs – costs reflect Bravura's estimates of the cash impact of additional annual costs Bravura will incur as a public company. Refer to Note 3 of Table 4.4 for further details.
2. Costs associated with the Offer – costs of $4.1 million reflecting the portion included in statutory EBITDA in FY2016 and FY2017F. The remaining costs associated with the Offer of $14.0 million are netted off against the gross proceeds from issue of Shares. Refer to Note 4 of Table 4.4 for further details.
3. Transaction bonus – refer to Note 5 of Table 4.4 for further details.
4. Privatisation costs – cash impact of advisory costs and costs associated with restructuring activities incurred in relation to the privatisation of Bravura described in Section 4.2.2.

Table 4.9: Reconciliation of statutory historical and statutory forecast net cash flow to pro forma historical and pro forma forecast net cash flow for FY2016 and FY2017F

		Historical	Forecast
June year end, A$m	Notes	FY2016	FY2017F
Statutory net cash flow		**10.4**	**(9.1)**
Incremental public company costs	1	(0.3)	(0.3)
Costs associated with the Offer	2	-	4.1
Transaction bonus	3	-	0.7
Interest	4	3.5	1.0
Repayment of borrowings	5	5.9	62.9
Finance lease payment	6	1.1	-
Redemption of Ironbridge Redeemable Preference Shares	7	-	59.7
Proceeds from issue of Shares	8	-	(100.5)
Cash impact of pro forma adjustments		10.2	27.6
Pro forma net cash flow		**20.6**	**18.5**

1. Incremental public company costs – refer to Note 3 of Table 4.4 for further details.
2. Costs associated with the Offer – refer to Note 4 of Table 4.4 for further details.
3. Transaction bonus – refer to Note 5 of Table 4.4 for further details.
4. Interest – adjustment represents the difference between expected cash interest payments and fee payments under the New Banking Facilities assuming they were in place on 1 July 2015 and the statutory forecast cash interest outflow reflects the position that the existing debt facilities are in place until Completion and the New Banking Facilities are in place post Completion.
5. Repayment of borrowings – represents the forecast repayment of existing debt facilities at Completion from proceeds from the Offer ($61.9 million in FY2017F) and a repayment of the existing borrowing facilities prior to the Offer ($5.9 million in FY2016 and $1.0 million in FY2017F).
6. Finance lease payment – represents $1.1 million of payments in FY2016 relating to computer equipment under finance lease arrangements.
7. Redemption of Ironbridge Redeemable Preference Shares – represents the redemption amount for existing Ironbridge Redeemable Preference Shares at 30 June 2016 ($59.7 million) which will be paid at Completion. The redemption of the Ironbridge Redeemable Preference Shares is estimated to be $62.7 million at Completion, with an additional $3.0 million of proceeds raised in the Offer to cover the additional amount required to be paid at Completion.
8. Proceeds from issue of Shares – forecast to be $114.5 million on a gross basis. Proceeds are shown net of $14.0 million of costs which are directly attributable to the Offer.

4.4.3 Statutory Historical Cash Flows

Table 4.10 sets out the Statutory Historical Cash Flows.

Table 4.10: Statutory Historical Cash Flows

		Statutory Historical Cash Flows		
June year end, A$m	Notes	FY2014	FY2015	FY2016
Statutory EBITDA		**12.2**	**17.0**	**18.4**
Non-cash items in Operating EBITDA		1.7	-	-
Changes in working capital		10.3	7.0	11.7
Capital expenditure (PPE)		(1.9)	(2.9)	(3.1)
Capitalised software development costs		(5.5)	(8.8)	(4.0)
Statutory net free cash flow		**16.9**	**12.4**	**22.9**
Tax		(2.1)	(0.5)	(1.7)
Interest		(2.7)	(3.9)	(3.7)
Proceeds from issue of Shares		0.1	0.5	-
Payment for share buy-back	1	(2.4)	-	-
Proceeds from borrowings		11.5	8.8	8.1
Repayment of borrowings		(13.8)	(13.6)	(14.0)
Finance lease payment		-	-	(1.1)
Statutory net cash flow		**7.4**	**3.7**	**10.4**

1. Payment for share buy-back – a payment of $2.4 million was made for shares in the period from 1 July 2013 to 10 October 2013 prior to the privatisation of Bravura on 10 October 2013 described in Section 4.2.2.

4.5 Statutory Historical Statement of Financial Position and Pro Forma Historical Statement of Financial Position

4.5.1 Statutory Historical Statement of Financial Position and Pro Forma Historical Statement of Financial Position

The Pro Forma Historical Statement of Financial Position as at 30 June 2016 as set out in Table 4.11 is derived from the Statutory Historical Statement of Financial Position as at 30 June 2016, adjusted to reflect the impact of the Offer and the impact of the New Banking Facilities that will be in place following Completion as if they had occurred or were in place as at 30 June 2016.

On Completion, Bravura will issue new Shares, and proceeds from the Offer will be used to pay down existing debt, redeem the Ironbridge Redeemable Preference Shares and pay for costs associated with the Offer.

The Pro Forma Historical Statement of Financial Position is provided for illustrative purposes only and is not represented as being necessarily indicative of Bravura's view of its financial position upon Completion or at a future date. Further information on the New Banking Facilities is contained in Section 4.11.

Bravura had both a statutory net asset deficiency of $12.1 million and a statutory net current asset deficiency of $16.2 million as at 30 June 2016. Included in current liabilities was a deferred revenue balance of $26.1 million. The settlement of this balance will be realised through the delivery of the services to which the deferred revenue relates. This settlement will be at the cost of delivering the services for amounts less than this deferred revenue balance. These cash outflows have been factored into future forecasts. Bravura had a cash balance of $29.1 million as at 30 June 2016 and positive statutory net free cash flow of $22.8 million in FY2016. Based on projected cash flow forecasts, Bravura expects to be able to pay its creditors as and when they fall due for at least the next 12 months, and no asset is likely to be realised for an amount less than the amount at which it was recorded in the financial statements as at 30 June 2016. Accordingly, the Directors believe that Bravura will generate sufficient cash flows from operations to finance its ongoing operations. Following Completion, Bravura expects pro forma net assets of $85.7 million as at 30 June 2016 as reflected in the Pro Forma Historical Statement of Financial Position. The Financial Information has been prepared on a going concern basis and no adjustments have been made to the financial information relating to the recoverability and classification of the asset carrying amounts or the amounts and classification of the liabilities.

Table 4.11: Statutory Historical Statement of Financial Position and Pro Forma Historical Statement of Financial Position

As at 30 June 2016, A$m	Notes	Statutory	Impact of the Offer	Pro forma
Assets				
Current assets				
Cash	1,2	29.1	(26.1)	3.0
Trade and other receivables		15.3	-	15.3
Accrued services revenue		3.7	-	3.7
Other current assets		5.0	-	5.0
Total current assets		**53.0**	**(26.1)**	**26.9**
Non-current assets				
Accrued services revenue		2.8	-	2.8
Property, plant and equipment		10.9	-	10.9
Deferred tax assets		1.5	-	1.5
Intangible assets	3	105.7	-	105.7
Other non-current assets		0.0	-	0.0
Total non-current assets		**120.8**	**-**	**120.8**
Total assets		**173.8**	**(26.1)**	**147.7**
Liabilities				
Current liabilities				
Trade and other payables	4	7.6	(2.1)	5.5
Borrowings	1	12.0	(12.0)	-
Provisions		9.0	-	9.0
Current tax liabilities		0.3	-	0.3
Deferred revenue		26.1	-	26.1
Other current liabilities	5	14.3	(0.1)	14.2
Total current liabilities		**69.2**	**(14.2)**	**55.0**
Non-current liabilities				
Borrowings	1	49.9	(49.9)	-
Ironbridge Redeemable Preference Shares	1,2	59.7	(59.7)	-
Deferred tax liabilities		2.6	-	2.6
Provisions		4.5	-	4.5
Other non-current liabilities		-	-	-
Total non-current liabilties		**116.6**	**(109.6)**	**7.1**
Total liabilties		**185.9**	**(123.8)**	**62.0**
Net assets/(liabilities)		**(12.1)**	**97.7**	**85.7**
Equity				
Contributed equity		84.6	100.5	185.0
Reserves		6.9	-	6.9
Accumulated losses		(103.5)	(2.7)	(106.2)
Total equity		**(12.1)**	**97.7**	**85.7**

1. The impact of the Offer is a $26.1 million decrease in cash and cash equivalents due to the proceeds from the issue of new Shares ($114.5 million) offset by repayment of existing banking facilities ($61.9 million), redemption of the Ironbridge Redeemable Preference Shares (refer to Note 2 below for further details), total costs associated with the Offer ($18.1 million), payment of a transaction bonus ($0.7 million) and settlement of the swaps against the existing banking facilities ($0.1 million). Contributed equity is expected to increase by $100.5 million, being the proceeds from the issue of new Shares ($114.5 million) offset by costs associated with the Offer directly attributable to the issue of new Shares ($14.0 million). Accumulated losses will increase as a result of expensed costs associated with the Offer ($2.7 million) in FY2017F.
2. The redemption of the Ironbridge Redeemable Preference Shares is estimated to be $62.7 million at Completion, with additional proceeds raised in the Offer to cover the additional $3.0 million (above $59.7 million as at 30 June 2016).
3. The net book value of intangible assets comprises $73.2 million in goodwill, $2.2 million in client contracts and relationships and $30.3 million of software.
4. Trade and other payables will reduce by $2.1 million, reflecting a transaction bonus ($0.7 million) and payment of the Offer transaction costs ($1.4 million) that was accrued in the Statutory Historical Statement of Financial Position as at 30 June 2016.
5. Other current liabilities will reduce by $0.1 million, reflecting the settlement of the swaps against the existing banking facilities that was accrued in the Statutory Historical Statement of Financial Position as at 30 June 2016.

4.5.2 Summary of net debt as at 30 June 2016

Table 4.12 sets out the net debt position of Bravura as at 30 June 2016, on a statutory basis (before Completion) and on a pro forma basis (following Completion). This information is extracted from the Statutory Historical Statement of Financial Position and the Pro Forma Historical Statement of Financial Position.

Table 4.12: Statutory and pro forma net debt as at 30 June 2016

As at 30 June 2016, A$m	Notes	Statutory	Pro forma	Change
Cash and cash equivalents	1	**29.1**	**3.0**	**(26.1)**
Current borrowings	2,3	12.0	-	(12.0)
Non-current borrowings	2,3	49.9	-	(49.9)
Ironbridge Redeemable Preference Shares	1	59.7	-	(59.7)
Total debt		**121.6**	**-**	**(121.6)**
Net debt		**92.5**	**(3.0)**	**(95.5)**

1. Pro forma cash and cash equivalents as at 30 June 2016 are based on the Pro Forma Historical Statement of Financial Position. The redemption of the Ironbridge Redeemable Preference Shares is estimated to be $62.7 million at Completion, with additional proceeds raised in the Offer to cover the additional $3.0 million (above $59.7 million as at 30 June 2016).
2. A summary of the New Banking Facilities is contained in Section 4.11.
3. Current and non-current borrowings exclude capitalised transaction costs which are presented net against borrowings in the Statutory Historical Statement of Financial Position and Pro Forma Historical Statement of Financial Position.

4.6 Constant currency analysis

Table 4.13 provides a constant currency analysis of revenue (including on a segment basis) and EBITDA to understand the impact of movements in foreign currency rates on the Company's historical operational performance.

The constant currency analysis has been prepared by applying constant foreign exchange rates across the historical period using the foreign exchange rate used to prepare the Forecast Financial Information. The constant currency analysis has been prepared for illustrative purposes and should be considered with the Statutory Financial Information and the Pro Forma Financial Information presented in this Prospectus. Refer to Section 4.8.2.8 for the foreign exchange rates used to prepare the Forecast Financial Information and Section 5, in particular 5.2.3 and 5.3.1 in relation to foreign exchange risks.

Table 4.13: Key pro forma historical and forecast results on a constant currency basis

		Pro Forma Historical Results			Pro Forma Forecast Results
June year end, A$m	Notes	FY2014	FY2015	FY2016	FY2017F
Constant currency					
Wealth Management revenue		57.5	71.2	90.4	121.6
Funds Administration revenue		71.3	66.5	69.1	66.0
Revenue	1	**128.9**	**137.7**	**159.5**	**187.6**
EBITDA	1	**15.8**	**12.4**	**12.3**	**32.3**

1. Revenue and EBITDA includes the impact of significant items relating to onerous contracts. Refer to Sections 4.7.3.2 for further discussion of Lighthouse Contracts, significant items, Operating Revenue and Operating EBITDA.

4.7 Management discussion and analysis of the Pro Forma Financial Information

This Section 4.7 includes a discussion of key factors that affected Bravura's operations and relative financial performance over FY2014, FY2015 and FY2016 and a discussion of key factors and assumptions underpinning the forecast financial performance in FY2017F. Comments relating to the forecast financial performance in FY2017F should be read in conjunction with the key forecast assumptions set out in Section 4.8.

Comments relating to the forecast financial performance in FY2017F should be read in conjunction with the basis of preparation of the Forecast Financial Information in Section 4.2.4 which in particular refers to key forecast assumptions set out in Section 4.8 and the risk factors set out in Section 5. Refer also to Section 4.6 which provides a background on the constant currency figures described below.

The discussion in this Section 4.7 focuses on the Pro Forma Financial Information. The discussion of the key factors is intended to provide a brief summary only, and does not detail all factors that affected Bravura's historical operating and financial performance, nor everything that may affect Bravura's operations and financial performance in the future.

4.7.1 Revenue

As discussed in Section 3.4.2, Bravura derives three main types of revenues. The revenue recognition treatment of these revenue types is summarised in Table 4.14.

Table 4.14: Summary of revenue recognition treatment of Bravura's key types of revenue

Revenue	Revenue recognition
Licence fees	• Licence fees are recognised either: – upfront upon contract signing and delivery of the software or achievement of pre-defined milestones, recognised at the present value of the related future contractual revenue streams; or – over the term of the contract if a term licence payment is rateably over the term of the contract, unless the full licence fee has been paid upfront.
Maintenance/hosting/ support fees	• Maintenance/hosting/support fees are recognised rateably over the life of the contract (i.e. as though these services are provided evenly across the contracted service period).
Professional services fees	• Professional services are undertaken predominantly on a time and materials basis, or occasionally under fixed fee arrangements: – time and materials revenue is recognised based upon actual time spent in performing the contracted services at contracted rates; and – fixed fee revenue is recognised on a percentage of completion basis, calculated monthly.

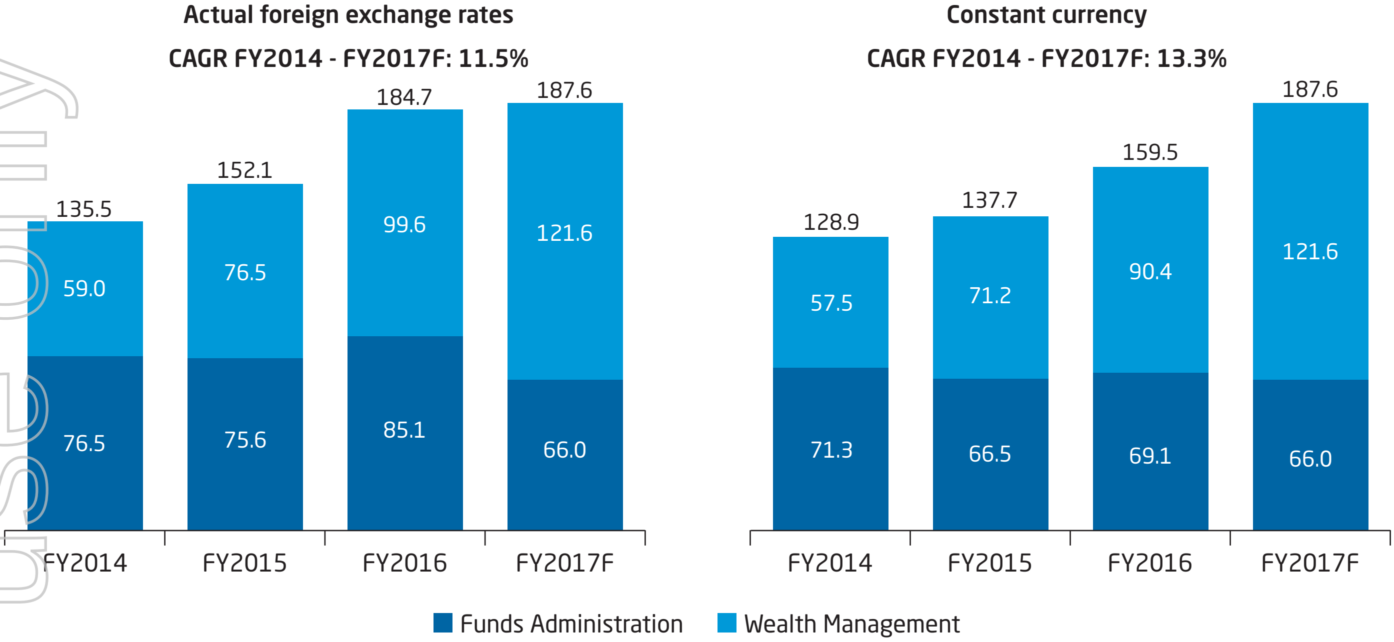
See Appendix A for further detail of Bravura's revenue recognition policies.

Bravura generates this revenue from both existing clients and new clients. Revenue may comprise licence fees and maintenance/hosting/support fees, as well as professional services fees which have been agreed to be provided under existing contracts for agreed amounts or rates, and revenue for additional professional services in connection with an existing contract. This revenue is described as Revenue from Existing Clients. Revenue may also be derived from new sales from the Company's pipeline opportunities. This revenue is described as New Sales Revenue. In FY2017F, total forecast revenue is expected to comprise 82% of Revenue from Existing Clients and 18% of New Sales Revenue.

The pipeline opportunities, and timing of receipt and volume of revenues (which can include licence fees which are recognised at the commencement of the contract) from new sales, can vary throughout a particular year and between years. For example, Bravura is currently expecting to generate approximately 55% and 45% of FY2017F EBITDA during the first half and second half of FY2017F respectively; however, these proportions may alter particularly depending on the timing, nature and volume of new sales, and are likely to differ in future years.

Figure 4.1 illustrates historical and forecast revenue over FY2014 to FY2017F on an actual foreign exchange rate and constant currency basis.

Figure 4.1: Revenue on an actual foreign exchange rate and constant currency basis – FY2014 to FY2017F (A$m)[1]



1. Based on the Pro Forma Financial Information. Constant currency analysis has been prepared by applying constant foreign exchange rates across the historical period using the foreign exchange rate used to prepare the Forecast Financial Information. Actual foreign exchange rates represent foreign currency transactions translated into AUD using the exchange rates prevailing at the dates of the transactions.

Bravura's total revenue is expected to increase from $135.5million in FY2014 to $187.6 million in FY2017F at a CAGR of 11.5%.

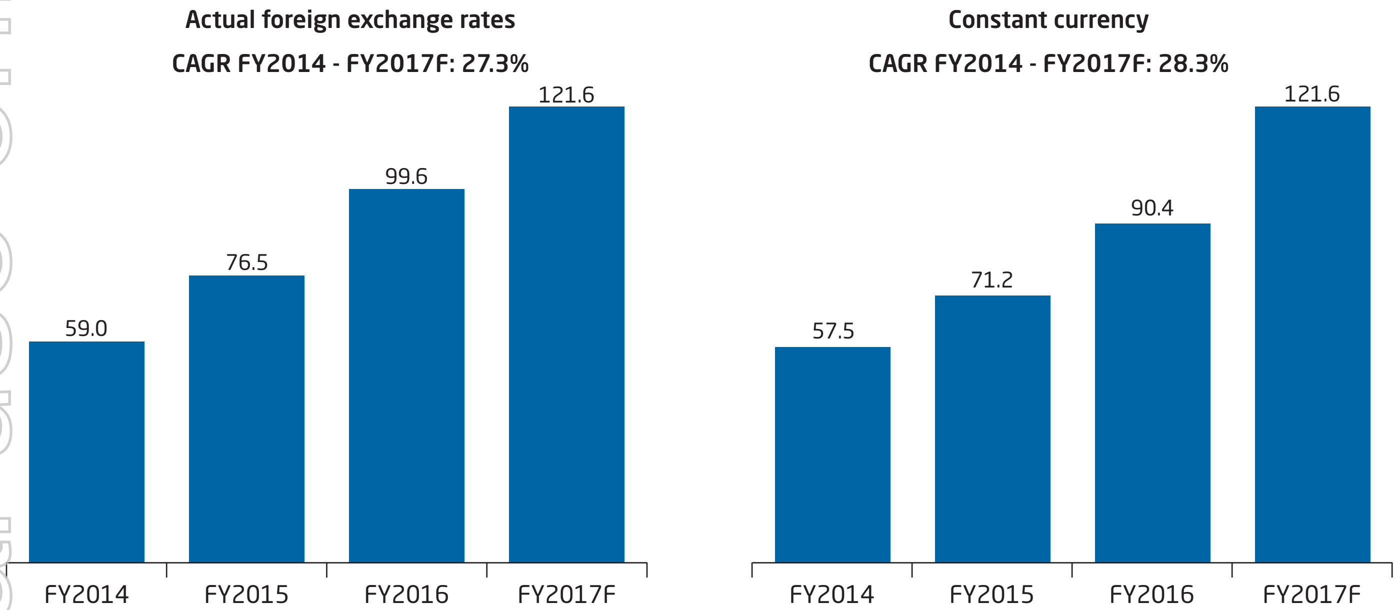
This revenue growth is a result of the continued roll out of Sonata, with each additional client adding predictable maintenance/hosting/support fee revenue and licence fee revenue, and with Bravura realising higher professional services day rates and volumes. This revenue growth has been underpinned by relatively stable, high margin revenue generated from clients who continue to use Bravura's other Wealth Management and Funds Administration products. Bravura's forecast revenue growth is expected to continue to be driven by Sonata.

The constant currency analysis illustrates that, once adjusted for constant currency, the forecast level of revenue growth in Wealth Management in FY2017F is similar to the level of growth achieved in FY2016, and the year-to-year revenue fluctuations in the Funds Administration business are low.

4.7.1.1 Wealth Management

Figure 4.2 illustrates historical and forecast Wealth Management segment revenue over FY2014 to FY2017F on an actual foreign exchange rate and constant currency basis.

Figure 4.2: Wealth Management revenue on an actual foreign exchange rate and constant currency basis – FY2014 to FY2017F (A$m)[1]



1. Based on the Pro Forma Financial Information. Constant currency analysis has been prepared by applying constant foreign exchange rates across the historical period using the foreign exchange rate used to prepare the Forecast Financial Information. Actual foreign exchange rates represent foreign currency transactions translated into AUD using the exchange rates prevailing at the dates of the transactions.

From FY2014 to FY2015, the Company reported an increase in Wealth Management revenue of $17.6 million (29.8 %) to $76.5 million from $59.0 million. Key factors contributing to revenue growth in FY2015 included:

- relatively stable licence and maintenance/hosting/support fees from the 10 existing Sonata clients contracted prior to 1 July 2014 and Bravura's clients on other Wealth Management products (as at 30 June 2014); and
- growth in professional services revenue associated with:
  - two new Sonata implementations with new clients in FY15, being one in APAC and one in EMEA; and
  - the continuation of professional services provided in relation to two ongoing Sonata implementations commenced with existing clients in FY2014.

Revenue in FY2014 and FY2015 was particularly impacted by discounted rates provided to early adopters of Sonata who contracted under Lighthouse Contracts which were used by Bravura to generate reference sites for Sonata in APAC and EMEA, and develop the functionality of Sonata. Refer to Section and 4.7.3 for further detail.

This trend of revenue growth continued in FY2016, with Bravura reporting an increase in Wealth Management revenue of $23.1 million (30.1%) to $99.6 million from $76.5 million, driven by:

- relatively stable maintenance/hosting/support fees from the 12 existing Sonata clients contracted prior to 1 July 2015 and Bravura's clients on other Wealth Management products;
- growth in professional services revenue associated with:
  - four new Sonata implementations with new clients in FY16, being three in APAC and one in EMEA;
  - continuation of professional services provided in relation to two Sonata implementations commenced with existing clients in FY2015; and
  - higher realised day rates due to the Sonata product functionality maturing, and Bravura leveraging Sonata's reputation through its improved brand awareness as a result of the early Sonata implementations under Lighthouse Contracts; and
- growth in licence fees as a result of the new Sonata implementations and licence renewals from existing clients on Sonata and Bravura's clients on other Wealth Management products.

Further growth is expected in FY2017F, with the Company expecting an increase in Wealth Management revenue of $22.0 million (22.1%) to $121.6 million from $99.6 million, driven by the same key drivers that drove revenue growth in FY2016, in particular relating to winning additional Sonata implementations and achieving higher realised day rates for existing and new Sonata clients.

Table 4.15 shows the average revenue per Sonata client increasing over FY2014 to FY2016. The average revenue is expected to continue to increase due to: (i) each additional Sonata client adding predictable maintenance/hosting/support fees, (ii) Bravura realising higher professional services day rates and (iii) Sonata being used for new lines of business for existing clients.

Table 4.15: Average revenue per Sonata client – FY2014 to FY2016[1]

	Historical		
June year end, A$m	FY2014	FY2015	FY2016
Sonata revenue	**22.1**	**41.4**	**66.8**
No. of customers (#)	10	12	16
Average revenue per Sonata client	**2.2**	**3.4**	**4.2**

1. Based on the Pro Forma Financial Information.

4.7.1.2 Funds Administration

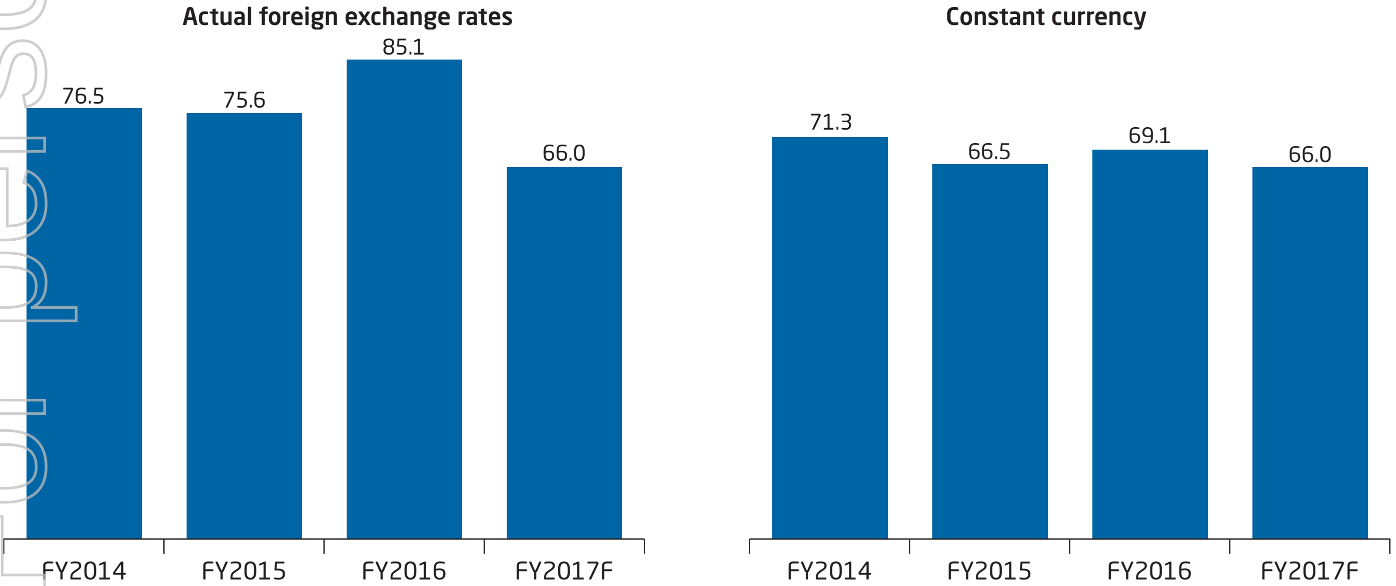
The majority of Funds Administration revenue in a given year is driven by relatively stable maintenance, hosting and support fees and professional services fees from 11 existing clients (as at 30 June 2016).

Year-to-year fluctuations in Funds Administration are primarily driven by significant fluctuations in the GBP/AUD foreign exchange rate, with all Funds Administration clients based in EMEA, and additional licence fees generated from licence renewals across the client base that occur on a one to two year basis.

In FY2017F, Funds Administration revenue is expected to decrease by $19.1 million (22.5%) to $66.0 million from $85.1 million in FY2016, primarily as a result of the material decline in the GBP/AUD foreign exchange rate (approximately $16.0 million impact), and also as a result of lower licence fees and lower realised professional services day rates due to a reduction in forecast attached revenue (refer to Section 4.8.2.1 for definition of attached revenue) from certain clients (approximately $4.7 million).

Figure 4.3 illustrates historical and forecast Funds Administration segment revenue over FY2014 to FY2017F on an actual foreign exchange rate and constant currency basis.

Figure 4.3: Funds Administration revenue on an actual foreign exchange rate and constant currency basis – FY2014 to FY2017F (A$m)[1]

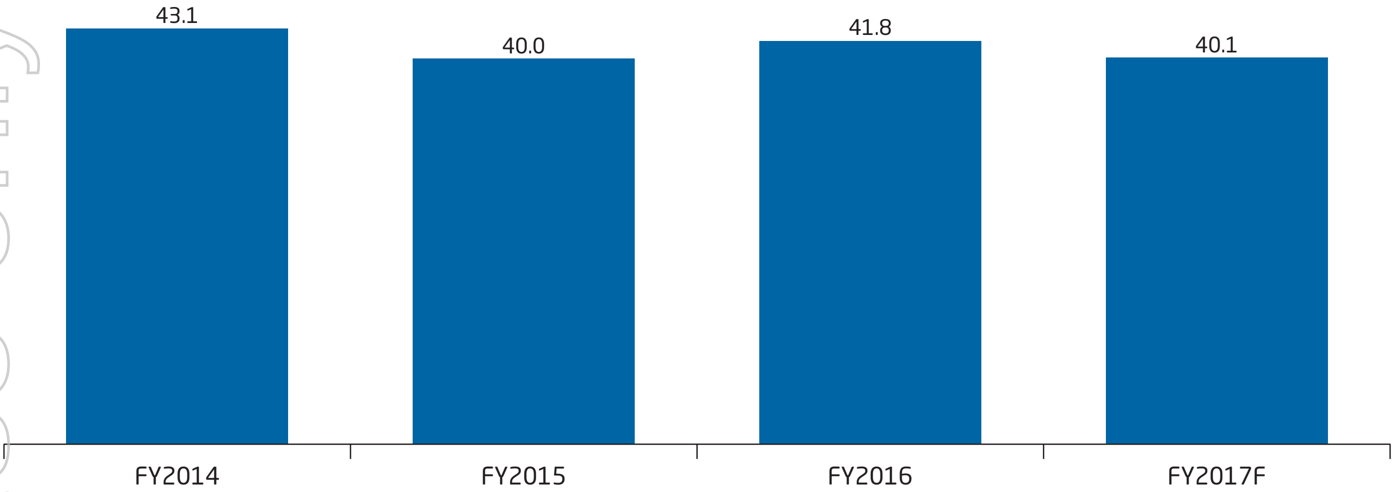


1. Based on the Pro Forma Financial Information. Constant currency analysis has been prepared by applying constant foreign exchange rates across the historical period using the foreign exchange rate used to prepare the Forecast Financial Information. Actual foreign exchange rates represent foreign currency transactions translated into AUD using the exchange rates prevailing at the dates of the transactions.

From FY2014 to FY2017F, Funds Administration revenue has been, and is expected to continue to be, relatively stable in GBP, driven by a 'sticky' client base supported by medium to long-term contracts. Revenue has remained relatively stable at approximately GBP40 million year on year. FY2014 and FY2016 revenue of GBP43.1 million and GBP41.8 million respectively was slightly higher due to material one-off licence renewals from a number of customers in those periods.

Figure 4.4 shows the Funds Administration historical and forecast revenue in GBP over FY2014 to FY2017F.

Figure 4.4: Funds Administration revenue – FY2014 to FY2017F (GBPm)[1]



1. Based on the Pro Forma Financial Information.

4.7.2 Operating expenses

Bravura's operating expense categories are set out in Table 4.16.

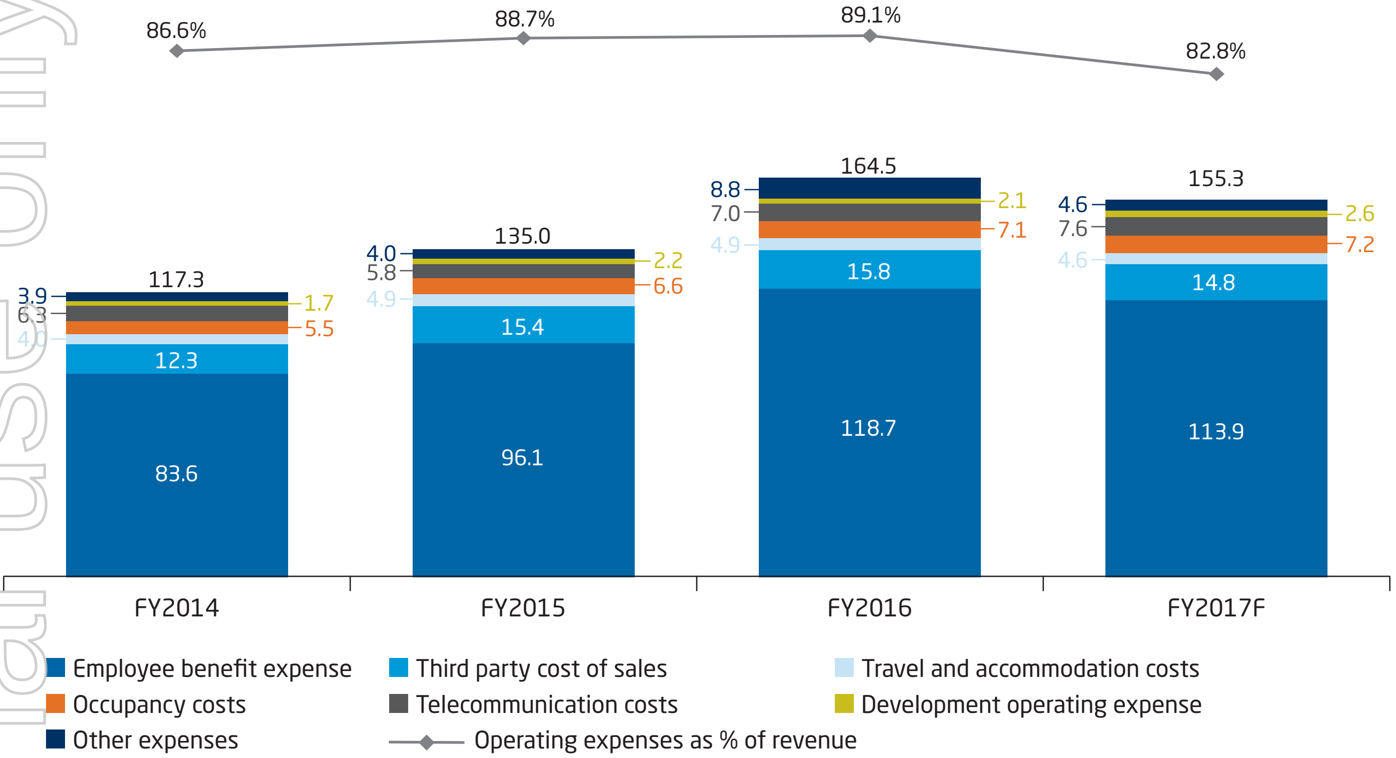
Table 4.16: Bravura's operating expense categories

Operating expenses	Description
Employee benefit expense	• Expenses associated with the wages and salaries, sales commissions, and bonuses of all Bravura staff, as well as superannuation, pension and national insurance contributions and le ave and staff recruitment expenses • Employee benefit expense comprises the largest category of operating expenses for Bravura
Third party costs of sales	• Expenses related to computer software and licence costs, as well as computer infrastructure and hardware costs related to the hosting of client data (recharged to clients)
Travel and accommodation costs	• Expenses related to employee travel and accommodation
Occupancy costs	• Expenses associated with Bravura's premises, including rental and utility expenses linked to Bravura's premises as well as general office expenses comprising staff amenities, postage, printing and stationery
Telecommunication costs	• Expenses related to internet and telephone costs, IT hardware infrastructure costs and IT software costs
Development operating expense	• Development operating expense relates to projects which are not expected to generate future additional revenue and include improving the technical currency of Sonata and updating product documentation and learning materials • Development operating expense does not relate to development expenditure of specific client-funded projects or development costs for projects that are expected to generate future revenue, which are capitalised • Refer to Section 4.7.4.2 for further detail on capitalised development expenditure and development costs and revenue
Other expenses	• Expenses related to sales and marketing costs associated with business development, sales generation, pre-sales tender process and marketing activities, as well as board, insurance, consultants, audit, bank charges and merchant fees

Further detail on the key operating expense categories is set out below.

Figure 4.5 illustrates total operating expenses and total operating expenses as a percentage of revenue over FY2014 to FY2017F.

Figure 4.5: Operating expenses (A$m) and operating expenses as percentage of revenue (%) – FY2014 to FY2017F[1]



1. Based on the Pro Forma Financial Information.

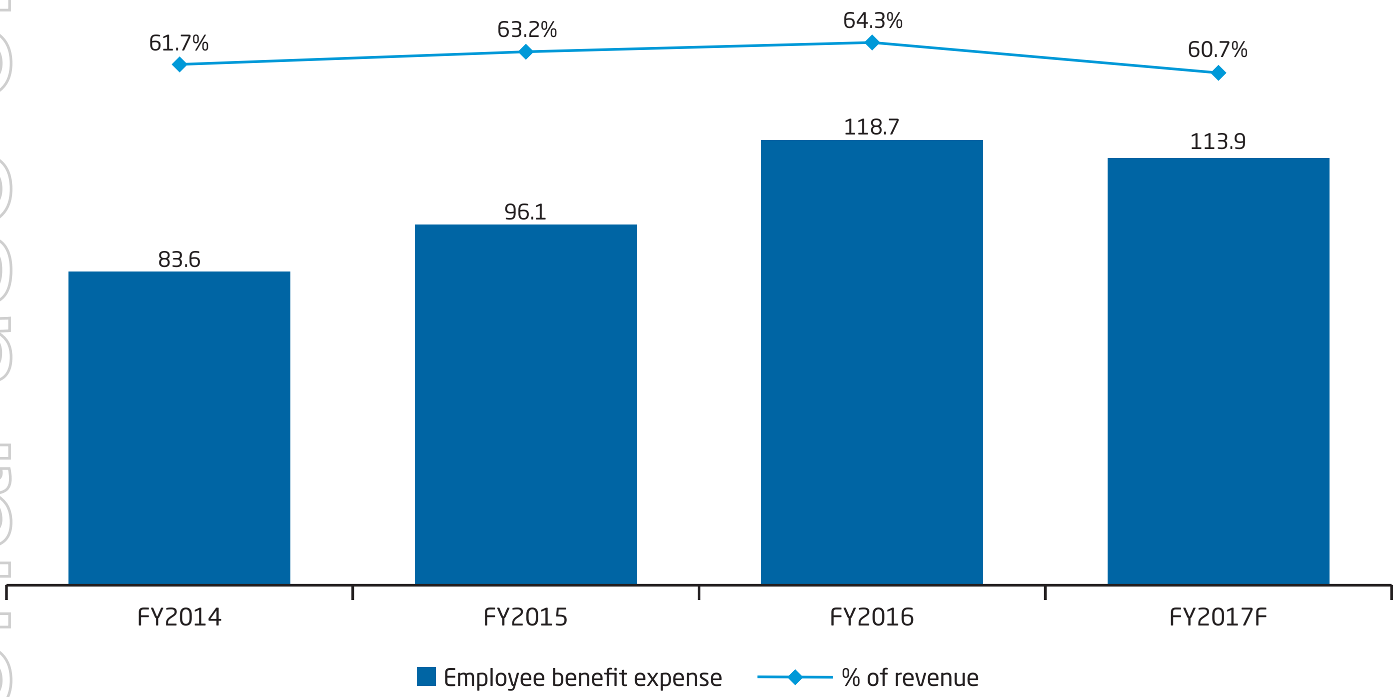
Total operating expenses as a percentage of total revenue is expected to decrease from 86.6 % in FY2014 to 82.8% in FY2017F, primarily as a result of operating leverage achieved by adding new Sonata clients on a relatively fixed maintenance and support cost base and forecast revenue growth over the period.

4.7.2.1 Employee benefit expense

Employee benefit expense represents the largest operating cost of Bravura (73.3% of FY2017F operating expenses). The largest component of employee benefit expense is consulting and development labour costs.

Figure 4.6 illustrates the total employee benefit expense over FY2014 to FY2017F.

Figure 4.6: Employee benefit expense – FY2014 to FY2017F (A$m)[1]



1 Based on the Pro Forma Financial Information.

Table 4.17 provides key FTE metrics over FY2014 to FY2017F.

Table 4.17: Average FTEs and revenue per FTE – FY2014 to FY2017F

		Historical			Forecast
June year end, A$000	Notes	FY2014	FY2015	FY2016	FY2017F
Average FTEs (#)		755.6	869.9	934.6	1,008.4
Average revenue per FTE		179.3	174.8	197.6	186.0
Average revenue per FTE on constant currency basis	1	170.6	158.3	170.7	186.0

1. Average revenue per FTE calculated based on constant currency basis by applying constant foreign exchange rates across the historical period using the foreign exchange rate used to prepare the Forecast Financial Information.

Employee benefit expense increased $12.5 million (14.9%) to $96.1 million in FY2015 from $83.6 million in FY2014, primarily due to an investment by Bravura in additional FTE headcount to expand the consulting and development capacity of Bravura to support the significant growth in clients with Sonata implementations during the period and corresponding demand for consulting and development services. The Company was also able to generate efficiencies and improve utilisation in FTE headcount supporting its Funds Administration and other Wealth Management products by reallocating approximately 12 FTEs to support the growing number of Sonata clients.

In FY2016, employee benefit expense increased by $22.6 million (23.5%) to $118.7 million from $96.1 million in FY2015, primarily driven by further FTE headcount. Bravura invested significantly in hiring 69 additional consulting and development FTEs during FY2016 to support existing Sonata clients and Sonata clients won during the period, and scale up the business to ensure Bravura has the capacity to meet expected future growth in Sonata clients. Bravura also invested in additional sales and marketing FTEs to facilitate the continuing growth in new Sonata clients. The sales and marketing team is responsible for business development, sales generation, pre-sales tender process and marketing activities.

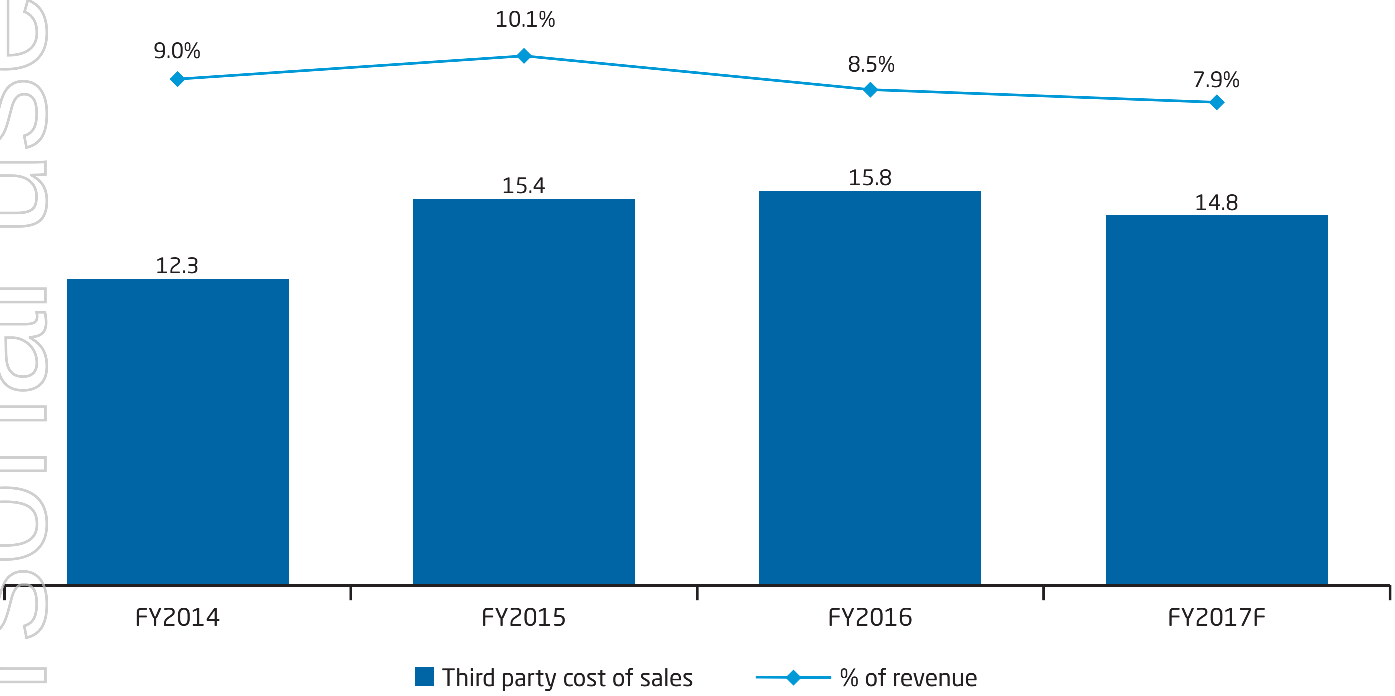
For FY2017F, the Forecast Financial Information expects employee benefit expense to remain largely stable, decreasing $4.8 million (4.1%) to $113.9 million from $118.7 million in FY2016. This reflects an additional four FTEs in the sales and marketing team to facilitate the continuing growth in new Sonata clients. Management believes this level of sales and marketing FTEs is sufficient to meet the future expected sales strategy of the business and is not expected to grow substantially in the future. The number of consulting and development FTEs is also expected to increase by 19 in FY2017F, primarily to facilitate the new Sonata implementations expected in FY2017F. The rate of FTE growth is expected to slow as fewer FTEs are required to support the growth of Sonata clients as employees achieve higher utilisation due to an increase in knowledge, training and experience.

This incremental increase in FTEs in FY2017F is expected to be offset by a reduction in salary costs for FTEs outside of Australia due to recent foreign exchange movements, primarily with respect to the United Kingdom.

4.7.2.2 Third party cost of sales

Figure 4.7 illustrates the total third party cost of sales over FY2014 to FY2017F.

Figure 4.7: Third party cost of sales – FY2014 to FY2017F (A$m)[1]



1. Based on the Pro Forma Financial Information.

Third party cost of sales increased $3.2 million (25.9%) to $15.4 million in FY2015 from $12.3 million in FY2014. The significant increase in third party cost of sales in this period was primarily due to an increase in the allocation of telecommunications costs to cost of sales and a significant investment by Bravura in maintenance and hosting infrastructure for Sonata to support existing Sonata clients and Sonata clients won during the period, and scale up the business to ensure the Company has the capacity to meet the expected future growth in Sonata clients.

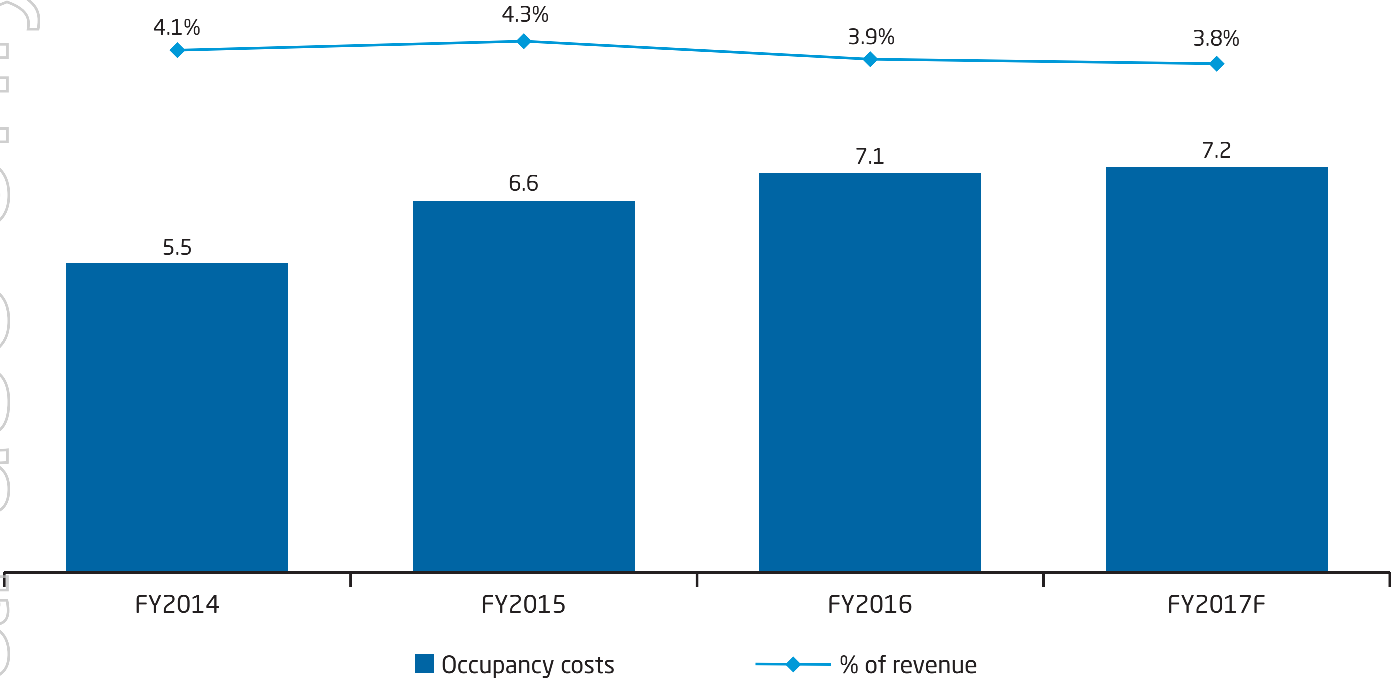
Third party cost of sales remained relatively flat in FY2016, increasing only $0.4 million (2.3%) to $15.8 million from $15.4 million in FY2015. This is because the scale up of the maintenance and hosting infrastructure for Sonata had been largely completed in FY2015.

Third party cost of sales is forecast to decrease $1.0 million (6.3%) to $14.8 million in FY2017F from $15.8 million in FY2016, primarily as a result of the material decline in the GBP/AUD foreign exchange rate and reflecting the increase in infrastructure in the prior historical periods and operating leverage generated by the business.

4.7.2.3 Occupancy costs

Figure 4.8 illustrates the total occupancy costs over FY2014 to FY2017F.

Figure 4.8: Occupancy costs – FY2014 to FY2017F (A$m)[1]



1. Based on the Pro Forma Financial Information.

Occupancy costs increased by $1.1 million (19.3%) to $6.6 million in FY2015 from $5.5 million in FY2014. The increase in occupancy costs related to annual contracted increases in rent expense and associated utilities expense for existing contracts, and to an increase in consulting and development FTE headcount and associated increase in office space in development centres in India and New Zealand.

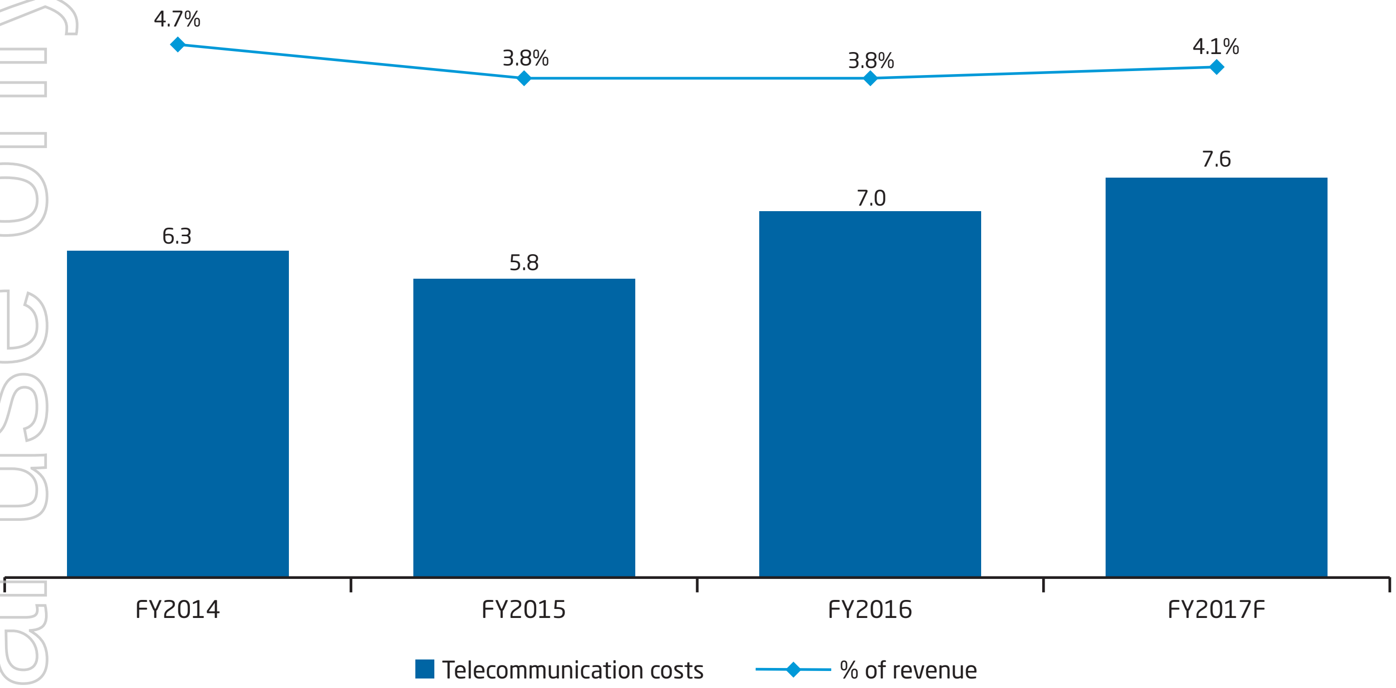
This trend continued in FY2016, with occupancy costs increasing $0.5 million (8.9%) to $7.1 million from $6.6 million in FY2015.

Occupancy costs are forecast to increase in FY2017F, increasing $0.1 million (1.0%) to $7.2 million from $7.1 million in FY2016, due to an increase in occupancy costs largely as a result of annual contracted increases in rent expense and associated utilities expense under existing contracts.

4.7.2.4 Telecommunication costs

Figure 4.9 illustrates the total telecommunication costs over FY2014 to FY2017F.

Figure 4.9: Telecommunication costs – FY2014 to FY2017F (A$m)[1]



1. Based on the Pro Forma Financial Information.

Telecommunication costs decreased by $0.5 million (8.2%) to $5.8 million in FY2015 from $6.3 million in FY2014, largely due to an increase in the allocation of telecommunications costs to costs of sales. This allocation method was revised from FY16 onwards.

Telecommunication costs increased by $1.2 million (21.4%) to $7.0 million in FY2016 from $5.8 million in FY2015, primarily driven by an increase in computer infrastructure to build and support business continuity and disaster recovery systems for the Company's corporate systems, and an increase in the telecommunication services required to support the growth in the Sonata infrastructure.

Telecommunication costs are forecast to increase by $0.6 million (8.8%) to $7.6 million in FY2017F from $7.0 million in FY2016, due to investment in infrastructure and associated internet and telephone expenses to support the growth in the business.

4.7.2.5 Development operating expense

Development operating expense accounts for approximately 2% of operating expenses and represents a small fraction of the total development expenditure and development incurred by Bravura.

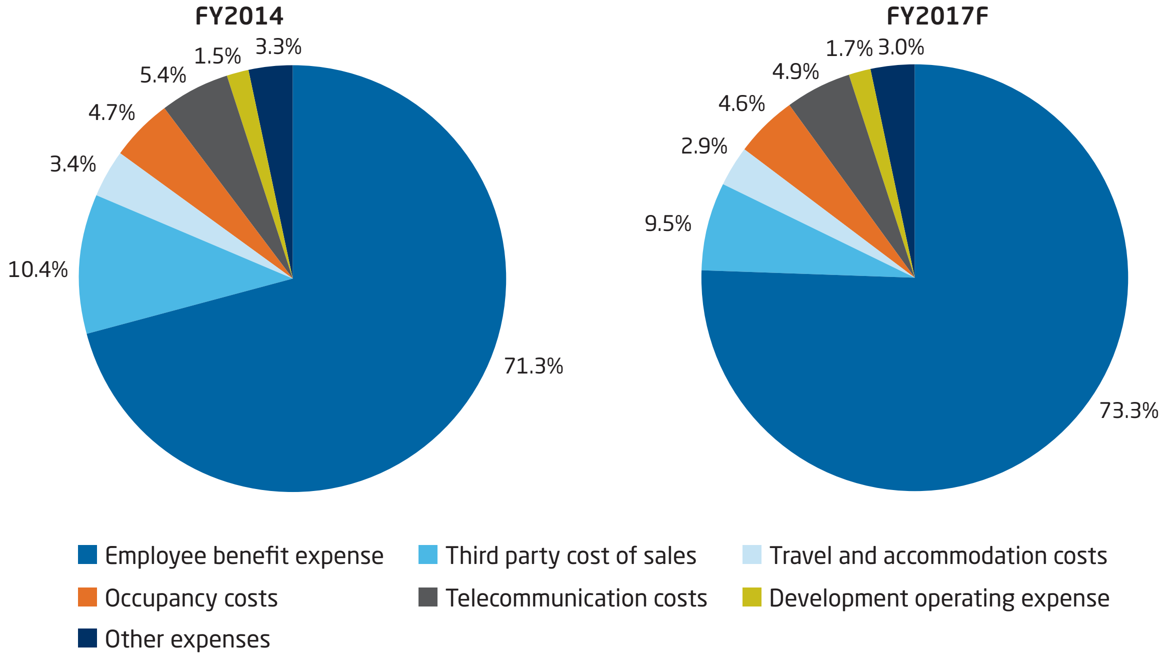
Bravura's development costs are increasingly client-funded through specific client upgrades. Refer to Section 4.7.4 for a further discussion on development expenditure and Sonata development costs and Sonata development revenue more generally.

4.7.2.6 Operating expenses mix

As the business continues to grow and win new business, the mix of operating expenses has moved to represent more employee benefit expense because the Company has primarily added more consulting and development FTEs to the business, and because the other operating expenses have been scaled to meet the continued growth of Sonata. This change in mix has contributed to Bravura's margin expansion over the period because consulting and development FTEs are revenue generating FTEs and the remaining operating expenses are more fixed in nature.

Figure 4.10 illustrates the change in mix of the contribution of each cost item to operating expenses in FY2014 and FY2017F.

Figure 4.10: Operating expenses by expense category in FY2014 and FY2017F (%)[1]



1. Based on the Pro Forma Financial Information.

4.7.3 Operating EBITDA

4.7.3.1 Introduction to Operating EBITDA

The Company considers Operating EBITDA (EBITDA before significant items) an appropriate measure of underlying business performance, which is consistent with how the Company expects the business to perform on an ongoing basis.

Tables 4.18 sets out a reconciliation of EBITDA to Operating EBITDA over FY2014 to FY2017F.

Table 4.18: Reconciliation of EBITDA to Operating EBITDA – FY2014 to FY2017F

	Historical			Forecast
June year end, A$m	FY2014	FY2015	FY2016	FY2017F
EBITDA	18.2	17.1	20.2	32.3
Significant items	(1.9)	1.1	7.8	-
Operating EBITDA	**16.3**	**18.3**	**28.0**	**32.3**

Section 4.7.3.2 sets out a discussion of the impact of the significant items on the Pro Forma Historical Financial Information.

4.7.3.2 Significant items

In FY2013 and FY2014, Bravura entered into a number of Lighthouse Contracts to create reference sites for the new Sonata product in APAC and EMEA.

These Lighthouse Contracts were entered into with early adopters of Sonata on fixed price implementations and/or client favourable maintenance and support terms and were priced to encourage early adopters to migrate onto Sonata. These were loss making contracts for Bravura.

Three of these Lighthouse Contracts are expected to be loss making in FY2017F and have been treated by Bravura as onerous contracts for accounting purposes in the FY2016 Statutory Historical Results. The contribution of these onerous contracts in the Statutory Historical Results and the recognition of the provision in the Statutory Historical Results in FY2016 have been presented as significant items to illustrate Bravura's historical earnings excluding the effect of these onerous contracts on revenue and EBITDA.

Table 4.19 sets out the significant items. No adjustments for significant items are expected for FY2017F.

Table 4.19: Significant items – FY2014 to FY2017F

		Historical			Forecast
June year end, A$m	Notes	FY2014	FY2015	FY2016	FY2017F
Revenue	1	4.5	6.0	2.9	-
Employee benefit expense		(2.4)	(6.6)	(6.8)	(1.6)
Occupancy costs		(0.1)	(0.2)	(0.2)	-
Telecommunication costs		(0.1)	(0.2)	(0.2)	-
Other expenses		-	(0.1)	(0.1)	-
Total operating expenses		(2.6)	(7.1)	(7.3)	(1.6)
Onerous contracts	2	**1.9**	**(1.1)**	**(4.4)**	**(1.6)**
Onerous contract provision	3	**-**	**-**	**(3.4)**	**1.6**
Significant items		**1.9**	**(1.1)**	**(7.8)**	**-**

1. Revenue from the three onerous contracts presented in significant items.
2. Aggregate contribution of the onerous contracts over the periods FY2014 to FY2016 represents all revenue and unavoidable costs of these onerous contracts recognised in the Statutory Historical Results over the periods FY2014 to FY2016 and the aggregate contribution of the onerous contracts in FY2017F represents all unavoidable costs forecast in the Statutory Forecast Results in FY2017F.
3. An onerous contract provision was recognised in the Statutory Historical Statement of Financial Position as at 30 June 2016 and represents the expected losses arising from the three onerous contracts (one contract in EMEA and two contracts in APAC) post 30 June 2016 through to contract end date, all of which end prior to May 2019. The three contracts have been identified by the Directors as onerous, as the unavoidable costs of meeting the obligations under each contract exceed the revenue expected to be received over the remaining life of that contract. The onerous contract provision was expensed in the FY2016 Statutory Historical Results.
   - The onerous contract in EMEA was Bravura's first United Kingdom implementation of Sonata in the life and pension market. The contract was for a fixed price in order to promote and gain user acceptance of Sonata in the United Kingdom life and pension market.
   - The two onerous contracts in APAC were early adopters of Sonata in Australia's superannuation market where favourable pricing to the client was agreed.

   The onerous contract provision of $3.4 million recognised as at 30 June 2016 is forecast to be partly utilised in FY2017F (with an expected cash cost of $1.6 million) to offset against losses arising from the three onerous contracts expected in FY2017F.

Following Bravura's Lighthouse Contracts, Bravura has since won a number of new Sonata clients on profitable commercial terms. Bravura now has a track record of winning Sonata clients and renewing existing contracts on a profitable time and materials basis, and considers the Lighthouse Contracts to be non-recurring in nature.

Table 4.20 sets out a reconciliation of revenue to Operating Revenue and EBITDA to Operating EBITDA over FY2014 to FY2017F to show the effect of significant item revenue on historical revenue.

Table 4.20: Reconciliation of revenue to Operating Revenue – FY2014 to FY2017F

		Historical			Forecast
June year end, A$m	Notes	FY2014	FY2015	FY2016	FY2017F
Revenue		**135.5**	**152.1**	**184.7**	**187.6**
Significant items revenue	1	(4.5)	(6.0)	(2.9)	-
Operating Revenue		**131.0**	**146.1**	**181.8**	**187.6**

1. Revenue of the three onerous contracts over the periods FY2014 to FY2016 has been classified as a significant item.

4.7.3.3 Operating Revenue and Operating EBITDA operating metrics

As described in Section 4.7.3.2, since entering into the Lighthouse Contracts, Bravura has renewed and won a number of Sonata contracts on a profitable time and materials basis and the Company considers revenue and EBITDA before significant items (Operating Revenue and Operating EBTIDA respectively) an appropriate measure of underlying business performance which is consistent with how the Company expects the business to perform on an ongoing basis.

Table 4.21 sets out the key Operating Revenue and Operating EBITDA operating metrics over FY2014 to FY2017F.

Table 4.21: Key Operating Revenue and Operating EBITDA operating metrics – FY2014 to FY2017[1]

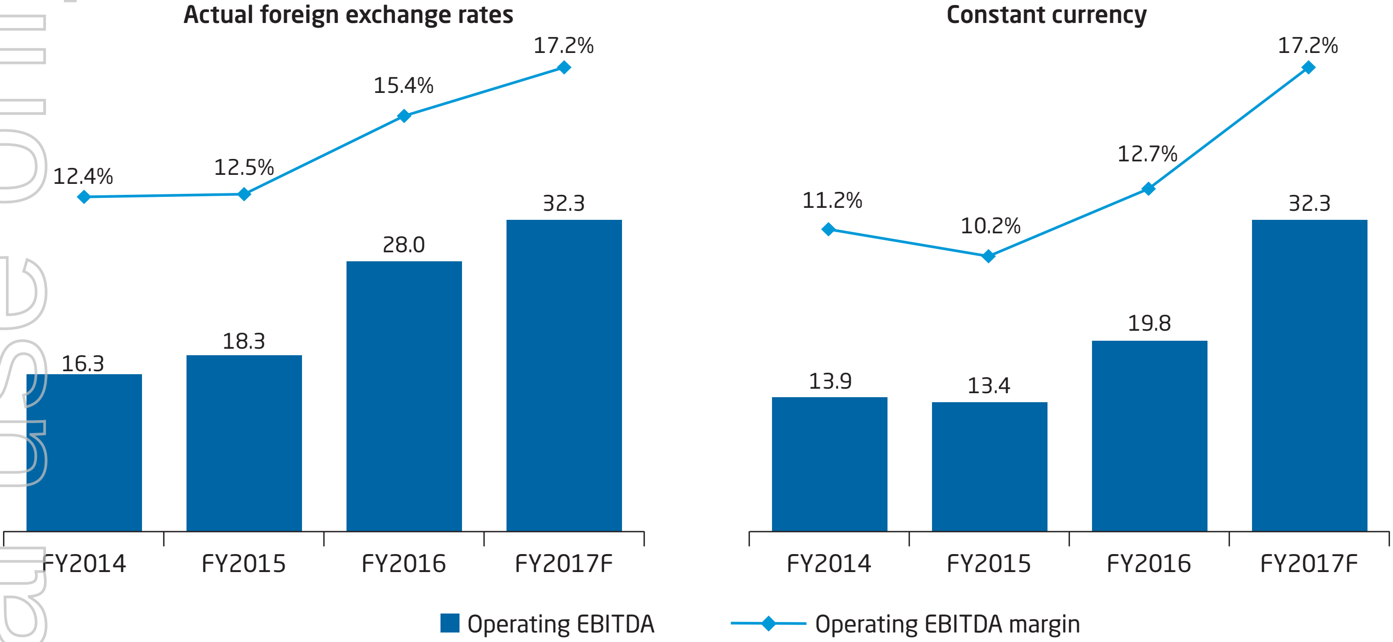
	Historical			Forecast
June year end, A$m	FY2014	FY2015	FY2016	FY2017F
Actual foreign exchange rates				
Wealth Management Operating Revenue	54.5	70.5	96.7	121.6
Funds Administration Operating Revenue	76.5	75.6	85.1	66.0
Operating Revenue	**131.0**	**146.1**	**181.8**	**187.6**
Wealth Management Operating Revenue growth		*29.5%*	*37.1%*	*25.8%*
Funds Administration Operating Revenue growth		*(1.2)%*	*12.6%*	*(22.5)%*
Operating Revenue growth		*11.6 %*	*24.4 %*	*3.2 %*
Wealth Management Segment Operating EBITDA	10.7	9.9	17.8	30.3
Funds Administration Segment Operating EBITDA	27.0	31.2	40.2	30.5
Segment Operating EBITDA	**37.7**	**41.1**	**58.0**	**60.8**
Wealth Management Segment Operating EBITDA growth		*(7.3)%*	*79.1%*	*70.0%*
Funds Administration Segment Operating EBITDA growth		*15.6%*	*28.9%*	*(24.1)%*
Segment Operating EBITDA growth		*9.1%*	*41.0%*	*4.8%*
Wealth Management Segment Operating EBITDA margin	*19.7%*	*14.1%*	*18.4%*	*24.9%*
Funds Administration Segment Operating EBITDA margin	*35.3%*	*41.3%*	*47.2%*	*46.2%*
Segment Operating EBITDA margin	*28.8%*	*28.1%*	*31.9%*	*32.4%*
Corporate Costs	(21.4)	(22.8)	(30.0)	(28.5)
Operating EBITDA	**16.3**	**18.3**	**28.0**	**32.3**
Operating EBITDA growth		*12.8%*	*52.9%*	*15.2%*
Operating EBITDA margin	*12.4%*	*12.5%*	*15.4%*	*17.2%*
Constant currency (refer to Section 4.6)				
Wealth Management Operating Revenue	53.1	65.4	87.6	121.6
Funds Administration Operating Revenue	71.3	66.5	69.1	66.0
Operating Revenue	**124.5**	**131.9**	**156.7**	**187.6**
Wealth Management Operating Revenue growth		*23.2%*	*33.9%*	*38.8%*
Funds Administration Operating Revenue growth		*(6.8)%*	*3.9%*	*(4.4)%*
Operating Revenue growth		*6.0%*	*18.7%*	*19.7%*
Operating EBITDA	**13.9**	**13.4**	**19.8**	**32.3**
Operating EBITDA growth		*(3.5)%*	*47.8%*	*62.7%*
Operating EBITDA margin	*11.2%*	*10.2%*	*12.7%*	*17.2%*

1. Based on the Pro Forma Financial Information before significant items. Constant currency analysis has been prepared by applying constant foreign exchange rates across the historical period using the foreign exchange rate used to prepare the Forecast Financial Information. Actual foreign exchange rates represent foreign currency transactions translated into AUD using the exchange rates prevailing at the dates of the transactions.

Bravura's Operating EBITDA is expected to increase from $16.3 million in FY2014 to $32.3 million in FY2017F at a CAGR of 25.7%.

Figure 4.11 illustrates the increase in Operating EBITDA and Operating EBITDA margin over FY2014 to FY2017F.

Figure 4.11: Operating EBITDA (A$m) and Operating EBITDA margin (%) on an actual foreign exchange rate and constant currency basis – FY2014 to FY2017F[1]



1. Based on the Pro Forma Financial Information before significant items. Constant currency analysis has been prepared by applying constant foreign exchange rates across the historical period using the foreign exchange rate used to prepare the Forecast Financial Information. Actual foreign exchange rates represent foreign currency transactions translated into AUD using the exchange rates prevailing at the dates of the transactions.

Operating EBITDA increased 12.8% from $16.3 million in FY2014 to $18.3 million in FY2015, and in FY2016 increased a further 52.9% to $28.0 million.

Operating EBITDA margin increased from 12.4 % in FY2014, to 12.5% in FY2015 and subsequently to 15.4 % in FY2016.

The Forecast Financial Information expects:

- Operating EBITDA of $32.3 million for FY2017F, a 15.2% increase from $28.0million in FY2016; and
- Operating EBITDA margin of 17.2% for FY2017F, a 1.8 percentage point increase from 15.4% in FY2016.

On a constant currency basis, Operating EBITDA growth in FY2017F is expected to be similar to the growth achieved in FY2016.

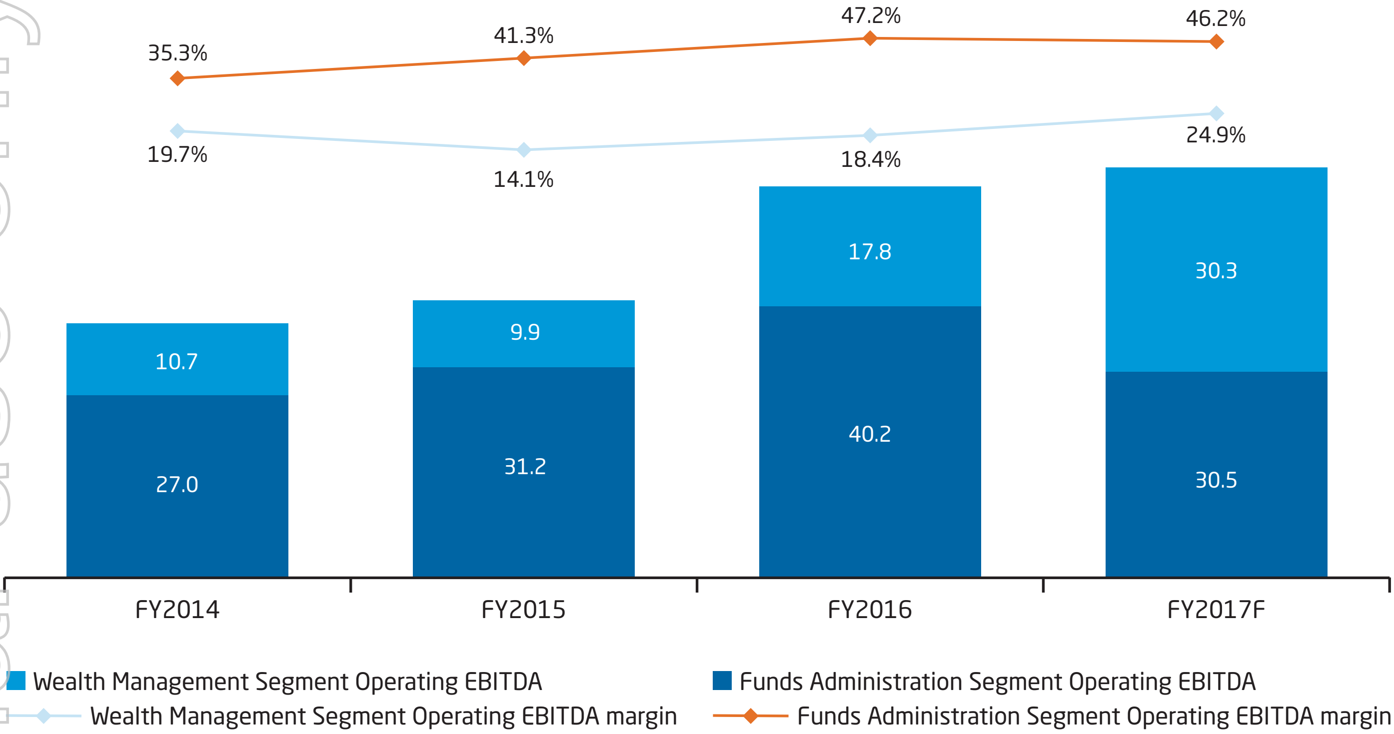
4.7.3.4 Segment Operating EBITDA

The continuing growth in Operating EBITDA is driven primarily by continuing growth in Wealth Management Segment Operating EBITDA and supported by relatively stable, high margin Funds Administration Segment Operating EBITDA.

A discussion of Operating EBITDA and Operating EBITDA margin drivers on a Wealth Management and Funds Administration segment level is set out below.

Figure 4.12 illustrates the Wealth Management and Funds Administration Segment Operating EBITDA and Segment Operating EBITDA margins over FY2014 to FY2017F.

Figure 4.12: Segment Operating EBITDA (A$m) and Segment Operating EBITDA margin (%) – FY2014 to FY2017F[1]



1. Based on the Pro Forma Financial Information before significant items.

4.7.3.5 Wealth Management Segment Operating EBITDA

Wealth Management Segment Operating EBITDA margin decreased to 14.1% in FY2015 from 19.7% in FY2014, due to investment in setting up the development and maintenance/hosting/support cost base to support the delivery of Sonata implementations and to meet the expected future demand for Sonata (as discussed in Section 4.7.1.1).

Wealth Management Segment Operating EBITDA margin subsequently increased 4.3 percentage points to 18.4% in FY2016 and is forecast to increase an additional 6.5 percentage points to 24.9% in FY2017F, due to higher operating leverage obtained from increasing contracted maintenance and support revenues on a relatively fixed cost base. The key drivers for Wealth Management Segment Operating EBITDA margin expansion are:

- higher maintenance revenue base from clients to build on the relatively fixed maintenance cost base;
- improving maintenance efficiency due to a reduction in the volume of software bug fixes as the Sonata software matures, and increasing efficiency in software bug fix rates as employee experience develops;
- growth in professional services revenue margin due to higher realised rates on professional services revenue from new clients and a shift to more time and materials based implementations compared to fixed price implementations in the historical period; and
- continued improvement in utilisation of consulting and development FTEs as employee experience develops and as non-chargeable learning and development costs reduce as a percentage of overall employee costs. This improvement in utilisation also improves professional services revenue margin.

4.7.3.6 Funds Administration Segment Operating EBITDA

The underlying performance of the Funds Administration division is recorded in its operational currency of GBP. Table 4.22 shows Bravura's key pro forma historical and forecast results and operating metrics for the Funds Administration segment on a GBP basis. As shown in Table 4.21, the reported results in AUD are impacted by the foreign currency translation between AUD and GBP.

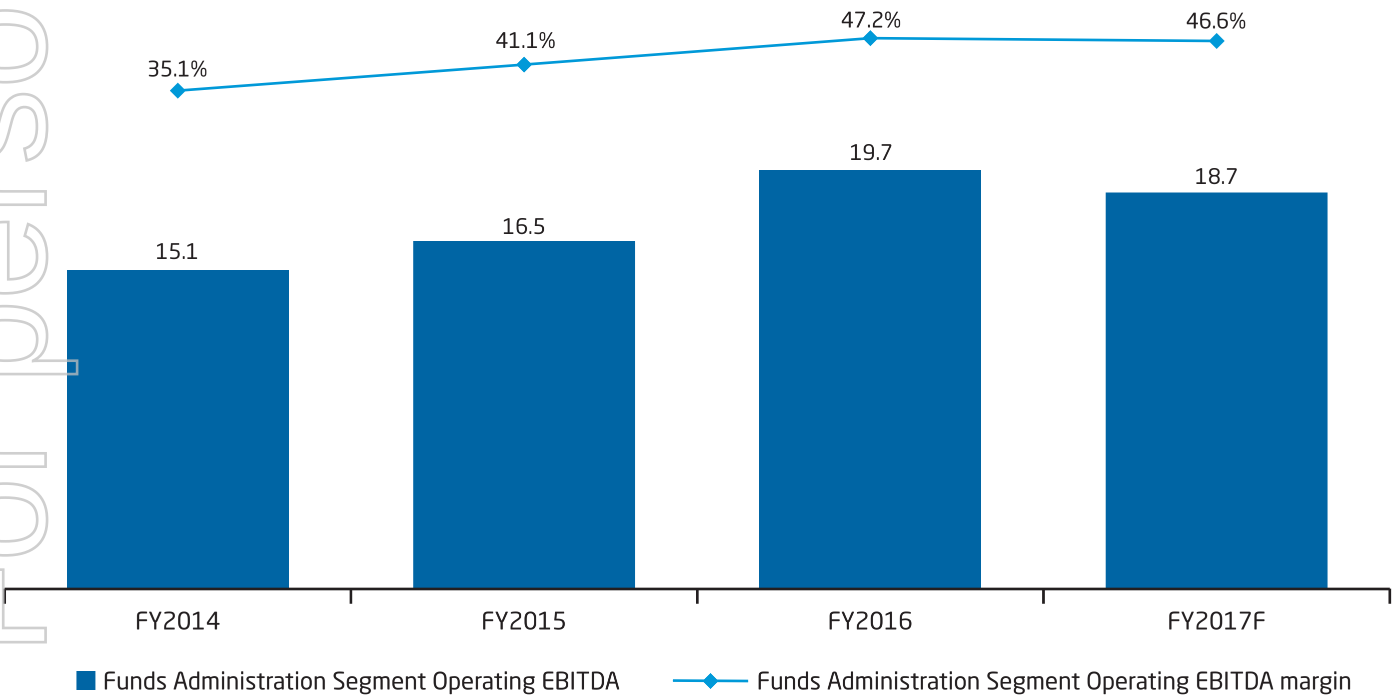
Table 4.22: Key pro forma Funds Administration historical and forecast results and operating metrics in GBP

	Pro Forma Historical Results			Pro Forma Forecast Results
June year end, GBPm	FY2014	FY2015	FY2016	FY2017F
Funds Administration segment				
Funds Administration revenue	**43.1**	**40.0**	**41.8**	**40.1**
Funds Administration revenue growth		*(7.1)%*	*4.4 %*	*(4.1)%*
Funds Administration Segment Operating EBITDA	**15.1**	**16.5**	**19.7**	**18.7**
Funds Administration Segment Operating EBITDA growth		*8.8 %*	*19.9 %*	*(5.4)%*
Funds Administration Segment Operating EBITDA margin	*35.1 %*	*41.1 %*	*47.2 %*	*46.6 %*

The Funds Administration business has historically been relatively stable in GBP, and a high margin and cash generative business as a result of its mature products and 'sticky' client base, which is supported by medium to long-term contracts.

Figure 4.13 shows the Funds Administration historical and forecast EBITDA in GBP over FY2014 to FY2017F.

Figure 4.13: Funds Administration Segment Operating EBITDA (GBPm) and Segment Operating EBITDA margin (%) – FY2014 to FY2017F[1]



1. Based on the Pro Forma Financial Information before significant items.

In FY2015, Funds Administration Segment Operating EBITDA margin improved, increasing 6.0 percentage points to 41.1% from 35.1% in FY2014, driven by a number of cost saving initiatives including moving the development team from the United Kingdom to Poland, and headcount efficiencies in both the management and product team (average FTEs decreased 24.4% from FY2014 to FY2015).

In FY2016, Funds Administration Segment Operating EBITDA margin improved further, increasing 6.1 percentage points to 47.2% from 41.1% in FY2015, due to an increase in licence fees, higher realised professional services day rates due to higher margin enhancement work relating to complex work projects conducted for clients, and the transfer of FTEs to the Sonata business segment.

In FY2017F, Funds Administration Segment Operating EBITDA margin is expected to decrease marginally by 0.6 percentage points to 46.6% from 47.2% in FY2016. The expected decrease is primarily driven by lower licence fees and lower realised professional services day rates due to an expected reduction in discretionary spend by certain clients.

4.7.4 Capital expenditure and capitalised development costs

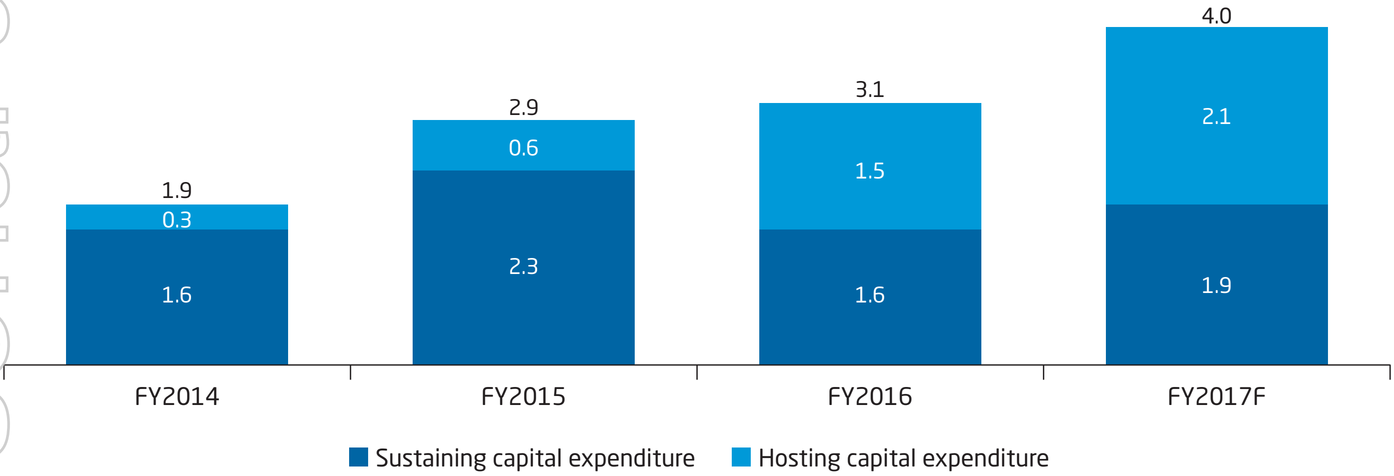
4.7.4.1 Capital expenditure (PPE)

Capital expenditure (PPE) increased from $1.9 million in FY2014 to $2.9 million in FY2015 and $3.1 million in FY2016.

In FY2017F, total capital expenditure is expected to be $4.0 million, of which $1.9 million will be required for recurring capital expenditure, comprising: (i) $0.5 million for the fitout of two premises in EMEA and (ii) $1.4 million for internal IT spend (referred to as "sustaining capital expenditure" in Figure 4.14). The remaining $2.1 million is for existing and anticipated client-related hosting and managed services projects, the cost of which is ultimately recharged to the clients over the duration of the respective contracts (referred to as "hosting capital expenditure" in Figure 4.14). This reflects the relatively stable capital expenditure required by the business for PPE.

Figure 4.14 shows capital expenditure (PPE) over FY2014 to FY2017F.

Figure 4.14: Capital expenditure (PPE) – FY2014 to FY2017F (A$m)[1]



1. Based on the Pro Forma Financial Information. In FY2017F, the $1.9 million refers to capital expenditure that will be required for recurring capital expenditure and the $2.1 million refers to existing and anticipated client-related hosting and managed services projects, the cost of which is ultimately recharged to the relevant clients.

4.7.4.2 Capitalised development expenditure and client-funded development costs

Bravura also invests significantly in software development to continue to develop leading software technology, principally Sonata.

Development expenditure (which includes development operating expense and development capital expenditure) relates to time spent on developing the functionality of Bravura's products. Development expenditure represents approximately 5% to 10% of revenue and relates largely to development of the Sonata platform, representing approximately 90% to 95% of total development expenditure across the historical and forecast period.

Development operating expense is expensed when the activity is not expected to generate future revenue. Capitalisation arises from development expenditure of an internal project when development costs are incurred to develop an intangible asset (e.g. software) that will be available to generate future revenue. In the historical period, Sonata was the only product that had capitalised development expenses. The annual amortisation of Sonata after FY2017 is currently expected to be similar to the annual capitalised development expense of Sonata (absent the entry into new markets).

The majority of development expenditure on Sonata has been focused on building out specific functionality for target markets and existing clients (i.e. building identifiable pieces of functionality that can be sold separately). Development expenditure in the forecast period will be focused on developing additional functionality and maintaining technical currency of the Sonata platform.

As discussed in Section 3.3.1, Bravura has historically invested in its own Sonata software development expenditure. In addition to Bravura's own investment in Sonata development expenditure, Bravura now also benefits from client-funded development (client revenue referred to as "Sonata development revenue" and the client-funded development referred to as "Sonata development costs") as clients' willingness to pay for development has increased. In these instances, clients who deploy Bravura's software products pay for Bravura to develop functionality enhancements. Bravura benefits from this client-funded development, with a significant proportion of the enhanced functionality being able to be made available to all new or existing clients of Sonata through periodic updates, creating a "network effect". Client-funded development is charged to clients as professional services revenue and is not capitalised. Consequently, development capital expenditure is expected to decrease in the future as non client-funded development reduces and more development is client-funded.

Bravura also incurs development costs and receives associated development revenue for project-specific development undertaken for clients on its other Wealth Management and Funds Administration products.

Table 4.23 shows total development expenditure, Sonata development costs and associated Sonata development revenue over FY2014 to FY2017F.

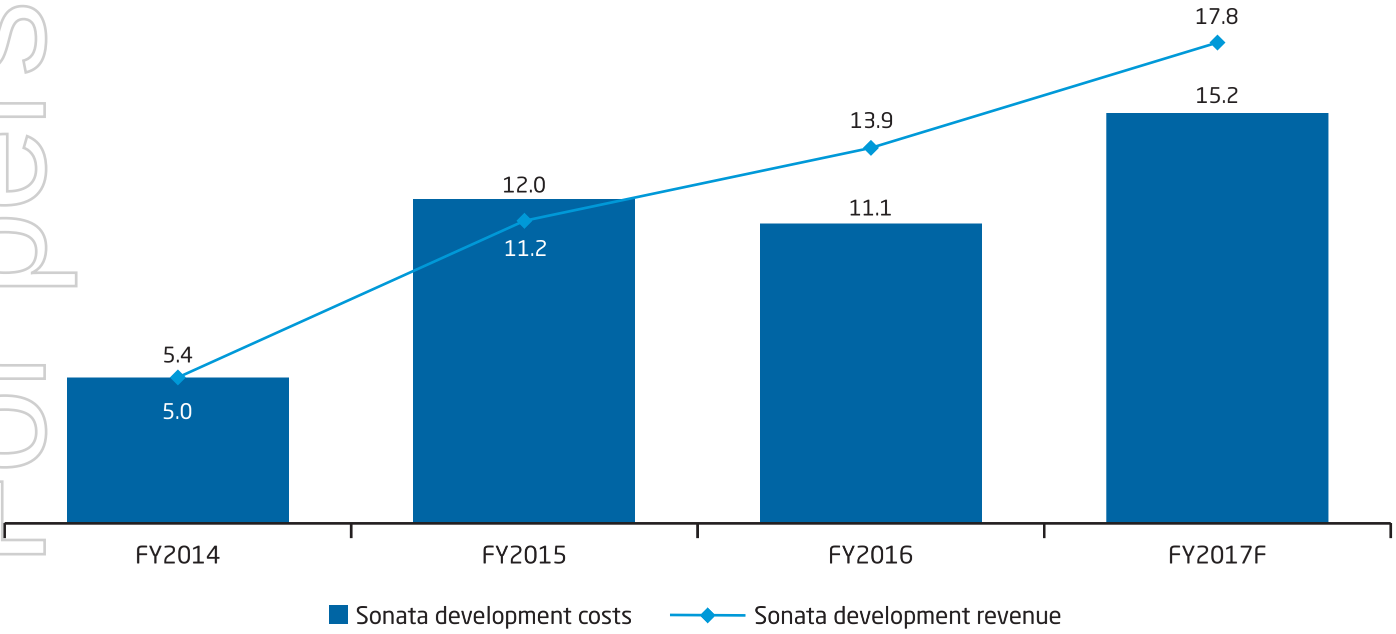
Table 4.23: Total development expenditure and Sonata development costs and revenue – FY2014 to FY2017F

	Historical			Forecast
June year end, A$m	FY2014	FY2015	FY2016	FY2017F
Sonata development revenue	5.0	11.2	13.9	17.8
Sonata development costs	(5.4)	(12.0)	(11.1)	(15.2)
Net Sonata development (costs)/revenue	**(0.4)**	**(0.8)**	**2.8**	**2.6**
Development operating expense	(1.7)	(2.2)	(2.1)	(2.6)
Development capital expenditure	(5.5)	(8.8)	(4.0)	(6.6)
Total development expenditure	**(7.2)**	**(11.0)**	**(6.1)**	**(9.2)**
Net Sonata development (costs)/revenue and development expenditure	**(7.6)**	**(11.8)**	**(3.3)**	**(6.6)**

Note: FY2016 Sonata development capital expenditure was budgeted to be $5.5 million. Only $4.0 million was incurred and capitalised in FY2016 (due to a prioritising of client-funded development), with the remaining $1.5 million now forming part of the $6.4 million FY2017F development capital expenditure. Following this, development capital expenditure is expected to decrease as non client-funded development reduces and more development is client funded.

In particular, Sonata development costs and development revenue were net cash flow positive in FY2016, with this trend expected to continue in FY2017F. Figure 4.15 shows Sonata development revenue and Sonata development costs over FY2014 to FY2017F.

Figure 4.15: Sonata development costs and development revenue – FY2014 to FY2017F (A$m)[1]



1. Based on the Pro Forma Financial Information.

4.7.5 Depreciation and amortisation

4.7.5.1 Depreciation

Depreciation expense increased from $4.2 million in FY2014 to $4.9 million in FY2015 and $5.4 million in FY2016.

Depreciation is forecast to decrease to $5.0 million in FY2017F, reflecting the relatively stable capital expenditure required by the business to invest in PPE.

Depreciation is calculated using the straight-line method over the estimated useful life:

- plant and equipment (including computer equipment) – 3 to 5 years;
- furniture and fittings – 5 years;
- leasehold improvements – term of the lease; and
- hosting plant and equipment – 5 years.

4.7.5.2 Amortisation

Amortisation expense decreased from $10.0 million in FY2014 to $8.6 million in FY2015 and $2.9 million in FY2016. The decrease from FY2015 to FY2016 primarily relates to the impairment of intangible assets predominately in the Funds Administration business unit (and the remaining impairment relating to legacy Bravura platforms) in the FY2015 Statutory Historical Results, and thereby resulting in the reduction in amortisation expense in FY2016. Refer to Table 4.6 for further detail.

Amortisation is forecast to increase slightly to $3.4 million in FY2017F, reflecting continued development capital expenditure, almost entirely in respect of Sonata and amortisation related to acquired intangible assets for legacy Bravura platforms. The development capital expenditure is amortised on a straight line basis over the contracts' finite life of between five and fifteen years.

4.7.6 Working capital

Changes in working capital generated $10.3 million of cash flow in FY2014, $7.0 million in FY2015 and $9.6 million in FY2016. As the business grows, it generates negative working capital as a result of annual maintenance and support fees and licence payments which are paid upfront.

Changes in working capital are expected to generate $0.3 million of cash out flow in pro forma FY2017F. Working capital is expected to become less negative as the revenue mix shifts to more professional services fees (which are paid in arrears) as a result of more Sonata implementations.

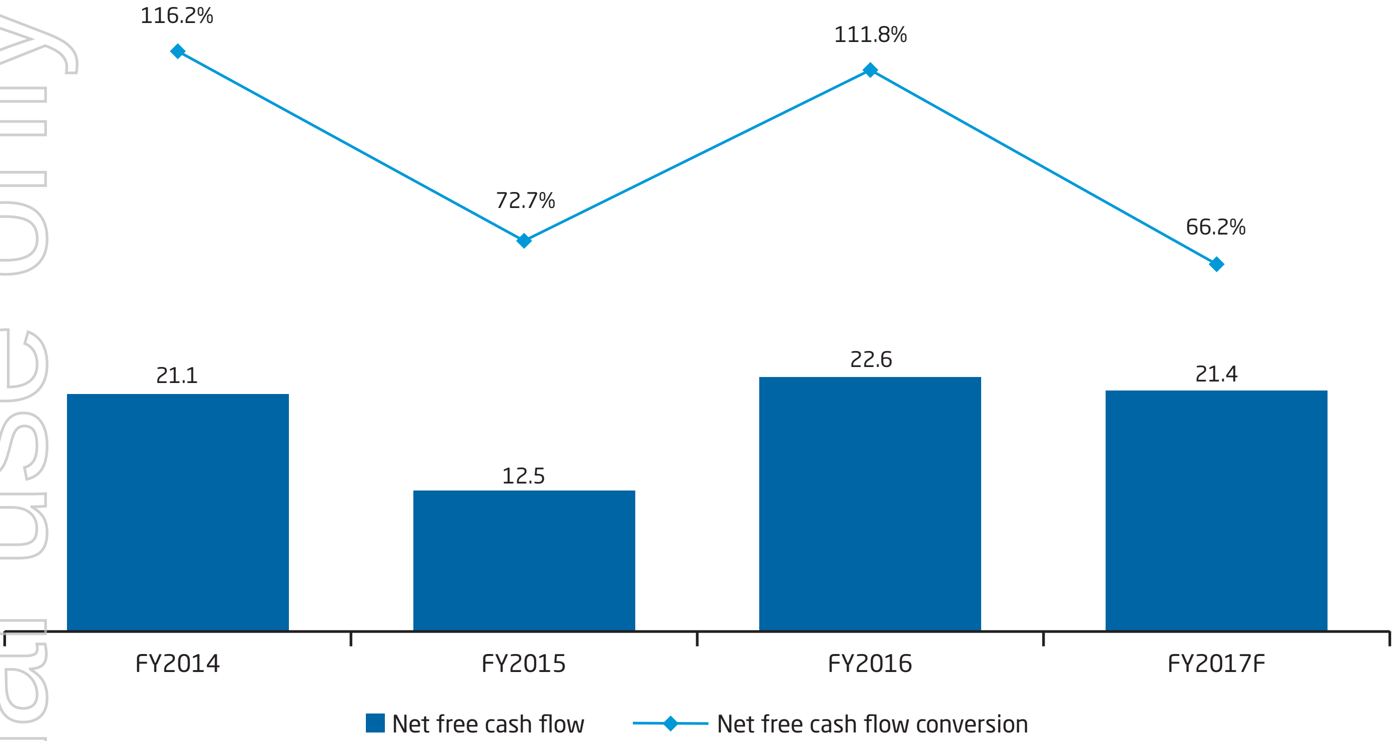
4.7.7 Net free cash flow conversion

Bravura has historically had a track record of strong cash flow generation, converting a high proportion of EBITDA to net free cash flow, primarily due to relatively stable, high margin Funds Administration segment and Wealth Management segment licence fee, maintenance and support, and managed services/hosting revenue which is paid in advance.

Bravura's net free cash flow conversion has remained relatively stable and high, attributable to consistent positive cash flow impacts of a decreasing net working capital position, driven by increased deferred revenue and cash management initiatives. The business model has a positive working capital cycle, which reduces in FY2017F due to an increase in the proportion of professional services fees (invoiced in arrears) as a percentage of total revenue (as a result of an expected increase in Sonata implementation revenue), as well as an increase in capital expenditure to support the growth in the Sonata platform.

Figure 4.16 shows Bravura's net free cash flow and net free cash flow conversion for FY2014 to FY2017F.

Figure 4.16: Net free cash flow (A$m) and net free cash flow conversion (%) – FY2014 to FY2017F[1]



1. Based on the Pro Forma Financial Information. Net free cash flow conversion is calculated as net free cash flow divided by EBITDA.

4.7.8 Tax

Bravura operates in various jurisdictions, predominantly Australia and the United Kingdom, and is subject to various taxation regimes and tax rates.

As at 30 June 2016, Bravura's Australian tax consolidated group was estimated to have carried forward tax losses of $37.0 million and carried forward tax offsets of $4.4 million, while Bravura's carried forward tax losses in the United Kingdom tax group were estimated to amount to GBP21.1 million.

Deferred tax assets have not been recognised by Bravura in respect of the carried forward tax losses and tax offsets in Australia, and the carried forward tax losses in the United Kingdom, as it is not yet considered probable (under IFRS) that the Bravura tax group will derive sufficient taxable income in the future to utilise these carried forward tax losses. The utilisation of Bravura's carried forward tax losses will be contingent on the relevant Bravura entities complying with the tax loss recoupment tests in the relevant jurisdictions.

As a result of these unrecognised carried forward tax losses and tax offsets, the pro forma income tax expense for FY2017F in both Australia and the United Kingdom is expected to be nil, with an effective tax rate of 10.9%. If the impact of the carried forward tax losses and tax offsets were ignored, Bravura's pro forma income tax expense would amount to $2.9 million for FY2017F (with an effective tax rate FY2017F: 12.1%).

Certain charges between Bravura's tax group and amounts charged to clients in certain jurisdictions are subject to withholding tax.

4.7.9 NPAT

Bravura's NPAT is expected to be $21.0 million in FY2017F.

Bravura has prepared a pro forma NPAT before financing FX losses and significant items for FY2016 to illustrate the growth in NPAT before financing FX losses and significant items from FY2016 to FY2017F (15.8%).

Table 4.24 sets out Bravura's calculation of pro forma NPAT before financing FX losses and significant items for FY2016 and FY2017F.

Table 4.24: Pro forma NPAT before financing FX losses and significant items – FY2016 and FY2017F

		Historical	Forecast
June year end, A$m	Notes	FY2016	FY2017F
Pro forma NPAT		**6.8**	**21.0**
Financing FX losses	1	3.6	-
Significant items	2	7.8	-
Pro forma NPAT before financing FX losses and significant items		**18.2**	**21.0**

1. Financing FX losses in FY2016 arose due to foreign exchange movements related to Bravura's intercompany finance structure comprising intercompany loans and balances across jurisdictions and cash balances held in foreign currencies, predominantly British pounds sterling. Bravura's intercompany finance structures were restructured as of 1 July 2016. As a result, Bravura does not expect any further material FX impacts from these finance structures.
2. Significant items relate to onerous contracts. These significant items have been added back to NPAT because Bravura now has a track record of winning Sonata clients and renewing existing contracts on a profitable time and materials basis, and considers the onerous contracts to be non-recurring in nature. Refer to Sections 4.7.3.2 for further details on significant items.

There is no tax impact related to significant items as a result of the unrecognised carried forward tax losses and tax offsets described in Note 6 of Table 4.2.

4.8 Assumptions underlying the Forecast Financial Information

In preparing the Forecast Financial Information, Bravura has applied assumptions relating to the key factors expected to influence its future financial performance. These assumptions are set out below and comprise general assumptions, and further specific assumptions relating to key sales, costs and cash flows of Bravura.

The assumptions upon which the Forecast Financial Information is based are by their nature subject to significant uncertainties and contingencies, many of which are outside the control of the Company, the Directors and Bravura management, and are not reliably predictable. Accordingly, none of Bravura, the Directors, Bravura management or any other person can give any assurance that the Forecast Financial Information or any prospective statement contained in this Prospectus will be achieved. Events and outcomes might differ in amount and timing from the assumptions, with a material consequential impact on the Forecast Financial Information.

These assumptions should be read in conjunction with the sensitivity analysis set out in Section 4.9, the risk factors set out in Section 5, the Independent Limited Assurance Report set out in Section 8 and the other information in this Prospectus.

The Forecast Financial Information represents the unaudited actual results for the two months to 31 August 2016 and 10 months of management forecasts to 30 June 2017.

4.8.1 General assumptions

In preparing the Forecast Financial Information, the following general assumptions have been adopted:

- no material changes in the competitive or market environment in which Bravura operates;
- no significant interruptions in relation to any of Bravura's technology, platforms or software used by Bravura to deliver services;
- no material changes in economic factors (e.g. business formations, business confidence and consumer sentiment);
- no material changes in key personnel, including key management personnel, with Bravura maintaining its ability to recruit and retain the personnel required to support future growth;
- no material changes in applicable AAS or other mandatory professional reporting requirements of the Corporations Act which have a material effect on Bravura's financial performance, cash flows, financial position, accounting policies, or financial reporting or disclosure;
- no material changes in government regulation and policy beyond those announced as at the Prospectus Date;
- progress of the Offer in accordance with the timetable set out in the key dates section of this Prospectus;
- no material industry disturbances, disruptions to the continuity of operations of Bravura or other material changes in its business;
- no material amendment to any material contract, agreement or arrangement relating to Bravura's business;
- no material changes in the relative exchange rates of the Australian dollar to the British pound sterling or any other currency used in the geographies in which Bravura operates to those assumed in the forecast, as listed in Section 4.8.2.8 ;
- no material adverse impact in relation to litigation or claims (existing or otherwise);

- no material changes in Bravura's corporate and funding structure other than as set out in, or contemplated by, this Prospectus;
- no material acquisitions or disposals, restructuring or investments; and
- no occurrence of the risk factors listed in Section 5, or in the event of any occurrence, no material adverse impact on the operations of Bravura.

4.8.2 Specific assumptions

The Forecast Financial Information is based on the following key specific assumptions:

4.8.2.1 Revenue

FY2017F revenue is comprised of Revenue from Existing Clients and New Sales Revenue.

- **Revenue from Existing Clients:** is revenue from Wealth Management and Funds Administration clients and comprises:
  - licence fees, maintenance/hosting/support fees and professional services fees which have been agreed to be provided under existing contracts for agreed amounts or rates (referred to below as "contracted revenue"); and
  - revenue from additional professional services in connection with an existing contract that the business expects to generate with a high level of consistency over the life of the existing contract (referred to below as "attached revenue").

  Revenue from Existing Clients is assumed to be $153.1 million in FY2017F. This represents approximately 82% of total FY2017F revenue which is below the proportion in FY2016 (approximately 90% of total FY2016 revenue) due to assumed New Sales Revenue growth in FY2017F (particularly new sales of Sonata). Revenue from Existing Clients in FY2017F is expected to be split between contracted revenue (approximately 81% of total FY2017F Revenue from Existing Clients) and attached revenue (approximately 19% of total FY2017F forecast Revenue from Existing Clients), broadly in line with these proportions in FY2016.

  The determination of attached revenue (which can vary each year across the term of a contract) is also based on commitments received to date and historical experience and having regard to the nature of the contract and expected requirements and activity levels of the client's business (e.g. because the services generating the revenue relate to significant periodic upgrades; additional products, delivery platforms or channels; or additional migrations of the client's end-customers to a Bravura product, which in each case is expected to be performed in FY2017F).

  FY2017F Revenue from Existing Clients is calculated as at 20 October 2016 and assumes that Bravura retains all clients (as at 30 June 2016) that it expects to retain for FY2017F in accordance with current contractual terms.

- **New Sales Revenue:** represents expected revenue (including licence fees, maintenance, hosting and support fees, and professional services fees) from new sales based on an assessment of, and sourced from, the Company's Pipeline Opportunities (described below) and represents a portion of the total potential Pipeline Opportunity revenue for FY2017F.

  FY2017F New Sales Revenue is assumed to be $34.5 million, representing approximately 18% of total FY2017F forecast revenue, and an increase on FY2016 New Sales Revenue of $19.4 million (which represented approximately 10% of total FY2016 revenue). FY2016 New Sales Revenue represented an increase on FY2015 New Sales Revenue of $8.9 million (which represented 6% of total FY2015 revenue).

  As at 20 October 2016, Bravura had contracted $12.1 million of New Sales Revenue from signed contracts with new and existing clients, representing approximately 35% of the New Sales Revenue of $34.5 million forecast in FY2017F.

  FY2017F New Sales Revenue is assumed to be split between licence fees (approximately 36%), maintenance/hosting/support fees (approximately 7%), and professional services fees (approximately 57%). Licence fees are typically 100% margin. Given this full margin contribution from licence fees (and operating leverage in the business described in Section 4.7.3), FY2017F New Sales Revenue is expected to contribute to FY2017F Operating EBITDA at a Segment Operating EBITDA margin of approximately 50%, consistent with FY2016.

  Given the nature of sales in the business, licence fees, as part of a number of prospective Pipeline Opportunities, are expected to represent a large proportion of FY2017F New Sales Revenue (e.g. licence fees from the two largest Pipeline Opportunities would equate to approximately 4% of total FY2017F revenue, 22% of FY2017F New Sales Revenue and 23% of FY2017F Operating EBITDA).

Pipeline Opportunities: new sales opportunities are regularly reviewed by management and the Board and represent specific new revenue opportunities that have been appropriately qualified by Bravura through an assessment of the expected size and scope of the opportunity, prospects of winning, and timing of revenue generation in any given financial year (**Pipeline Opportunities**). The assessment is based on a broad range of factors including the current status of engagement in the process, the nature of the client (particularly where an existing client), preliminary work already being performed (where relevant) and historical experience (particularly Bravura's experience of Pipeline Opportunity wins and revenue generation).

Bravura's Pipeline Opportunities may be in a number of different forms including: discussions and negotiations with an existing client to expand the scope of, or extend, an existing contract, or to contract new services (including migrating from heritage products to Sonata); discussions and negotiations with a TPA to provide a product to new or existing clients; or a formal tender process or request for proposal received by Bravura from new or existing clients. Pipeline Opportunities may be advanced and close to contract execution where Bravura is the sole party in consideration (and potentially already providing specific services) or at a less advanced stage and competitive.

In considering FY2017F New Sales Revenue, Bravura has assessed the total probability-weighted average of FY2017F revenue opportunities in the Pipeline Opportunities, and analysed those opportunities which it believes have the highest probability of generating revenue in FY2017F. It has also considered that (while the business has generated significant, and growing, revenues from the conversion of Pipeline Opportunities into contracts over the historical period) not all opportunities translate into contracts and that the opportunities which are considered most prospective, and their scope and timing, change throughout a year. In addition, specific revenue opportunities may be added to the pipeline throughout a year. For this reason, assumed FY2017F New Sales Revenue represents only a portion of FY2017F Pipeline Opportunities. Conversely, and in further support of assumed FY2017F New Sales Revenue, Bravura's experience has been that some opportunities initially considered less prospective for a particular year, have ultimately resulted in revenue generation in that year.

As at 11 October 2016, Pipeline Opportunities included more than 83 new opportunities across a number of different market segments including wrap platforms, superannuation and pension, life insurance and investment and private wealth products which may be contracted between 11 October 2016 and 30 June 2018 based on expected project schedules. These Pipeline Opportunities have a combined total contract revenue (**TCR**) (described below) of approximately A$1.0 billion spread approximately evenly across APAC and EMEA. The TCR of Pipeline Opportunities which may be contracted in FY2017F represents approximately A$0.6 billion, with total potential revenue of approximately $96 million in FY2017F if those opportunities are contracted in accordance with expected project schedules.

TCR means the total actual revenue expected to be received by the Company under a particular contract over the life of that contract were it to win the contract.

As a result of the manner in which Bravura generates New Sales Revenue and Revenue from Existing Clients (as described in this Section), the mix of revenue actually generated from New Sales Revenue and Revenue from Existing Clients in any one year may differ from expectations. For example, in the month leading up to the Prospectus Date, Bravura observed an increase in expected FY2017 Revenue from Existing Clients, so altered the mix of forecast FY2017 revenue by reducing forecast New Sales Revenue.

4.8.2.2 Operating expenses

The Forecast Financial Information is based on the following key operating expense assumptions:

- **employee benefit expense**: assumes an increase in average FTE headcount to 1,008.4 in FY2017F from 934.6 in FY2016, largely driven by an increase in Wealth Management headcount to support the growth of Wealth Management, with broadly stable headcount in Funds Administration during FY2017F. Salary cost increases of an average of 2.0% have been assumed during FY2017F, other than where specific salary rate increases apply in which case specific rates have been used;
- **third party cost of sales**: is expected to remain stable in FY2017F impacted by the movement in the GBP/AUD rate, offset by an increase in data and infrastructure costs to support the growing Sonata client base;
- **travel and accommodation costs**: are expected to remain stable in FY2017F;
- **occupancy costs**: are based on actual rental agreements in place for FY2017F and includes known rental costs over the full lease term for each property. Associated expenses such as utilities, security and maintenance are based on recent historical experience and expected indexation-related cost increases;
- **telecommunication costs**: are assumed to increase in FY2017F to support Bravura's growth;
- **development operating expense**: is forecast to increase in FY2017F to maintain the technical currency of the Sonata platform; and
- **other expenses**: are based on the current level of expenses adjusted for known growth initiatives and expected inflation-related cost increases.

4.8.2.3 Depreciation and amortisation

The Forecast Financial Information is based on the following depreciation and amortisation assumptions:

- **depreciation**: is based on the current property, plant and equipment's depreciation schedules and includes additional depreciation for planned capital expenditure; and
- **amortisation**: is based on the current intangible assets' amortisation schedules and includes additional amortisation for planned development and enhancement of the Sonata platform.

4.8.2.4 Net finance expense

The Forecast Financial Information assumes statutory forecast net finance expense is based on the existing debt facilities up until Completion, from which point interest charges and costs are based on the New Banking Facilities and the assumed average level of forecast net debt from Completion through to 30 June 2017. The Pro Forma Forecast Results represent net finance expense based on the terms of the New Banking Facilities and the average level of pro forma forecast net debt for FY2017F, as if the New Banking Facilities had been in place and Completion had occurred on 1 July 2016.

4.8.2.5 Income tax

The Forecast Financial Information based on the following key income tax assumptions:

- forecast EBITDA for FY2017F has been allocated across the jurisdictions in which Bravura operates based on the FY2016 results in those jurisdictions;
- tax adjustments and tax rates applied in respect of the FY2017F forecast are consistent with FY2016;
- the applicable loss utilisation tests will be satisfied in Australia and the United Kingdom during FY2017F. If the amount of the carried forward tax losses and tax offsets were ignored, Bravura's pro forma income tax expense would increase by $0.3 million in FY2017F; and
- each entity within the Bravura tax group is a tax resident only of its jurisdiction of incorporation and deals with other entities within the Bravura tax group on an arm's length basis.

4.8.2.6 Changes in working capital

The Forecast Financial Information is based on the following key changes in working capital assumptions:

- trade receivables and deferred revenue are consistent with the historical client invoicing and collection experience; and
- trade and other payables are in accordance with current terms with suppliers.

4.8.2.7 Capital expenditure

The Forecast Financial Information is based on the following key capital expenditure assumptions:

- forecast expenditure on further development and enhancement of the Sonata platform excluding client-funded development based on planned projects in FY2017F; and
- forecast expenditure on property, plant and equipment related to the planned fit out capital expenditure for the London and Edinburgh offices, and ongoing computer and IT infrastructure, including investment in hardware and software to support the Sonata implementations.

4.8.2.8 Foreign exchange rates

Bravura's financial performance is impacted by foreign exchange rates through both a translational impact (e.g. when the financial performance of international subsidiaries is converted into Australian dollars for reporting) and to a lesser extent transactional impact (e.g. sales/purchases made in other currencies). Refer to the sensitivity analysis in Section 4.9.

The following exchange rates are assumed in the Forecast Financial Information:

- one British pound sterling to 1.60 Australian dollars;
- one Euro to 1.55 Australian dollars;
- one New Zealand dollar to 0.90 Australian dollars;
- one United States dollar to 1.40 Australian dollars;
- one Australian dollar to 47.6 Indian rupees;
- one Australian dollar to 2.7 Polish zloty; and
- one Australian dollar to 25.6 Thailand baht.

4.8.2.9 Public company costs

Public company costs reflect Bravura's estimate of the incremental annual expenses that it will incur as a public entity. These expenses include Chairman and other Non-Executive Director remuneration, additional audit and legal costs, tax, investor relation services, listing fees, directors' and officers' insurance premiums as well as annual general meeting and annual report costs.

4.8.2.10 One-off Offer and other transaction expenses

$4.1 million of transaction expenses will be recognised in the Statutory Historical Results in FY2016 ($1.4 million) and in the Statutory Forecast Results in FY2017F ($2.7 million) and paid by Bravura at Completion relating to, but not limited to, Lead Managers' underwriting fees, and industry expert report, legal, accounting and advisory fees.

4.9 Sensitivity analysis

The Forecast Financial Information included in this Section 4 is based on a number of key assumptions that have been outlined in Section 4.8 which are subject to change. The Forecast Financial Information is also subject to a number of risk factors as outlined in Section 5.

Set out in Table 4.25 is a summary of the sensitivity of FY2017F pro forma NPAT to changes in a number of key assumptions. The changes in the key assumptions set out in the sensitivity analysis are intended to provide a guide only and are not intended to be indicative of the complete range of variations that may be experienced. This sensitivity analysis is intended as a guide only and variations in actual performance could exceed the ranges shown, and these variances may be substantial.

Care should be taken in interpreting these sensitivities. In order to illustrate the likely key impact on FY2017F pro forma NPAT, the estimated impact of changes in each of the assumptions has been calculated in isolation from changes in other assumptions. In practice, changes in assumptions may offset each other or be additive, and it is likely that Bravura management would respond to an adverse change in one item to seek to minimise the net effect on Bravura's earnings. In isolation however, the sensitivities are linear in nature (eg a doubling or halving of a percentage below, would double or halve, respectively, the anticipated impact).

Table 4.25: Sensitivity analysis on pro forma NPAT for FY2017F

		Impact on FY2017F pro forma NPAT	
June year end, A$m	Increase/ decrease	+	-
Revenue			
Wealth Management	+/-1%	0.57	(0.57)
Funds Administration	+/-1%	0.38	(0.38)
New Sales Revenue	+/-1%	0.18	(0.18)
New Sales Revenue licence fee	+/-1%	0.12	(0.12)
Expenses			
Employee benefit expense	+/-1%	(0.84)	0.84
Operating expenses (excluding employee benefit expense)	+/-1%	(0.34)	0.34
Exchange rate			
GBP	+/-5%	2.02	(2.02)

4.10 Foreign currency

Bravura currently earns revenues and incurs expenses primarily in seven currencies and as a result is exposed to movements in foreign exchange rates.

Bravura's most significant individual foreign currency exposure is to GBP, mainly due to the revenues generated from its Wealth Management and Funds Administration clients in the United Kingdom, which revenues are denominated in GBP. Bravura also has operations in Poland and India which are net cost centres with costs denominated in PLN and INR respectively.

Bravura engages in transactions in various foreign currencies. The most significant transactional FX exposures relate to GBP revenues received in Australia from a Funds Administration client and USD revenues received in Poland from a Funds Administration client. Bravura currently does not hedge its foreign currency exposure when engaging in transactions.

For further information on foreign exchange rate sensitivity and risk, refer to Sections 4.9, 5.2.3 and 5.3.1.

4.11 New Banking Facilities

In October 2016, Bravura entered into an unsecured facility agreement with Commonwealth Bank of Australia under which (subject to satisfaction of conditions precedent to drawdown, which are customary for facilities of this nature) a $20,000,000 multi-currency revolving cash advance and bank guarantee facility is available to Bravura and its subsidiaries (**New Banking Facilities**).

Some existing bank guarantees will be rolled into the New Banking Facilities at Completion.

The revolving cash advance and bank guarantee facility has a three year term, with interest payable on the last day of each interest period for the relevant drawdown and a commitment fee calculated on the daily balance of the undrawn commitment. The facility has two key financial covenants, namely an interest cover ratio and a net leverage ratio.

4.11.1 Interest rate risk management

On drawdown of the New Banking Facilities, Bravura may also be exposed to interest rate risk arising from the possibility that changes in interest rates will affect future cash flows or the fair values of financial instruments. Bravura intends to monitor its interest rate exposure and give consideration to entering into potential financial instruments, alternative financing options and a mix of fixed and variable interest rates.

4.12 Contractual obligations, commitments and contingent liabilities

Table 4.26 sets out the contractual obligations, commitments and contingent liabilities of Bravura as at 30 June 2016.

Table 4.26: Bravura's statutory contractual obligations, commitments and contingent liabilities

As at 30 June 2016, A$m	Notes	<1 year	1 - 5 years	> 5 years	Total
Lease commitments	1	6.3	14.3	0.9	21.5
Contingent liabilties	2				0.9

1. Bravura had a total of $21.5 million operating lease commitments related to office rental and equipment, which are generally renewable for one to 10 years.
2. Bravura had $0.9 million of contingent liabilities relating to bank guarantees in respect of office leases of subsidiaries.

As at 30 June 2016, Bravura's Australian consolidated tax group was estimated to have carried forward tax losses of $37.0 million and carried forward tax offsets of $4.4 million and Bravura's carried forward tax losses in the United Kingdom tax group were estimated to be GBP21.1 million which are unrecognised for deferred tax purposes, but may be available for offset against taxable income in future years. The tax losses do not expire under the relevant tax legislation subject to the relevant same business/trade tests. Deferred tax assets have not been recognised in respect of these losses as the recognition criteria under AAS have not been met.

There are no off-balance sheet items other than those disclosed above.

4.13 Liquidity and capital

Following Completion, the principal sources of funds are expected to be cash flow generated from operations and cash on hand. Bravura expects to repay drawn borrowings under existing banking facilities on Completion. The Company expects that it will have sufficient cash flow from operations to meet operational requirements and business needs during the forecast period. The Financial Information has been prepared on a going concern basis.

Bravura will maintain the New Banking Facilities on Completion and may draw down on these facilities to meet business needs as and when required. Bravura's ability to generate sufficient cash depends on its future performance.

4.14 Dividend policy

The payment of a dividend by Bravura, if any, is at the discretion of the Directors and will be a function of a number of factors (many of which are outside the control of the Company, the Directors and Bravura management, and are not reliably predictable), including the operating results, the general business environment, cash flows and the financial condition of Bravura, future funding requirements, capital management initiatives, taxation considerations (including the level of franking credits available), any contractual, legal or regulatory restrictions on the payment of dividends by Bravura, and any other factors the Directors may consider relevant. The Directors do not provide any assurance of the future level of dividends to be paid by Bravura.

The Directors intend to target a payout ratio of between 60% and 80% of statutory NPAT beyond FY2017; however, the level of payout ratio is expected to vary between periods depending on the factors above. No assurances can be given by any person, including the Directors, about the payment of any dividend and the level of franking on any such dividend.

It is the current intention of the Board to pay interim dividends in respect of half years ending 31 December and final dividends in respect of full years ending 30 June each year. It is anticipated that interim dividends will be paid in March and final dividends will be paid in September following the relevant financial period end. Dividends paid during the forecast period are expected to be unfranked.

Depending on the ongoing available earnings and the ongoing financial position of the Company, it is the Board's current intention to pay a final unfranked dividend for FY2017F in respect of the period from Completion to 30 June 2017 in line with the target dividend payout ratio of between 60% and 80% of pro forma NPAT (subject to satisfaction of corporations law requirements governing the payment of dividends). Shares issued as a result of this Prospectus will rank equally with all other Shares for dividend entitlements.

Section 5
Risks

05

Risks

5.1 Introduction

This Section 5 describes some of the potential risks associated with an investment in the Shares. Risks considered cover specific business risks relating to Bravura as well as general risks associated with an investment in the Shares. This Section 5 does not purport to exhaustively list all risks that may be associated with an investment in the Shares now or in the future. The occurrence or consequences of some of the risks described in this Section 5 are partially or completely outside the control of the Company, the Directors and Bravura management, and are not reliably predictable. The occurrence of any single risk, or a combination of these risks, may have a material adverse impact on Bravura's business, financial performance and operations.

The selection of risks has been based on the assessment of a combination of the probability of the risk occurring, the ability to mitigate the risk and the impact of the risk if it did occur. That assessment is based on the knowledge of the Directors as at the Prospectus Date, but there is no guarantee or assurance that the importance of different risks will not change or that other risks will not emerge.

There can be no guarantee that Bravura will deliver on its business strategy, or that the forecasts or any forward looking statement contained in this Prospectus will be achieved or realised. Bravura's actual results could differ materially from those anticipated in any such forward looking statements as a result of certain factors, including the risks described below and elsewhere in this Prospectus. You should note that past performance is not a reliable indicator of future performance.

Before applying for Shares, you should satisfy yourself that you have a sufficient understanding of these matters and should consider whether Shares are a suitable investment for you, having regard to your own personal circumstances, investment objectives, financial circumstances and tax position. If you do not understand any part of this Prospectus or are uncertain as to whether Bravura is a suitable investment for you, you should seek professional guidance from your accountant, financial adviser, stockbroker, lawyer or other professional adviser before deciding whether to invest.

5.2 Business risk factors

5.2.1 Bravura may fail to attract new clients

Bravura is dependent on its ability to attract new clients, particularly in order to grow market share and increase revenue. Bravura operates in competitive industries (refer to Section 5.2.2) and its ability to attract new clients is particularly dependent on the continued successful roll out of Sonata and Bravura's ability to demonstrate that Sonata can meet a range of client requirements. There is a risk that Bravura will not be able to attract new clients, or attract new clients at the rate, over the time frames or with pricing, revenues and costs it currently expects or has experienced historically.

There are a number of reasons why Bravura may not be able to do this including because potential new clients select alternative providers following competitive tender processes, including for example as a result of pricing, terms offered by Bravura, the services offered by those alternative providers, and the potential client's assessment of the suitability of those services compared with Bravura's (or those of a TPA proposed to administer Bravura's software). Potential new clients may ultimately determine to contract with Bravura, but at lower volumes or revenues than expected or initially tendered for, or following a deferral or longer than expected decision period.

If Bravura is unable to attract new clients, or attract new clients at the rate, over the time frames or with pricing, revenues and costs it currently expects (and is not able to off-set this with additional Revenue from Existing Clients), this may have a material adverse impact on the financial performance of Bravura.

General and specific assumptions supporting the FY2017F forecast revenue from new clients (New Sales Revenue), and the processes undertaken to determine that forecast, are described in Section 4. If these assumptions prove to be incorrect or the matters described in the risks outlined in this Section 5 arise, this may have a material adverse impact on financial performance in FY2017F (and in particular FY2017F New Sales Revenue and FY2017F EBITDA). For example, as referred to in Section 4, given the nature of sales in the business, licence fees from a small number of prospective pipeline opportunities represent a large proportion of FY2017F New Sales Revenue licence fees. If a project of this nature does not proceed or is delayed, and is not replaced with other projects, FY2017F New Sales Revenue and FY2017F EBITDA may be materially adversely impacted.

5.2.2 Bravura operates in competitive industries

Bravura competes with a number of specialist software vendors to participants in the wealth management and funds administration industries.

Among these competitors, Bravura's operating performance is influenced by a number of factors including the success and awareness of its brand, the loyalty of its client base, the functionality of its product offering and its commitment to ongoing development.

Any change in the foregoing competitive factors, or others, may impact Bravura's ability to retain existing clients and attract new clients. As such, there is a risk that:

- competitors offer more cost efficient products than those of Bravura, which may in particular result in Bravura being required to introduce price reductions to retain existing clients or attract new clients resulting in reduced profitability;
- competitors develop software with functionality that Bravura's software does not have, which Bravura would subsequently need to incur capital expenditure to develop. Where Bravura is unable to adapt its products, it may lose existing clients and/or be unable to attract new clients;

- existing or potential competitors may have significantly greater resources than those of Bravura, which may enable them to develop superior products or adapt more quickly to new technologies, evolving industry trends or changing client or regulatory requirements; and/or
- established software providers from other market segments or territories expand into Bravura's market segments or territories.

These factors could in turn have an adverse impact on Bravura's future financial performance.

5.2.3 Bravura is exposed to foreign exchange movements

Bravura prepares its financial statements in Australian dollars. The majority of Bravura's revenue is currently generated and costs are incurred outside Australia and are denominated in foreign currencies (76% of FY2016 revenue/77% of FY2017F revenue; and 72% of FY2016 costs/71% of FY2017F costs). Therefore, Bravura is exposed a rise or fall in the value of the Australian dollar against a foreign currency (in particular, a rise in value against the British pound sterling) may impact the value of its assets, liabilities, revenues and costs, and consequently its financial results. This risk may be increased where the value of a foreign currency against the Australian dollar becomes more volatile, including in relation to the current volatility of the British pound sterling as a result of significant events like the Brexit vote or the future departure of the United Kingdom from the European Union, and the process leading up to that departure. For example, from 30 June 2016 to 21 October 2016, the British pound sterling to Australian dollar exchange rate declined from 1.79 to 1.61. As a result, on the Prospectus Date Bravura set that rate, as assumed for the purposes of the Forecast Financial Information, at 1.60. The duration and impact of the above factors is uncertain and may result in actual exchange rates differing from those assumed or expected by Bravura. Any adverse impact on Bravura's profitability as a result of these factors may also impact its ability to declare and pay dividends and to service any future indebtedness.

5.2.4 Bravura's software and services may fail to meet requirements

Bravura relies on continued investment in its software and services. There is a risk that upgrading software, introducing new modules or transitioning clients onto new software may result in unforeseen costs, may fail to achieve anticipated revenue or may not achieve the intended outcomes. A failure by Bravura to provide software with functionality that meets client requirements or that accurately reflects existing law or responds to relevant changes in laws and government policies would have an adverse impact on its ability to develop new client relationships and maintain existing client relationships which in turn may have an adverse impact on Bravura's future financial performance.

5.2.5 Bravura's brand may diminish in reputation and value

Maintaining the strength of Bravura's reputation is important to retaining and increasing Bravura's client base and successfully implementing Bravura's growth strategy. There is a risk that Bravura's reputation could be affected by the actions of third parties, such as business partners, technology providers and its client base. There is also a risk that unforeseen issues or events may arise that adversely affect Bravura's reputation.

For instance, any system failure associated with Bravura's products, the failure of a key contract, or any reduction in the quality of Bravura's products may adversely affect Bravura's brand reputation and value. In addition, if Bravura is unable to respond quickly to rectify any system failure, this may also adversely impact its brand reputation and value. If Bravura's reputation is diminished, this could result in clients or third party technology providers or partners ceasing to do business with Bravura. It may also impede Bravura's ability to compete successfully and may adversely affect Bravura's future financial performance.

5.2.6 Bravura's client base is relatively concentrated

As outlined in Section 3.4, while Bravura endeavours to generate revenue streams over long-term contracts of five to 10 years' duration, Bravura has a relatively concentrated client base. For example, Bravura's top five and top 10 clients are expected to account for approximately 32% and 51% of Bravura's FY2017F revenue respectively.

Three of Bravura's top 10 clients by revenue have contracts that expire in the next two years. One of these clients (which is a Funds Administration client) has indicated that it will not be renewing its contract as referred to in Section 3.4.1. While Bravura will seek to replace revenue from a departing client with that from new clients and is not aware that any other significant clients do not intend to renew their contracts with Bravura, there is a risk that existing clients may choose not to renew their contracts with Bravura upon expiration, or may seek to renew contracts on less favourable terms and that Bravura is not able to replace those contracts at the rate or on the terms necessary to meet its growth objectives. Because of Bravura's relatively concentrated client base, the loss of any one or more material clients, or renewal of contracts on less favourable terms, could materially impact Bravura's future financial performance. Refer also to the risks described in Section 5.2.1 and 5.2.8.

5.2.7 Bravura may not be able to attract and retain key personnel

Bravura's success, including its ability to execute its growth strategy, depends, to a large extent, upon the continued service of key management, technical and sales personnel.

Further, historically, the speed of the development of Bravura's products has been restrained by the ability to attract and retain subject matter experts, for example, those with experience in both IT and the industries in which Bravura operates. There is a risk that Bravura's growth, and in particular the continued development of Sonata and Bravura's other products, will be limited by an inability to attract and/or retain key staff and subject matter experts. If Bravura fails to attract and retain key personnel, the pace of its future growth may be restricted, and the quality of its software and services may be reduced with a corresponding adverse impact on its business and operations.

5.2.8 Bravura may fail to retain existing clients and the level of services used by existing clients

Bravura is dependent on its ability to retain existing clients in order to generate revenue, in particular revenue it categorises as Revenue from Existing Clients (refer to Section 4.2.5). There is a risk that it will not be able to retain existing clients when contract terms expire, or continue to attract those clients to use the services that Bravura offers and generate revenues which are at the discretion of those clients (e.g. additional professional services revenues) in the amounts, on the terms or over the time frames it expects or has done so historically.

There are a number of reasons why Bravura may not be able to do this, including because existing clients:

- elect to delay implementing Bravura's software products;
- perceive Bravura is not meeting the client's expectations or pricing;
- decide for their own internal reasons to require fewer additional services above contracted services, for example, relating to software product upgrades or help desk support;
- merge with a company that uses a competitor's software solutions; or
- elect to switch to a competitor's software products or services.

If Bravura is unable to retain existing clients, or generate the level of services used by those existing clients at all, or on the terms or over the time frames it expects or consistent with historical experience, this may have a material adverse impact on the financial performance of Bravura, and if such events impact revenues generated in FY2017F, on the FY2017F forecasts (and in particular, forecast Revenue from Existing Clients) described in Section 4.8.2.

5.2.9 Bravura is exposed to potential breaches of data security

Bravura and its clients are dependent on the effective performance, reliability and availability of Bravura's software solutions, including in certain circumstances, hardware and software provided by third party data centre operators and telecommunication providers (including servers, the internet, hosting services and the cloud environment in which it can provide its software) (refer to Section 5.2.11).

There is a risk that security and technical precaution measures taken by Bravura and its third party operators will not be sufficient to prevent unauthorised access to Bravura's networks, systems and databases. There is also a risk that Bravura's software is adversely affected by damaged, faulty or ageing equipment, misuse by staff or contractors, disruption, failure, service outages or data corruption, that could occur as a result of computer viruses, "bugs" or "worms", malware, internal or external misuse by websites, hacking or cyber attacks, denial of service attacks, or other disruptions including natural disasters, power surges or outages, or other similar events which could compromise or breach the technology rendering the software unavailable for a period of time while the software is restored or resulting in the loss, theft or corruption of sensitive data (including confidential client or customer data). A failure of Bravura's systems (which may not be deliberate and/or may be outside the control of the Company, the Directors and Bravura management) could reduce the attractiveness of Bravura's software and services to its clients and/or may subject Bravura to reputational damage, a loss of confidence in the services it provides, claims by clients, loss of existing and potential clients, a disruption of services to clients, legal action and/or regulatory scrutiny. Such circumstances could negatively impact Bravura's business and future financial performance.

There is no guarantee that insurance cover will be available and adequate to cover all financial exposure arising from one or more of the circumstances described above. In addition, any significant claim against such a policy may lead to either or both of increased premium on renewal and additional exclusions to the terms of future policies.

5.2.10 Bravura relies on its ability to protect its intellectual property

Bravura relies on a combination of copyright and trademark laws, non-disclosure agreements with clients and technology providers, and technical measures to protect its intellectual property (**IP**) rights and proprietary technology. Monitoring unauthorised use of Bravura's IP is difficult and can be costly. Bravura may not be able to detect unauthorised use of its IP. There is a risk that actions taken by Bravura to protect its IP may not be adequate, complete or enforceable, and may not prevent the misappropriation of Bravura's IP and proprietary information or deter independent development of similar technologies by others. If there has been a failure to protect Bravura's IP, Bravura may need to initiate litigation such as infringement or administrative proceedings, to protect its IP rights. Litigation can be expensive, time consuming and unpredictable, may divert the efforts of its technical staff and managers and may result in an unfavourable determination against Bravura.

Any failure by Bravura to adequately protect IP rights may adversely impact Bravura's business, operations and future financial performance.

5.2.11 Bravura relies on third party technology

Bravura relies on third party software (e.g. Java), and hardware and technologies, for the development, implementation and operation of Bravura's software and services. Bravura's operations would be materially impacted if existing third party suppliers no longer made their software, hardware and technologies available to Bravura or materially increased the price of the use of their software, hardware or technologies. In such circumstances, Bravura may be required to undertake additional development tasks internally, or find new suppliers of such software, hardware and technologies who may offer less favourable terms.

5.2.12 Bravura may be subject to litigation

There is a risk that Bravura may be subject to litigation, claims, disputes or investigations in the course of its business, including litigation regarding IP rights, product liability claims, claims arising under acquisition contracts or customer contracts, or other litigation not covered by insurance. In addition to causing reputational damage, costs associated with such litigation, claims, disputes or investigations, including the cost of settling claims or paying sanctions or fines, and any associated operational impacts, may have a material adverse effect on Bravura's financial performance.

5.2.13 Bravura is exposed to intellectual property infringement claims from third parties

There is the risk that third parties claim the technology Bravura has developed, acquired or incorporated into its software, infringes third party rights. If successful, a claim of this kind could lead to the granting of a court injunction which could materially affect Bravura's business operations. There is also a risk that the seller of technology which Bravura may acquire, may not have appropriately protected its IP rights. Indemnities and other rights under applicable acquisition documents and laws may provide some protection, although there is a risk that Bravura's efforts and legal safeguards may be insufficient to prevent third parties asserting IP rights over or using Bravura's IP.

5.2.14 Bravura may be unable to pay dividends or make other distributions

There is a risk that Bravura may be restricted from paying dividends or making other distributions. In addition, the Board retains discretion to alter the Company's dividend policy from time to time.

Moreover, to the extent Bravura pays any dividends, its ability to offer fully franked dividends is contingent on it making taxable profits.

Bravura's obligation to pay income tax is impacted by its carried forward tax losses and research and development (**R&D**) credits as well as its ability to generate future R&D credits. Bravura's taxable profits may be volatile, making forecasting income tax payments and future R&D credits difficult and unpredictable.

As at the Prospectus Date, Bravura expects that dividends will not be franked for some time. The timing of any franked dividend will depend on the amount of tax payable by Bravura.

5.2.15 Bravura is exposed to risks from past and future business combinations

From time to time, Bravura investigates and undertakes client, product and regional expansions and adjacent market acquisitions, and other growth initiatives that are consistent with its stated growth strategy. Implementing such projects can be time consuming and costly, and the process of integration may create unforeseen operating difficulties and expenditure. The risks Bravura may face in connection with its expansions, acquisitions and other growth initiatives include:

- difficulty in integrating and migrating the operations, systems, technologies and employees of the acquired business;
- disruption to Bravura's existing business and diversion of management's attention on transition and integration of the acquired business;
- difficulty in entering markets in which Bravura has limited direct or prior experience and where competitors have established market positions;
- potential loss of key employees, clients or suppliers of the acquired business;
- assumption of liabilities and incurrence of debt to fund acquisitions;
- assumption of contractual obligations that contain terms that are not beneficial to Bravura;
- failure to realise the expected synergies and increases in revenue, margins and net profit from acquisitions; and
- limited experience with local laws, regulations and business customs of new and unfamiliar markets.

The occurrence of any of the above events may result in the expansion, acquisition or other growth initiative failing to meet strategic objectives, generate the anticipated improvement in financial performance or produce other expected synergies.

In addition, the availability or opportunity for future expansion, acquisition or other growth initiatives may be affected by factors outside the control of the Company, the Directors and Bravura management, and are not reliably predictable (including without limitation, commercial or regulatory changes).

5.2.16 Bravura may fail to execute its growth strategy

Bravura's growth strategy is focused on:

- continuing the roll out of Sonata in its core geographies;
- expanding sales of Sonata and other existing software products into new geographies;
- expanding its distribution network and software product and service offering through ongoing and new partnerships with TPAs, systems integrators and resellers;
- increasing the functionality of Sonata; and
- evaluating on an ongoing basis, businesses or products that add value to Bravura.

To the extent Bravura is not able to execute its strategy, its business and growth prospects may be adversely impacted.

5.3 Investment risk factors

5.3.1 Economic factors

Bravura is exposed to changes in general economic conditions in the United Kingdom, Australia and globally. Adverse changes in inflation rates, interest rates, exchange rates, employment rates, government policies (including fiscal, monetary and regulatory policies), other structural changes (e.g. Brexit, and the process leading up to exit) and other factors driving global macroeconomic conditions are outside the control of the Company, the Directors and Bravura management, and are not reliably predictable. Any of these factors may have an adverse impact on Bravura's business and financial performance.

There is a risk that external factors (e.g. the unknown impact of Brexit) impacting the wealth management and funds administration industries may cause Bravura's clients and potential clients to reduce, delay or cancel expenditure on Bravura's products and services. Any reduction, delay or cancellation may have a material adverse effect on Bravura's financial performance.

5.3.2 Price of Shares

The price of Shares quoted on ASX may rise or fall and the Shares may trade below or above the Offer Price due to a number of factors, including fluctuations and general volatility in the domestic and international market for listed stocks, general economic conditions, including interest rates, inflation rates, exchange rates, commodity and oil prices, changes to government fiscal, monetary or regulatory policies, legislation or regulation, inclusion in or removal from market indices, the nature of the markets in which Bravura operates and general operational and business risks. Other factors which may negatively affect investor sentiment and influence Bravura specifically or the stock market more generally include acts of terrorism, an outbreak of international hostilities or fires, floods, earthquakes, labour strikes, civil wars and other natural disasters.

Further, the share prices for many companies have in recent times, been subject to wide fluctuations, which in many cases may reflect a diverse range of non-company-specific influences such as global hostilities and tensions, acts of terrorism and the general state of the economy. Such market fluctuations may materially adversely affect the market price of the Shares.

No assurances can be given that the performance of the Shares will not be adversely affected by any such market fluctuations or factors. None of the Company, SaleCo, the Directors, SaleCo directors or any other person guarantees the performance of the Shares.

5.3.3 Significant retained holding by the Ironbridge Funds

Immediately after Completion, the Ironbridge Funds will hold approximately 47.2% of the issued share capital of Bravura. Therefore, the Ironbridge Funds may have the capacity to influence the election of Directors, the approval of significant corporate transactions and the success of a takeover or similar offer for the Shares. In addition, the Ironbridge Funds have the rights under the Relationship Deed described in Section 6.5.2 with respect to representation on the Board.

The interests of the Ironbridge Funds may differ from the interests of Bravura and the interests of Shareholders who purchase Shares under the Offer.

5.3.4 Liquidity

Prior to the Offer, there has been no public market through which the Shares may be sold. Once the Shares are quoted on ASX, there can be no guarantee that an active trading market for the Shares will develop or that the price of the Shares will increase. There is a risk that there may be relatively few potential buyers or sellers of the Shares on ASX at any time. This may increase the volatility of the market price of the Shares. It may also affect the prevailing market price at which Shareholders are able to sell their Shares. This may result in Shareholders receiving a market price for their Shares that is less than the price that Shareholders paid.

Following Completion, certain Shareholders as described in Section 6.3.4 and will be subject to voluntary escrow arrangements (representing approximately 52.3% of the Shares on issue). The absence of any sale of escrowed Shares by the escrowed Shareholders during their Escrow Period may cause, or at least contribute to, limited liquidity in the market for the Shares. This could affect the prevailing market price at which Shareholders are able to sell their Shares and Shareholders may receive a market price for their Shares that is less than the price that they paid.

Following the end of the relevant escrow period, a significant sale of Shares by the escrowed Shareholders, or the perception that such a sale might occur, could adversely affect the market price of the Shares.

5.3.5 Shareholder dilution

In the future, Bravura may elect to issue Shares or engage in capital raisings to facilitate employee share plans, or fund expansion, acquisitions, or other growth initiatives. While Bravura will be subject to the ASX Listing Rules regarding the percentage of capital that it is able to issue within a 12 month period (other than where exceptions apply), Shareholders at the time may be diluted as a result of such capital raisings and issues of Shares.

5.3.6 Taxation changes

Changes in tax law (including transfer pricing, GST and stamp duties), or changes in the way tax laws are interpreted, may impact the tax liabilities of Bravura, Shareholder returns, the level of dividend imputation or franking, or the tax treatment of a Shareholder's investment. In particular, both the level and basis of taxation may change. The tax information provided in this Prospectus is based on current taxation law as at the Prospectus Date. Tax law is frequently being changed, both prospectively and retrospectively. Furthermore, the status of some key tax reforms remains unclear at this stage.

In addition, tax authorities may review the tax treatment of transactions entered into by Bravura in any jurisdictions in which Bravura operates or has activities. Any actual or alleged failure to comply with, or any change in the application or interpretation of tax rules applied in respect of such transactions, may increase its tax liabilities or expose it to legal, regulatory or other actions.

In addition, an investment in the Shares involves tax considerations which may differ for each Shareholder. Each prospective investor is encouraged to seek professional tax advice in connection with any investment in Bravura.

5.3.7 Australian Accounting Standards

Australian Accounting Standards (**AAS**) are set by the Australian Accounting Standards Board (**AASB**) are outside the control of the Company, the Directors and Bravura management. The AASB may introduce new or refined AAS, which may affect future measurement and recognition of key statement of profit or loss and statement of financial position items, including revenue and receivables.

There is also a risk that interpretations of existing AAS, including those relating to the measurement and recognition of key statement of profit or loss and statement of financial position items, including revenue and receivables, may differ.

Changes to AAS issued by the AASB, or changes to the commonly held views on the application of those standards, could materially adversely affect the financial performance and position reported in the Company's consolidated financial statements.

5.3.8 Force majeure events

Events may occur within or outside the jurisdictions in which Bravura operates, that could impact upon the economies of those jurisdictions or the global economy, the operations of Bravura and the price of the Shares. These events include but are not limited to acts of terrorism, an outbreak of international hostilities, fires, floods, earthquakes, labour strikes, civil wars, natural disasters, outbreaks of disease or other man-made or natural events or occurrences that can have an adverse effect on the demand for Bravura's software and services and its ability to conduct business. Bravura has only a limited ability to insure against some of these risks.

Section 6
Key People, interests and Benefits

06

6.1 Board of Directors

The Directors bring to the Board relevant experience and skills, including industry and business knowledge, financial management and corporate governance experience.

Director and position	Experience
 **Brian Mitchell** **Independent Non-Executive Chairman and Non-Executive Director**	Based in Sydney, Brian Mitchell was appointed as Chairman of Bravura in 2009. Brian has over 30 years of experience in the IT industry with broad experience in the hardware, software and service sectors. His experience has been gained from working in the United Kingdom, Australia, APAC and the United States of America. Brian has significant experience in business development, marketing, sales, and executive management. Most recently, Brian was Senior Vice President, Oracle APAC, responsible for growing their software and services activities throughout APAC. His responsibilities included managing overall operations in the region, including leading Oracle APAC's expanding technology, and applications software businesses. Previously, Brian held the position of Managing Director, Oracle Australia and New Zealand from December 2000 until September 2004. Brian has held various other senior management roles with organisations such as IBM Corporation, BIS Banking Systems and Digital Equipment Corporation. Brian is a former director of UXC and Onthehouse, and is currently Chairman of OtherLevels. Brian is a Certified Practising Marketer, a Fellow of the Australian Institute of Company Directors, a Fellow of the Australian Marketing Institute, and an Associate Fellow of the Australian Institute of Management.
 **Tony Klim** **CEO of Bravura and Managing Director**	Based in London, Tony Klim has over 29 years of experience in international financial services and has held a number of executive and board positions with private and listed companies focused on technology and outsourcing in support of the international financial services market. He has extensive experience in mergers and acquisitions, and in a previous role he sponsored the acquisition of a leading United Kingdom financial intermediary portal, the Exchange. Over the years, Tony has been involved in the development of new products and services targeted at the independent financial adviser community. Prior to joining Bravura in February 2008 as the CEO for EMEA, Tony was a strategic consultant in the financial services sector. He has specialised in growth businesses, and internet banking and payment systems. His track record includes a number of strategic advisory and management roles for major international banks, life companies and technology businesses.
 **Martin Deda** **CFO of Bravura and Executive Director**	Based in Sydney, Martin Deda has over 28 years of experience in senior finance and operations roles, predominately within the IT and professional services industry sectors. Throughout his career, Martin has worked for private and public companies across Australia, Asia, the United Kingdom, Europe and the United States. He has extensive experience in financial and management accounting and reporting, tax, treasury, commercial, mergers and acquisitions and bid and contract management, investor relations, company secretarial, facilities management, IT infrastructure, applications and support, and shared services. Prior to joining Bravura in September 2014, Martin was the Chief Operating Officer/CFO for top tier law firm Minter Ellison. He previously held senior positions at ASX 200 listed global healthcare IT provider, iSOFT and Computer Sciences Corporation for central and eastern Europe. He has also held senior finance and operations roles at TNT and StorageTek in EMEA.

Key People, interests and Benefits (continued)

Director and position	Experience
 **Neil Broekhuizen** **Non-Executive Director**	Based in Sydney, Neil Broekhuizen has over 23 years of experience in private equity with Investcorp and Bridgepoint Capital in Europe and Ironbridge in Australia. Since co-founding Ironbridge in 2003, Neil has helped grow the business into a leading Australasian private equity manager. Neil has sat on the investment committee of Ironbridge since inception. Neil has a BSc Honours degree in electical engineering from Imperial College, London and is also a member of the Institute of Chartered Accountants in England and Wales. Neil is currently nominated as a Director by representatives of the Ironbridge Funds as described in Section 6.4.1.1 and is a non-executive director of ASX-listed Monash IVF Group.
 **Peter Mann** **Independent Non-Executive Director**	Based in London, Peter Mann was previously Vice Chairman at Old Mutual Group. Peter was integral to the delivery of that organisation's growth strategy. Prior to that, he held a number of senior roles including CEO of Skandia, one of the United Kingdom's largest retail platforms, which was acquired by Old Mutual in 2006, and also CEO of Bankhall, an independent financial adviser network. In his role at Skandia, Peter laid the foundations for expanding the retail platform into the leader it is today. At Bankhall, Peter supported significant revenue growth and steered the company to profit, implementing several new services for existing members across various business lines.
 **Alexa Henderson** **Independent Non-Executive Director**	Based in Sydney, Alexa Henderson has over 30 years of experience in finance, accounting and audit across the United Kingdom and Australia. She has worked with KPMG, Arthur Andersen and Deutsche Bank. Alexa has a strong background in financial institution corporate governance and the guidance of appropriate audit practices and risk management processes. She is currently on the board of directors of five financial services companies in the United Kingdom, being Adam and Company Private Bank (private wealth subsidiary of RBS), Scottish Building Society (which she chaired for four years), Dunedin Smaller Companies Investment Trust, F&C UK Real Estate Investments and JP Morgan Japan Smaller Companies Trust. She has chaired the audit committee of each of these companies. In addition, Alexa sits on the board of James Walker (Leith) Limited, a diversified construction company. Alexa holds a BSc in Economics and Accounting from Edinburgh University and has been a member of the Institute of Chartered Accountants of Scotland since 1985.

6.2 Management

Profiles of the key members of Bravura's management team are set out below.

Executive and position	Experience
 **Tony Klim** **CEO of Bravura and Managing Director**	Refer to Section 6.1.
 **Martin Deda** **CFO of Bravura and Executive Director**	Refer to Section 6.1.
 **Darren Stevens** **Director, Product Management and Strategy**	Based in Melbourne, Darren Stevens has over 29 years of experience in the financial services sector. As Director of Product Management and Strategy, Darren is responsible for developing, refining and executing Bravura's corporate strategy for both its global Wealth Management and global Funds Administration segments and the global strategic direction and product management of Bravura's Wealth Management product suite and leading merger and acquisition activity. Prior to joining Bravura, Darren was Head of Strategy and Finance, Employer Superannuation at ING Australia, where he looked after strategic and operational planning for its employer superannuation business. Darren has also held a number of senior management and executive positions with TOWER Australia, including General Manager of Product and Marketing and Head of Employer Superannuation Operations as well as an actuarial consulting role with the global Woodrow Milliman Group, focused on mergers and acquisitions and product development across APAC.
 **Nick Parsons** **Global Chief Technology Officer**	Based in London, Nick Parsons has over 29 years of experience in the IT industry, specialising in financial sector solutions for fund managers and TPAs. Nick is Global Chief Technology Officer for Bravura, with responsibilities that include defining the Company's evolving IT vision and strategy across the product range. Nick also leads the propositions teams in the United Kingdom, tasked with identifying and developing new opportunities in EMEA. He has been with Bravura since July 2007. Prior to joining Bravura, Nick was the Chief Technology Officer for DST Global Solutions, where he was responsible for driving technical innovation across a diverse product range and implementing a number of complex global projects.

Key People, interests and Benefits (continued)

Executive and position	Experience
 **John Waddy** **Sonata Global Product Development Director**	Dividing his time between our Sonata development centres in Europe, India and Australasia, John Waddy has over 30 years of experience working in the investment and wealth management space. John is responsible for Sonata's development centres. John originally joined Bravura in 2008 as Head of UK Operations for Bravura's Funds Administration division. Prior to his current role, he was Chief Operating Officer for EMEA Wealth Management. Before joining Bravura, John worked in a range of roles with clients in Europe, the Middle East and South Africa, from product consulting to managing global support, development and professional services teams.
 **Roland Slee** **Managing Director, APAC**	Based in Sydney, Roland Slee has 29 years of experience in financial services IT, having held positions in consulting, sales and management in Europe and Asia. Roland is responsible for accelerating growth, developing new lines of business and implementing major change programs in the region. He joined Bravura in November 2011. Prior to joining Bravura, Roland was Vice President, Oracle APAC, where he held a variety of senior sales and marketing positions in Oracle APAC's Database, Middleware and Industry Solutions divisions.
 **Jason Tong** **Chief Operating Officer, Wealth Management APAC**	Based in Melbourne, Jason Tong has more than 21 years of experience in software development and enterprise systems implementations, specifically within the financial services industry. Jason is responsible operational functions across all of Bravura's software products in Asia Pacific. Jason joined Bravura in 2005 as part of the Company's acquisition of Tacit Group, where he was Chief Operating Officer. Prior to joining Bravura, Jason held a number of executive roles within Tacit Group before becoming its Chief Operating Officer, including running product development and opening and running Tacit Group's Australian operations.
 **Harry Storer** **Chief Operating Officer, Wealth Management EMEA**	Based in London, Harry Storer has over 30 years of experience in the international IT industry. Harry is responsible for all wealth management operational functions across the EMEA region. Harry joined Bravura in 2014. Harry has held senior management roles in the United Kingdom and APAC. He has extensive experience in business planning and operations, project management, systems integration, management consulting and software sales. Prior to joining Bravura, Harry was Senior Vice President Global Consulting at Ventyx, an ABB company. He also held Senior Vice President roles at Oracle APAC in application sales and consulting.

Executive and position	Experience
 **Andy Chesterton** **Chief Operating Officer, Funds Administration**	Based in London, Andy Chesterton has over 27 years of experience in the finance industry. Andy is responsible for the Funds Administration functions across EMEA, including product development (as well as financial messaging) globally. He has been with Bravura since it acquired the RUFUS division of The Bank of New York (now BNY Mellon) in December 2006. Andy held various senior roles in The Bank of New York's Retail Funds Services and Retail Funds Software House divisions. Andy joined the Retail Funds Software House division in 2000 as the Head of Development. He was previously responsible for custody and treasury development teams at SG Warburg & Co.
 **Kirsty Worgan** **Head of Sales, EMEA**	Based in London, Kirsty Worgan has over 25 years of experience across the financial technology, platforms, pensions and professional services sectors. Kirsty is responsible creating new sales opportunities and developing marketing strategies across EMEA. Kirsty joined Bravura in January 2015. Prior to joining the Company, Kirsty worked in a number of senior roles within the industry including Head of Business Development for GBST's Wealth Management division where she helped establish their presence in the United Kingdom, and senior manager at Profund Systems where she created and ran the Consultancy division.

6.3 Interests and benefits

This Section 6.3 sets out the nature and extent of the interests and fees of certain persons involved in the Offer. Other than as set out below or elsewhere in this Prospectus, no:

- Director or proposed Director or director or proposed director of SaleCo;
- person named in this Prospectus and who has performed a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Prospectus;
- promoter of Bravura or SaleCo; or
- underwriter to the Offer or financial services licensee named in this Prospectus as a financial services licensee involved in the Offer,

held as at the time of lodgement of this Prospectus with ASIC, or has held in the two years before lodgement of this Prospectus with ASIC, an interest in:

- the formation or promotion of Bravura or SaleCo;
- property acquired or proposed to be acquired by Bravura or SaleCo in connection with their formation or promotion or in connection with the Offer; or
- the Offer,

and no amount (whether in cash, Shares or otherwise) has been paid or agreed to be paid, nor has any benefit been given or agreed to be given to any such person for services in connection with the formation or promotion of Bravura, SaleCo or the Offer or to any Director or director of SaleCo or proposed director of Bravura or SaleCo to induce them to become, or qualify as, a Director or director of SaleCo.

6.3.1 Interests of advisers

Bravura has engaged the following professional advisers in relation to the Offer:

- Goldman Sachs and Macquarie Capital have acted as Lead Managers to the Offer. Bravura has agreed to pay the Lead Managers the fees described in Section 9.4 for these services;
- Commonwealth Securities Limited and Macquarie Equities Limited have acted as Co-Managers to the Offer. Bravura has agreed to pay the Co-Managers the fees described in Section 9.4 for these services;
- Fort Street Advisers has acted as Financial Adviser to the Offer. Bravura has paid, or agreed to pay, approximately $2.0 million (excluding disbursements and GST) for these services subject to Completion;

- Clayton Utz has acted as Australian legal adviser to Bravura in relation to the Offer. Bravura has paid, or agreed to pay, approximately $1.5 million (excluding disbursements and GST) for these services up until the Prospectus Date. Further amounts may be paid to Clayton Utz for other work in accordance with its normal time based charges;
- Ernst & Young Transaction Advisory Services Limited has acted as Investigating Accountant in relation to the Offer and has prepared the Independent Limited Assurance Report included in Section 8. Bravura has paid, or agreed to pay, approximately $0.2 million (excluding disbursements and GST) for these services up until the Prospectus Date; and
- Ernst & Young has performed work in relation to financial and tax due diligence services for Bravura and Ernst & Young has also acted as tax adviser to Bravura in relation to the Offer. Bravura has paid, or agreed to pay, approximately $2.3 million (excluding disbursements and GST) for these services up until the Prospectus Date. Further amounts may be paid to Ernst & Young in accordance with its normal time based charges.

These amounts, and other costs of the Offer will be paid by Bravura out of funds raised under the Offer or available cash. Further information on the use of proceeds and payment of costs of the Offer is set out in Section 7.1.2.

Commonwealth Securities Limited and Macquarie Equities Limited have agreed to act as Co-Managers to the Offer. Each will be paid fees of 1.5% of the value of Shares allocated to clients of that Co-Manager. All amounts payable to them are payable by the Lead Managers out of the fees payable to the Lead Managers under the Underwriting Agreement as described in Section 9.4.

In connection with the bookbuild process, one or more investors may elect to acquire an economic interest in Shares (**Economic Interest**), instead of subscribing for or acquiring the legal or beneficial interest in those Shares. One or more of the Lead Managers (or their affiliates) may, for their own account, write derivative transactions with those investors relating to certain Shares to provide the Economic Interest, or otherwise acquire Shares in connection with the writing of such derivative transactions in the bookbuild and/or in the secondary market. As a result of such transactions, one or both of the Lead Managers (or their affiliates) may be allocated, subscribe for or acquire Shares in the bookbuild and/or in the secondary market, including to hedge those derivative transactions, as well as hold long or short positions in such Shares. These transactions may, together with other Shares acquired by the Lead Managers (or their affiliates) in connection with their ordinary course sales and trading, principal investing and other activities, result in a Lead Manager (or its affiliates) disclosing a substantial holding in the Company and earning fees.

6.3.2 Directors' interests and remuneration

6.3.2.1 CEO of Bravura

Bravura Solutions (UK) Limited is party to an employment contract with Tony Klim to govern his employment with Bravura, dated 30 June 2011. Tony is employed in the position of CEO of Bravura. Tony's annual remuneration package is comprised of a base salary of GBP 392,647 (plus 12% pension) and annual cash bonus of up to 50% of his salary paid on achievement of agreed performance targets (plus up to a further 10% of his salary paid on outperformance of such targets) and he may participate in the Employee Incentive Plan. No grants have been made to Tony under the Employee Incentive Plan. The terms and conditions of Tony's bonus and any further awards, including as to targets, vesting and/or exercise (as the case may be), may be determined by the Directors.

Tony's employment contract may be terminated by either Bravura or Tony by providing at least 12 months' notice in writing before the proposed date of termination. In some cases Bravura may terminate Tony's employment without notice, including in circumstances of gross or serious misconduct, materially failing to perform his duties, being convicted of a serious criminal offence and bankruptcy. Tony's employment contract also includes a restraint of trade period of 12 months following termination. Enforceability of such restraint of trade is subject to all usual legal requirements.

It is intended that Tony will receive $107,444 as a transaction bonus on Completion; see Section 6.3.3.1.

6.3.2.2 CFO of Bravura

Bravura Solutions Operations Pty Limited is party to an employment contract with Martin Deda to govern his employment with Bravura, dated 14 August 2014. Martin is employed in the position of CFO of Bravura. Martin's annual remuneration package is comprised of a base salary of $442,170 (plus 9.5% superannuation, capped at $25,000) and an annual cash bonus of up to 35% of his salary paid on the achievement of agreed performance targets (plus up to a further 7% of his salary paid on outperformance of such targets) and he may participate in the Employee Incentive Plan. No grants have been made to Martin under the Employee Incentive Plan. The terms and conditions of any further awards, including as to targets, vesting and/or exercise (as the case may be), may be determined by the Directors.

Martin's employment contract may be terminated by either of Bravura or Martin by providing at least six months' notice in writing before the proposed date of termination. In some cases Bravura may terminate Martin's employment without notice, including in circumstances of gross or serious misconduct, materially failing to perform his duties, being convicted of a serious criminal offence and bankruptcy. Martin's employment contract also includes a restraint of trade for a period of 90 days following termination. Enforceability of such restraint of trade is subject to all usual legal requirements.

It is intended that Martin will receive $38,373 as a transaction bonus on Completion; see Section 6.3.3.1.

6.3.2.3 Senior management employment contracts

Senior members of management are party to contracts of employment with Bravura under which either Bravura or the executive may terminate the executive's employment, generally after the expiry of three to six months' notice in writing. Employment contracts with key members of management also generally include a restraint of trade period ranging from three to 12 months following expiry of the notice period. Enforceability of such restraints of trade is subject to all usual legal requirements.

6.3.2.4 Director appointment letters

Prior to the Prospectus Date, each of the Directors has entered into letters with Bravura, confirming their roles and responsibilities as directors of a public listed entity, and Bravura's expectations of them as Directors.

6.3.2.5 Non-Executive Director remuneration

Under the Constitution, the Board may decide the total amount paid to each Director as remuneration for their services as a Director. However, under the ASX Listing Rules, the total amount paid to all Directors for their services (excluding, for these purposes, the salary of any Executive Director) must not exceed in aggregate in any financial year the amount fixed by Bravura's general meeting.

This amount has been fixed by Bravura at $750,000 per annum. For the financial year ended 30 June 2017, it is expected that the fees payable to the current Directors will not exceed $484,000[1] in aggregate. Annual Director fees currently agreed to be paid by Bravura are $200,000 to the Chairman, Brian Mitchell, $105,000 to Neil Broekhuizen, $87,000[1] to Alexa Henderson and $92,000[1] to Peter Mann. These Director fees include fees payable to each Director for their roles on the relevant Board committees. All Non-Executive Directors' fees are exclusive of superannuation contributions where required by law to be made by Bravura.

The Non-Executive Directors are not entitled to participate in any employee incentive scheme (including the Employee Incentive Plan).

Section 6.3.2.7 provides an overview of the Shares in which Directors are expected to have an interest directly or indirectly through an investment vehicle at Completion.

6.3.2.6 Other information

Directors may be paid for travel and other expenses incurred in attending to Bravura's affairs, including attending and returning from meetings of the Board or committees of the Board or general meetings. Any Director who devotes special attention to the business of Bravura or who performs services which, in the opinion of the Board, are outside the scope of ordinary duties of a Director, may be remunerated for the services (as determined by the Board) out of the funds of Bravura. There are no retirement benefit schemes for Directors, other than statutory superannuation contributions.

6.3.2.7 Deeds of indemnity, insurance and access

Bravura has entered into deeds of indemnity, insurance and access with each Director which confirm each person's right of access to certain books and records of Bravura and its wholly owned subsidiaries for a period of seven years after the Director ceases to hold office. This period may be extended where certain proceedings or investigations commence before the seven year period expires. The deeds also require Bravura to provide an indemnity for liability incurred as an officer of Bravura and its subsidiaries, to the maximum extent permitted by law.

Pursuant to the Constitution, Bravura is required to indemnify Directors and employees, past and present, against liabilities allowed under law. Under the deeds of indemnity, insurance and access, Bravura indemnifies each Director against all liabilities to another person that may arise from their position as a director of the Company or its subsidiaries to the extent permitted by law. The deeds stipulate that Bravura will meet the full amount of any such liabilities, including reasonable legal costs and expenses.

Pursuant to the Constitution, Bravura may arrange and maintain directors' and officers' insurance for its Directors to the extent permitted by law. Under the deeds of indemnity, insurance and access, Bravura must obtain such insurance during each Director's period of office and for a period of seven years after a Director ceases to hold office. This seven year period can be extended including where certain proceedings or investigations commence before the seven year period expires.

1. The currency of the base salary for Alexa Henderson and Peter Mann is British pounds sterling and assumes a GBP/AUD exchange rate of 1.60.

6.3.2.8 Directors' shareholdings

The Directors are not required by the Constitution to hold any Shares.

Following Completion, it is expected that the Directors will hold the following shares in Bravura.

Director[1]	Number of Shares (millions)
Brian Mitchell	1.9
Tony Klim	1.9
Martin Deda	0.8
Peter Mann[2]	0.025
Alexa Henderson[2]	0.01

Notes:
1. Directors may hold their interests directly, or through entities associated with them (e.g. through companies or trusts).
2. Peter Mann and Alexa Henderson have informed Bravura that they, or their investment vehicles, intend to apply for Shares under the Priority Offer.

The Shares held by Existing Shareholders on Completion will be subject to voluntary escrow arrangements (see Section 6.3.4).

Final Directors' shareholdings will be notified to ASX following Listing.

6.3.3 Retention and incentive arrangements

Bravura has established various incentive arrangements to assist in the attraction, motivation and retention of management and employees, including general incentive payments under contracts of employment, bonuses payable under the STIP and/or the right to participate in the Employee Incentive Plan.

6.3.3.1 Transaction bonus on Completion

On Completion, Bravura proposes to pay a $0.7 million transaction bonus. The proposed transaction bonus will be paid to management ($446,739 in aggregate), Executive Directors (Tony Klim: $107,444 and Martin Deda: $38,373) and the Chairman ($107,444).

6.3.3.2 Short term incentive plan (STIP)

Members of the senior executive team, managers and senior specialists may participate in a short term incentive plan (**STIP**) under which cash based incentives linked to financial metrics may be payable to participants at the sole discretion of Bravura.

Annual cash bonuses which may be payable to the Executive Directors under the STIP are described in Sections 6.3.2.1 and 6.3.2.2.

6.3.3.3 Employee Incentive Plan

Bravura has established an employee incentive plan (**Employee Incentive Plan**) which provides the framework under which individual grants of employee incentives outside the STIP are proposed to operate. No grants under the Employee Incentive Plan will have been made on Completion. The key terms of the Employee Incentive Plan are outlined below.

Term	Description
Administration	The Employee Incentive Plan will be administered by the Board.
Eligibility	Participation in the Plan is by invitation (**Invitation**). Eligible participants are full-time or part-time employees of any Bravura group company (including Executive Directors), or any other person the Board deems eligible in its absolute discretion.
Award	The Employee Incentive Plan provides flexibility for the Board to grant one or more of the following types of award: • options to acquire shares (**Option Right**); • rights to acquire shares (**Performance Right**); • shares allocated under the Plan (**Restricted Share**); or • a right to a cash amount determined in reference to the value of shares (**Incentive Right**), (together **Awards**). Any shares issued under the Plan will rank equally with other shares issued by Bravura, except for any rights attaching to shares by reference to a record date prior to the date of their issue.

Term	Description
Conditions	The Board must set out the terms and conditions of the Award in the Invitation. The Invitation must include: • the type(s) and number of Award(s) being offered or the method by which the number will be calculated; • the amount payable for the grant of an Award or the method by which the amount payable is calculated; and • any vesting conditions, or other condition including any vesting periods. An invitation for an *Option Right* or *Performance Right* must include: • requirements for exercising the Option Right (including any exercise price or exercise period); • whether exercising the Option Right or vesting of the Performance Right will only be satisfied by an allocation of shares to the participant; and • the date or circumstances in which the Option Right or Performance Right may lapse. An invitation for an *Incentive Right* must include: • how the amount of the Incentive Right is calculated; and • when the Incentive right will be paid.
Rights to participate in new issues of securities	*Option Rights* and *Performance Rights* do not confer on participants a right to participate in the new issue of securities to existing shareholders unless: • the Option Right is entitled to be exercised, or the Performance Right has vested; • shares have been allocated under the Plan in respect of that Option Right or Performance Right before the determination of entitlements to new securities; or • the participant participates as a holder of allocated shares.
Issue Price	Awards are to be issued at no cost to a participant unless the Invitation specifies otherwise, or in respect of any allocation of Restricted Shares which may be deducted from that employee's remuneration (provided that arrangement is noted in the Invitation). The Board may approve a loan made by a Bravura group company to a participant to satisfy any amount payable for the grant of Restricted Shares. If approved, the invitation to participate must specify the terms and conditions of that loan (including any repayment and dealing restrictions).
Trust Arrangement	The Board may, in its discretion, determine that Restricted Shares will be held by a Trustee on behalf of the participant on the terms of the Trust Deed, and any other terms the Board determines. If Restricted Shares are to be held on trust, the invitation must set out: • the name of the trust and trustee; • the participant's right to exercise any voting right attached to those shares; and • the circumstances the participant can direct the trustee to transfer the Restricted Share into the participant's name, or sell the Restricted Share and pay any proceeds to the participant.
Dividend Equivalent Rights	The Board may determine at the time of Invitation regarding an Award other than Restricted Shares, that the participant also be granted rights to be paid cash amounts determined by reference to the value or change in value of shares (**Dividend Equivalent Right**) in respect of exercised Option Rights, vested Performance Rights, or vested Incentive Rights. If applicable, the Invitation must specify the method of calculating the Dividend Equivalent Right, and when the Dividend Equivalent Right will be paid.
Applications	Applications must be made in accordance with the instructions accompanying the Invitation, or in any other way the Board determines.
Vesting and Exercise	*Option Rights, Performance Rights* and *Incentive Rights* will vest when the vesting conditions (or any other condition stipulated by the Board), have been satisfied. An *Option Right* may only be exercised if it has vested. *Restricted Shares cease* to be restricted when the vesting conditions applicable have been satisfied, or upon notification from Bravura that the share is no longer restricted.

Term	Description
Lapsing and Forfeiture	*Option Rights* will lapse on the earlier of: • 7 years after vesting, or any other date specified in the invitation; • a date or circumstance specified in the invitation for that Option Right; • failure to meet a vesting condition within the vesting period; or • the participant's election to surrender the Option Right. *Performance Rights, Incentive Rights* and *Restricted Shares* will lapse (or in the case of Restricted Shares will be forfeited) on the earlier of: • a date or circumstance specified in the invitation; • failure to meet a vesting condition within the vesting period; or • the participant's election to surrender the relevant Performance Right, Incentive Right or Restricted Shares.
Dealing Restrictions	A participant must not sell, transfer, assign, encumber, option, swap, or alienate rights to the Award, or attempt to do so unless required by law, and permitted by the company's securities trading policy.
Cessation or change of Employment	The Board may determine how a participant's Award is to be treated on cessation of employment. In making such decision, the Board may have regard to any matter they consider relevant, including the circumstances surrounding the cessation, satisfaction of any vesting conditions and the time elapsed in respect of the vesting period of the Award. An application in respect of an Award may be refused by the Board if the participant ceases to be employed by a Bravura group company, or ceases to satisfy any condition imposed by the Board. The Board may determine how a participant's Award is to be treated when the participant is transferred overseas to work for a group company where that transfer may impose tax implications for the participant, impacts the ability to vest or pay amounts relating to the Award or causes additional restrictions on dealing with awards, shares, or proceeds of shares.
Control	Where there is a change of control event, the board may determine that: • all or a number of unvested Awards have vested; • all or a number of Option Rights may be exercised for a specified period, or will lapse; • disposal restrictions on Awards cease to apply; • disposal restrictions on shares allocated on the vesting of a Performance Right or exercise of an Option Right cease to apply; and/or • the company will direct the trustee to transfer shares held into the relevant participant's name. If a body corporate obtains control of the company, a participant may, upon exercise of Option Rights and vesting of Performance Rights, be provided with shares in the controlling body corporate in such manner as agreed and on substantially similar conditions.
Award Adjustments	In order to minimise material advantage or disadvantage to a participant resulting from corporate action or capital reconstruction, prior to an allocation of shares or payment to a participant, the Board may determine to make adjustments to the terms of an Award or Dividend Equivalent Right, or grant additional Awards or Dividend Equivalent Rights. Permitted adjustments are: • the number of Awards or Dividend Equivalent Rights a participant is entitled to; • the number of shares a participant is entitled to on exercise of Option Rights or vesting of Performance Rights; • the amount payable upon vesting of Incentive Rights, exercise of Option Rights, vesting of Performance Rights, and under Dividend Equivalent Rights. The Board may determine how to treat a participant's Award where fraud, dishonesty, or breach of duty by the employee has occurred.
Amendment to Plan	The Board may, by resolution, amend the Plan or any tem or condition of any Award. This power may not be exercised in a manner adversely affecting the existing rights of the participant relating to any Award or share already granted without the participants permission. The Board may at any time terminate or suspend the Employee Incentive Plan, or determine to grant incentives outside of the Employee Incentive Plan.

6.3.4 Voluntary escrow arrangements

The Ironbridge Funds and each Management Shareholder, have each entered into a voluntary escrow arrangement with Bravura in relation to all of the Shares they will hold on Completion. Under each voluntary escrow arrangement, the relevant escrowed party agrees, subject to certain limited exceptions, not to deal in those Shares as set out below.

Other than in respect of Brian Mitchell, no Shares held by Non-Executive Directors will be subject to any escrow restrictions.

6.3.4.1 Escrow arrangements for the Ironbridge Funds

In respect of the 101.1 million Shares held by the Ironbridge Funds, the Ironbridge Funds agree not to deal in those Shares from Completion:

- in respect of 25% of the Shares held by the Ironbridge Funds at Completion, until after 4.15pm on the date both of the following conditions have been satisfied: (a) Bravura's financial results for the half year ending 31 December 2016 have been released to ASX; and (b) the volume-weighted average Share price for any 10 consecutive days (in aggregate) beginning on the day after the release of those financial results, exceeds the Offer Price by at least 20%;
- in respect to the remaining Shares held by the Ironbridge Funds, until after 4.15pm on the date on which Bravura's financial results for the financial year ending 30 June 2017 are released to ASX.

In addition to the common exceptions to all escrow arrangements described in Section 6.3.4.3, the Ironbridge Funds may encumber any or all of their Shares to a bona fide third party financial institution as security for a loan, hedge or other financial accommodation, provided that the encumbrance does not in any way constitute a direct or indirect disposal of the economic interests, or decrease an economic interest, that the Ironbridge Funds have in any of their escrowed Shares, and no escrowed Shares may be transferred to the financial institution in connection with the encumbrance (with the documentation for such encumbrance providing that the escrowed Shares remain in escrow and subject to the voluntary escrow arrangements for the term of those arrangements).

6.3.4.2 Escrow arrangements for each Management Shareholder

In respect of the 11.0 million Shares held by each Management Shareholder, each Management Shareholder agrees not to deal in those Shares from Completion:

- in respect of 33.3% of the Shares held by each Management Shareholder at Completion, until after 4.15pm on the date both of the following conditions have been satisfied: (a) the Company's financial results for FY2017 have been released to ASX; and (b) the volume-weighted average Share price for any 10 consecutive days (in aggregate) beginning on the day after the release of those financial results, exceeds the Offer Price by at least 20%; and
- in respect of the remaining Shares held by each Management Shareholder, after 4.15pm on the date on which the financial results for the half year ending 31 December 2017 are released to ASX.

In addition, the Shares of each Management Shareholder will be released from voluntary escrow in circumstances where the relevant Management Shareholder dies, or has a serious disability or permanent incapacity through ill health.

6.3.4.3 Terms common to all escrow arrangements

Each escrow arrangement entered into prevents the relevant Shareholder from disposing of their Shares for the applicable escrow period as described above.

The restriction on disposing Shares is broadly defined and includes, among other things, selling, assigning, transferring or otherwise disposing of any legal, beneficial or economic interest in the Shares, encumbering or granting a security interest over the Shares (except to the extent permitted by the arrangement as outlined in this Section 6.3.4), doing, or omitting to do, any act if the act or omission would have the effect of transferring effective ownership or control of any of the Shares or agreeing to do any those things.

All of the escrowed Shareholders may be released early from these escrow obligations to enable, in summary:

- the escrowed Shareholders to accept an offer under a takeover bid in relation to their Shares if holders of at least half of the Shares the subject of the bid that are not held by the escrowed Shareholders have accepted the takeover bid, and the takeover bid is unconditional (or would become unconditional if accepted by the Holder) or all conditions to the takeover bid have been satisfied or waived;
- the Shares held by the escrowed Shareholders to be transferred or cancelled as part of a merger by scheme of arrangement under Part 5.1 of the Corporations Act; or
- the escrowed Shareholders to participate in an equal access buy-back or equal return of capital or other similar pro rata reorganisation.

During the escrow period, Shareholders whose Shares remain subject to escrow may dispose of any of their Shares to the extent the disposal is required by applicable law (including an order of a court of competent jurisdiction), or to the extent the disposal is to an affiliate or affiliated fund entity or to a trust or entity which the Shareholder controls where the transferee also enters into an escrow arrangement with the Company on substantially the same terms.

6.4 Corporate governance

This Section 6.4 explains how the Board will oversee the management of Bravura. The Board is responsible for the overall corporate governance of Bravura. The Board monitors the operational and financial position and performance of Bravura and oversees its business strategy, including approving the strategic goals of Bravura and considering and approving an annual business plan, including a budget. The Board is committed to maximising performance, generating appropriate levels of Shareholder value and financial return, and sustaining the growth and success of Bravura. In conducting business with these objectives, the Board seeks to ensure that Bravura is properly managed to protect and enhance Shareholder interests, and that Bravura, and its Directors, officers and personnel operate in an appropriate environment of corporate governance. Accordingly, the Board has created a framework for managing Bravura, including adopting relevant internal controls, risk management processes and corporate governance policies and practices which it believes are appropriate for Bravura's business and which are designed to promote the responsible management and conduct of Bravura.

The main policies and practices adopted by Bravura, which will take effect from listing, are summarised below. In addition, many governance elements are contained in the Constitution. Bravura's Code of Conduct outlines the standards of conduct expected of Bravura's business and personnel in a range of circumstances. In particular, the code requires awareness of, and compliance with, laws and regulations relevant to Bravura's other policies and procedures.

Copies of Bravura's key policies and practices and the charters for the Board and each of its committees will, from Completion, be available at http://www.BravuraSolutions.com.

Bravura is seeking a listing on ASX. The ASX Corporate Governance Council has developed and released its 3rd edition of ASX Principles for Australian listed entities in order to promote investor confidence and to assist companies in meeting stakeholder expectations. The ASX Principles are not prescriptive, but guidelines. However, under the ASX Listing Rules, Bravura will be required to provide a corporate governance statement in its annual report disclosing the extent to which it has followed the ASX Principles in the reporting period. Where Bravura does not follow an ASX Principle, it must identify the relevant recommendation or principle that has not been followed and give reasons for not following it.

Except as set out below, Bravura does not anticipate that it will depart from the recommendations of the ASX Principles; however, it may do so in the future if it considers that such a departure would be reasonable or appropriate.

6.4.1 The Board

6.4.1.1 Board appointment and composition

The Board comprises six Directors: an independent Non-Executive Chairman, a CEO, a CFO, a non-independent Non-Executive Director and two Independent Non-Executive Directors. Detailed biographies of the Board members are provided in Section 6.1.

Each Director has confirmed to Bravura that he or she anticipates being available to perform his or her duties as a Non-Executive Director or Executive Director, as the case may be, without constraint from other commitments.

In determining whether a Director is "independent", the Board has adopted the definition of this word in the ASX Principles. Consequently, a Director will be considered "independent" if that Director is free of any business or other relationship that could materially interfere with, or could reasonably be perceived to materially interfere with, the independent exercise of their judgement. The Board will consider the materiality of any given relationship on a case-by-case basis, with the Board Charter to assist in this regard.

The Board considers that each of Brian Mitchell, Peter Mann and Alexa Henderson are independent Directors, free from any business or any other relationship that could materially interfere with, or could reasonably be perceived to materially interfere with, the independent exercise of the Director's judgement and each is able to fulfil the role of an independent Director for the purposes of the ASX Principles.

As CEO, Tony Klim is not currently considered by the Board to fulfil the role of an independent Director. As CFO, Martin Deda is not currently considered by the Board to fulfil the role of an independent Director. As nominee of the Ironbridge Funds, a Shareholder with a sizeable shareholding, Neil Broekhuizen is not considered by the Board to fulfil the role of independent Director; however, this view may change were the Ironbridge Funds to sell all or part of their holding in Bravura.

None of the Directors, other than Neil Broekhuizen, is acting as nominee or representative of any Shareholder (other than in respect of their own direct or indirect interests), nor as nominees or representatives of the Lead Managers or suppliers to Bravura. Neil Broekhuizen has an indirect interest in (and is a director of) Ironbridge Capital, which has provided (and will continue to provide until Completion) advisory services to Bravura. He also has an employment agreement with a company affiliated with Ironbridge Capital and an indirect interest in the Ironbridge Funds. Neil Broekhuizen was nominated as a Director by representatives of the Ironbridge Funds and the Ironbridge Funds will continue to hold an interest in Bravura on Completion.

Despite not having a majority of independent Directors, the Board has considered Bravura's immediate requirements as it transitions to an ASX-listed company and is satisfied that the composition of the Board reflects an appropriate range of independence, skills and experience for the Company after listing. The Board will regularly review the independence of each Director in light of interests disclosed to the Board and will disclose any change to ASX, as required by the ASX Listing Rules.

6.4.1.2 Board Charter

The Board has adopted a written charter to provide a framework for the effective operation of the Board, which sets out:

- the roles and responsibilities of the Board including to provide overall strategic guidance for Bravura and effective oversight of management, oversight of Bravura's financial and capital management, management and review of Bravura's compliance with its disclosure obligations and the Continuous Disclosure Policy (see Section 6.4.3.2), promotion of effective engagement with shareholders, oversight of policies between Bravura and other stakeholders, ethical and responsible decision making along with compliance and risk management;
- the role and responsibilities of the Chairman and company secretary;
- the delegations of authority of the Board to both committees of the Board, the CEO and other management of Bravura;
- the membership of the Board, including in relation to the Board's composition and size and the process of selection and re-election of Directors, independence of Directors and conduct of individual Directors;
- the Board process, including how the Board meets; and
- the Board's performance evaluation processes, including in respect of its own performance, and the performance of the Board committees, individual Directors and senior management.

The management function is conducted by, or under the supervision of, the CEO as directed by the Board (and by officers to whom the management function is properly delegated by the CEO). Management must supply the Board with information in a form, timeframe and quality that will enable the Board to discharge its duties effectively.

Directors are entitled to access senior management and request additional information at any time they consider appropriate. The Board collectively, and each Director individually, may seek independent professional advice, subject to the approval of the Chairman, or the Board as a whole.

6.4.2 Board committees

The Board may from time to time establish appropriate committees to assist in the discharge of its responsibilities. To assist in carrying out its responsibilities, the Board has established an Audit and Risk Management Committee and a Remuneration and Nomination Committee, and other committees may be established by the Board as and when required. Membership of Board committees will be based on the needs of Bravura, relevant legislative and other requirements and the skills and experience of individual Directors.

In accordance with the ASX Principles, the Audit and Risk Management Committee will comprise of at least three Non-Executive Directors (a majority of whom are independent), and an independent Chairman who is not the Chairman of the Board. The Remuneration and Nomination Committee will comprise of at least three Non-Executive Directors (a majority of whom are independent), and an independent Chairman.

Each of the Audit and Risk Management Committee and the Remuneration and Nomination Committee (and any other committee established by the Board from time to time) has terms of reference which set out the roles, responsibility, composition and processes of that committee.

6.4.2.1 Audit and Risk Management Committee

The role of the Audit and Risk Management Committee is to assist the Board in carrying out its accounting, auditing and financial reporting responsibilities including oversight of:

- the integrity of Bravura's external financial reporting and financial statements;
- the appointment, remuneration, independence and competence of Bravura's external auditors;
- the performance of the external audit function and review of its audit;
- the effectiveness of Bravura's system of risk management and internal controls; and
- Bravura's systems and procedures for compliance with applicable legal regulatory requirements.

Bravura will comply with the recommendations set by the ASX Principles in relation to the composition and operation of the Audit and Risk Management Committee. Currently, Peter Mann and Neil Broekhuizen are members of the Audit and Risk Management Committee, and Alexa Henderson is the chairperson.

6.4.2.2 Remuneration and Nomination Committee

The role of the Remuneration and Nomination Committee is to assist and advise the Board on the following nomination related matters:

- appointment and re-election of Directors;
- induction and continuing professional development programs for directors;
- development and implementation of processes for evaluating the performance of the Board, and its committees and Directors;
- processes for recruiting new Directors (including evaluation of skills, independence and experience); and
- succession planning for the Board, the CEO and other senior management,

to ensure that the Board is of a size and composition conducive to making appropriate decisions, with the benefit of a variety of perspectives and skills and in the best interests of Bravura as a whole.

The Remuneration and Nomination Committee will be comprised solely of Non-Executive Directors, a majority of whom are independent. Currently, Peter Mann and Neil Broekhuizen are members of the Remuneration and Nomination Committee and Brian Mitchell is the chairperson.

6.4.3 Corporate governance policies

The Board has adopted the following corporate governance policies, each of which has been prepared having regard to the ASX Principles. Bravura's policies and corporate governance practices will continue to be reviewed regularly and will continue to be developed and refined to meet the needs of Bravura.

6.4.3.1 Risk Management Policy

The identification and proper management of Bravura's risks are an important priority of the Board. The Board has adopted a Risk Management Policy appropriate for its business. This policy highlights the risks relevant to Bravura's operations and Bravura's commitment to designing and implementing systems and methods appropriate to minimise and control its risks.

The Board is responsible for overseeing and approving risk management strategy and policies, monitoring risk management, and establishing procedures which seek to provide assurance that major business risks are identified, consistently assessed and appropriately addressed. The Board may delegate these functions to the Audit and Risk Management Committee or a separate risk committee in the future.

The Board will regularly undertake reviews of its risk management procedures to ensure that it complies with its legal obligations.

The Board has in place a system whereby management is required to report as to its adherence to policies and guidelines approved by the Board for the management of risks.

6.4.3.2 Continuous Disclosure Policy

Once listed, Bravura will be required to comply with the continuous disclosure requirements of the ASX Listing Rules and the Corporations Act. Subject to the exceptions contained in the ASX Listing Rules, Bravura will be required to immediately disclose to ASX any information concerning Bravura which is not generally available and which a reasonable person would expect to have a material effect on the price or value of the Shares. Bravura is committed to observing its disclosure obligations under the ASX Listing Rules and the Corporations Act.

Bravura has adopted a policy to take effect from Completion, which establishes procedures which inform Directors and management of their obligations in relation to timely disclosure of material price-sensitive information. Under the Continuous Disclosure Policy, the company secretary in conjunction with the Board will be responsible for managing Bravura's compliance with its continuous disclosure obligations.

Information will be communicated to Shareholders through the lodgement of all relevant financial and other information with ASX and continuous disclosure announcements will be made available on Bravura's website at http://www.BravuraSolutions.com.

6.4.3.3 Securities Trading Policy

Bravura has adopted a Securities Trading Policy which will apply to Bravura and its Directors, officers, senior management, and certain other employees and contractors and their connected persons (including those persons having authority and responsibility for planning, directing and controlling the activities of Bravura, whether directly or indirectly).

The policy is intended to explain the types of conduct in dealings in securities that are prohibited under the Corporations Act and establish procedures in relation to Directors, officers, senior management, and certain other employees and contractors dealing in securities.

Subject to certain exceptions, including exceptional financial circumstances, the policy defines certain "prohibited periods" during which trading in securities by Directors, officers, senior management, and certain other employees and contractors and their connected persons is prohibited. Those prohibited periods are currently defined as the following periods:

- Bravura's year end until after the release of Bravura's full year results;
- Bravura's half year end until after the release of Bravura's half yearly results; and
- any additional periods imposed by the Board from time to time (e.g. when Bravura is considering matters which are subject to ASX Listing Rule 3.1A).

Outside these periods, Directors, officers, senior management, and certain other employees and contractors and their connected persons must receive clearance for any proposed dealing in securities and, in all instances, buying or selling Shares is not permitted at any time by any person who possesses price-sensitive information.

6.4.3.4 Code of Conduct

Bravura is committed to providing an ethical and legal framework within which its employees conduct Bravura's business. Accordingly, Bravura has adopted a Code of Conduct to take effect from Completion, which sets out the values, commitments, ethical standards and policies of Bravura and outlines the standards of conduct expected of the business and Bravura's employees, taking into account Bravura's legal and other obligations to its stakeholders.

6.4.3.5 Diversity Policy

The Board has adopted a Diversity Policy which sets out Bravura's commitment to diversity and inclusion in the workplace at all levels. The policy provides a framework to achieve Bravura's diversity goals and commitment to creating a diverse work environment where everyone is treated fairly and with respect and where everyone feels responsible for the reputation and performance of Bravura.

The Remuneration and Nomination Committee will oversee the implementation of the policy and assess progress in achieving its objectives.

6.4.3.6 Communications policy

The Board aims to provide Shareholders with sufficient information to assess the performance of Bravura and that they are informed of all major developments affecting the state of affairs of Bravura relevant to Shareholders in accordance with all applicable laws. Information will be communicated to Shareholders through the lodgement of all relevant financial and other information with ASX and publishing information on Bravura's website, http://www.BravuraSolutions.com/.

In particular, Bravura's website will contain information about Bravura, including media releases, key policies and the terms of reference of its Board committees. All relevant announcements made to the market and any other relevant information will be posted on Bravura's website as soon as they have been released to ASX.

6.5 Transactions with Shareholders

6.5.1 Ironbridge Capital services agreement

Chapter 2E of the Corporations Act prohibits a company from giving a financial benefit to a related party (including any director) without the prior approval of its members by ordinary resolution or in certain other cases. Neil Broekhuizen has indirect interests in Ironbridge Capital as described in Section 6.4.1.1, which has received fees from Bravura under a services agreement. The services agreement will terminate on Completion and a fee of $4.0 million (excluding GST) will be paid to Ironbridge Capital at that time. While these arrangements were entered into on arm's length terms, member approval was obtained before the Prospectus Date.

6.5.2 Ironbridge Funds relationship

On Completion, the Ironbridge Funds will hold approximately 47.2% of the Shares. The Ironbridge Funds continue to be strongly supportive of Bravura and their current intention is to remain strategic Shareholders. The Ironbridge Funds have entered into an escrow arrangement in relation to their Shares, which is described in detail at Section 6.3.4. Any decision to sell down their interest in Bravura following the expiry of the voluntary escrow arrangements will be a decision made having regard to a range of factors. These may include the market environment at the time and the interests of the investors in the Ironbridge Funds.

The independent Directors have approved the Company entering into a Relationship Deed with representatives of the Ironbridge Funds that governs their relationship while the Ironbridge Funds retain at least 5% of the Shares on issue. The Relationship Deed has the following key terms:

- the obligations of the parties to the Relationship Deed are conditional on, among other things, Completion;
- the parties agree that dealings with each other and with their respective affiliates will take place on arm's length terms;
- the parties have resolved to agree procedures for the management of conflicts of interest and appropriate use of confidential information;
- the representatives of the Ironbridge Funds have the right to nominate two Directors to the Board while the Ironbridge Funds hold more than 20%, or one Director to the Board while the Ironbridge Funds hold at least 10% of the Shares on issue;
- the Ironbridge Funds' nominee Director(s) and representatives of the Ironbridge Funds are granted access rights in respect of certain information of Bravura;
- Bravura is required to provide market disclosure (subject to certain conditions) to facilitate Ironbridge Funds selling their Shares; and
- the Relationship Deed terminates on the Ironbridge Funds ceasing to hold at least 5% of the Shares on issue.

Representatives of the Ironbridge Funds have also entered into confidentiality arrangements with Bravura which govern access to Bravura's information.

Section 7
Details of the Offer

07

7.1 The Offer

The Offer comprises an offer of the issue of 78.9 million Shares by the Company, and the sale of 23.2 million Shares by SaleCo through the Retail Offer and the Institutional Offer.

The proceeds from the issue of new Shares by Bravura will be used by Bravura as described in Section 7.1.2. On Completion, the total number of Shares on issue will be 214.2 million and all Shares on issue will rank equally with each other. A summary of the rights attaching to the Shares is set out in Section 7.14.

On Completion, 112.1 million Shares (representing approximately 52.3% of the Shares on issue) will be subject to certain voluntary escrow arrangements described in Section 6.3.4.

The Offer will be fully underwritten by the Lead Managers. A summary of the Underwriting Agreement, including the events which would entitle the Lead Managers to terminate the Underwriting Agreement, is set out in Section 9.4.

The Offer is made on the terms, and is subject to the conditions, set out in this Prospectus.

7.1.1 Structure of the Offer

The Offer comprises:

- the Retail Offer which comprises:
  - the Broker Firm Offer, which is open to Australian and New Zealand clients of participating Brokers who receive an invitation from a Broker to acquire Shares under this Prospectus;
  - the Priority Offer, which is open to selected investors in eligible jurisdictions who have received a priority offer invitation; and
  - the Employee Offer, which is made to Eligible Employees in eligible jurisdictions as nominated by Bravura to participate in the Employee Offer; and
- the Institutional Offer, which consisted of an offer to Institutional Investors in Australia and certain other eligible jurisdictions made with disclosure under this Prospectus.

No general public offer of Shares will be made under the Offer.

For further details of the:

- Broker Firm Offer and allocation policy under it, see Section 7.3;
- Priority Offer and allocation policy under it, see Section 7.4;
- Employee Offer and allocation policy under it, see Section 7.5; and
- Institutional Offer and allocation policy under it, see Section 7.8.

The allocation of Shares between the Broker Firm Offer, the Priority Offer, the Employee Offer and the Institutional Offer was determined by the Lead Managers, the Company and SaleCo, having regard to the allocation policies outlined in Sections 7.3.4, 7.4.4, 7.5.4 and 7.8.2.

7.1.2 Purpose of the Offer and use of proceeds

The Offer is being conducted to provide:

- a liquid market for Shares and an opportunity for others to invest in the Company;
- Bravura with access to the capital markets to improve capital management flexibility and assist with investing in future growth strategies and mergers and acquisitions;
- Bravura with a stronger balance sheet by increasing the cash and cash equivalents, as well as the ability to repay debt including the Ironbridge Redeemable Preference Shares on Completion;
- an opportunity for Existing Shareholders to realise, in part, their investment in Bravura; and
- Bravura with the benefits of an increased profile that arises from being a listed entity including attracting and retaining quality employees.

The proceeds of the Offer receivable by Bravura are expected to be applied as outlined in Table 7.1.

The proceeds of the Offer receivable by SaleCo in respect of the sale of Shares by it will be paid to SaleCo and paid by SaleCo to Selling Shareholders.

Table 7.1: Sources and uses of Offer proceeds

Sources		Uses	
Cash proceeds received by Bravura from issue of new Shares	114.5	Repayment of debt and redemption of the Ironbridge Redeemable Preference Shares	95.6
Cash proceeds received by SaleCo from transfer of Shares	33.6	Payment of costs of the Offer[1]	18.8
		Payment by SaleCo to Selling Shareholders	33.6
Total sources	148.1	**Total uses**	148.1

Notes:
1. Costs of the Offer include payment of certain adviser fees listed in Section 6.3, and payment of $4.0 million to Ironbridge Capital in connection with its advisory services arrangements with Bravura.

7.1.3 Pro forma statement of financial position

The Company's pro forma historical consolidated statement of financial position following Completion, including details of the pro forma adjustments, is set out in Section 4.5.1.

7.1.4 Capitalisation and indebtedness

The Company's capital structure and indebtedness before and following Completion, is set out in Section 4.5.2.

7.1.4.1 Sale of Shares by Selling Shareholders

SaleCo, a special purpose vehicle, has been established to facilitate the sale of Shares by the Selling Shareholders. Each of the Selling Shareholders has executed deeds in favour of, and for the benefit of, SaleCo under which they agree to sell at the Offer Price some of their Shares to SaleCo free from encumbrances and third party rights, and conditional on Completion.

The Shares which SaleCo acquires from Selling Shareholders will be transferred by SaleCo to successful applicants at the Offer Price.

SaleCo has no material assets, liabilities or operations other than its interests in and obligations under the Underwriting Agreement and the sale deeds with Selling Shareholders. The shareholders of SaleCo are Tony Klim and Martin Deda. The directors of SaleCo are Brian Mitchell, Tony Klim and Martin Deda, and the secretary is Martin Deda.

The Company has agreed to provide such resources and support as are necessary to enable SaleCo to discharge its functions in relation to the Offer and has indemnified SaleCo in respect of certain costs of the Offer. The Company has also indemnified SaleCo and its shareholders and directors for any loss which SaleCo, its shareholders or its directors may incur in relation to certain documents related to the Offer (including this Prospectus) or the Offer.

Details of the number of Shares that Selling Shareholders will sell to SaleCo is provided in column 3 of the table below.

7.1.5 Shareholding structure

The details of the ownership of Shares at the Prospectus Date, and on Completion, are set out below.

	Shares held at the Prospectus Date (m)	% held at the Prospectus Date	Shares acquired/(sold) (m)	Shares held post-Completion (m)[4]	% held post-Completion
Ironbridge Funds[1]	117.3	86.7%	(16.1)	101.1	47.2%
Brian Mitchell	3.2	2.3%	(1.3)	1.9	0.9%
Tony Klim	3.2	2.3%	(1.3)	1.9	0.9%
Martin Deda	1.1	0.8%	(0.3)	0.8	0.4%
Other Management Shareholders[2]	10.6	7.8%	(4.2)	6.4	3.0%
New Shareholders[3]	-	-%	102.1	102.1	47.7%
Total	**135.3**	**100.0%**	**78.9**	**214.2**	**100.0%**

Notes:
1. The Ironbridge Funds also hold Ironbridge Redeemable Preference Shares which are expected to be redeemed at Completion for $62.7 million (these figures include Ironbridge Redeemable Preference Shares held by Ironbridge Capital II G.P. Limited representing Ironbridge Fund II LP). Refer to Section 4.5.2 for further details.
2. Other Management Shareholders comprise 22 members of management of Bravura, but excludes Tony Klim (CEO and Managing Director) and Martin Deda (CFO and Executive Director). Refer to Section 6.3.2 for further detail of the interests of Directors.
3. This includes 35,000 Shares which the Non-Executive Directors are expected to acquire under the Priority Offer, as further described in Section 6.3.2.7.
4. At Completion, 52.3% of the Shares will be subject to voluntary escrow arrangements. See Section 6.3.4 for further information.

7.1.6 Corporate structure

An overview of the corporate structure of Bravura at Completion is set out in Section 9.3.

7.1.7 Control implications of the Offer

Bravura does not expect any Shareholder will control (as defined by section 50AA of the Corporations Act) Bravura on Completion. However the Ironbridge Funds are expected to hold a significant shareholding of 47.2% on Completion.

7.1.8 Potential effect of the Offer on the future of Bravura

Bravura believes that on Completion, Bravura will have sufficient funds available from the proceeds of the Offer and its operations to fulfil the purposes of the Offer and meet the Company's stated business objectives.

7.2 Terms and conditions of the Offer

Topic	Summary
What is the type of security being offered?	Shares (being fully paid ordinary shares in the capital of the Company).
What are the rights and liabilities attached to the securities?	A description of the Shares, including the rights and liabilities attaching to them, is set out in Section 7.14.
What is the consideration payable for each security being offered?	The Offer Price is $1.45 per Share.

Topic	Summary
When is the Offer open?	The key dates, including details of the Offer period relating to each component of the Offer, are set out in the Important Information section on page 4. The timetable is indicative only and may change. Unless otherwise indicated, all times are stated in Sydney Time. The Company and SaleCo reserve the right to vary the times and dates of the Offer without notice (including, subject to the ASX Listing Rules and the Corporations Act, to close the Offer early, to extend the Offer period relating to any component of the Offer, to accept late applications, either generally or in particular cases, or to cancel or withdraw the Offer before Completion, in each case without notifying any recipient of this Prospectus or any applicant). Offers may be made and may be open for acceptance under this Prospectus either generally or in particular cases up to Completion or, subject to the Corporations Act, thereafter, at the discretion of the Company. If the Offer is cancelled or withdrawn before Completion, then all application monies will be refunded in full (without interest) as soon as possible in accordance with the requirements of the Corporations Act.
What are the cash proceeds to be raised?	$148.1 million is expected to be raised under the Offer.
Is the Offer underwritten?	Yes. The Offer is underwritten by the Lead Managers. More detail on the underwriting arrangements is set out in Section 9.4.
Who are the Lead Managers for the Offer?	The Lead Managers are Goldman Sachs and Macquarie Capital.
What is the minimum and maximum application size under the Offer?	The minimum application under the Broker Firm Offer is $2,000 of Shares. There is no maximum value of Shares that may be applied for under the Broker Firm Offer. The Company, SaleCo and the Lead Managers, reserve the right to treat any applications in the Broker Firm Offer that are from persons who they believe may be Institutional Investors, as bids in the Institutional Offer or to reject the application(s). Applications under the Employee Offer must be for a minimum of $2,000 of Shares, and in multiples of $500 thereafter. Applications under the Priority Offer must be for a minimum of $10,000 of Shares, and in multiples of $500 thereafter. The Company, SaleCo and the Lead Managers, reserve the right to aggregate any applications that they believe may be multiple applications from the same person.
What is the allocation policy?	The allocation of Shares between the Broker Firm Offer, the Priority Offer, the Employee Offer and the Institutional Offer was determined by the Company and the Lead Managers, having regard to the allocation policies outlined in Sections 7.3.4, 7.4.4, 7.5.4 and 7.8.2. With respect to the Broker Firm Offer, the relevant Broker will decide how it allocates Shares among its retail clients, and it (and not the Company, SaleCo nor the Lead Managers) will be responsible for ensuring that retail clients who have received an allocation from it, receive the relevant Shares. The allocation of Shares under the Priority Offer and the Employee Offer is at the absolute discretion of the Company and SaleCo. The allocation of Shares under the Institutional Offer was determined by the Lead Managers in consultation with the Company. The Lead Managers and the Company have absolute discretion regarding the allocation of Shares to applicants under the Offer and may reject an application, or allocate fewer Shares than the number or equivalent dollar amount applied for, in their absolute discretion.
When will I receive confirmation that my application has been successful?	It is expected that initial holding statements will be dispatched by standard post on or about 17 November 2016.

Topic	Summary
Will the Shares be quoted on ASX?	The Company will apply within seven days after the Prospectus Date, to ASX for admission to the Official List and quotation of Shares on ASX (which is expected to be under the code BVS). Completion is conditional on ASX approving this application. If approval is not given within three months after such application is made (or any longer period permitted by law), the Offer will be withdrawn and all application monies received will be refunded without interest, as soon as practicable in accordance with the requirements of the Corporations Act. The Company will be required to comply with the ASX Listing Rules, subject to any waivers obtained by the Company from time to time. ASX takes no responsibility for this Prospectus or the investment to which it relates. The fact that ASX may admit the Company to the Official List is not to be taken as an indication of the merits of Bravura or the Shares offered for subscription.
When are the Shares expected to commence trading?	It is expected that trading of the Shares on ASX will commence on or about 16 November 2016, initially on a deferred settlement basis. From 16 November 2016, trading will be on an unconditional but deferred settlement basis until the Company has advised ASX that holding statements have been dispatched to Shareholders. The contracts formed on acceptance of applications and confirmations of allocations will be conditional on ASX agreeing to quote the Shares on ASX, and on issue and allotment of the Shares occurring. Normal settlement trading is expected to commence on or about 18 November 2016. It is the responsibility of each applicant to confirm their holding before trading in Shares. Applicants who sell Shares before they receive an initial statement of holding do so at their own risk. The Company, SaleCo, the Share Registry and the Lead Managers disclaim all liability, whether in negligence or otherwise, to persons who sell Shares before receiving their initial statement of holding, even if such person received confirmation of allocation from the Bravura IPO Information Line or by a Broker.
Are there any escrow arrangements?	Yes. Refer to Section 6.3.4.
Has an ASIC relief or ASX waiver been sought, obtained or been relied on?	Yes. Refer to Section 7.12.
Are there any tax considerations for Australian investors?	Yes. Refer to Section 9.7.
Is there any brokerage, commission or stamp duty considerations?	No brokerage, commission or stamp duty is payable by applicants on acquisition of Shares under the Offer. Refer to Section 6.3 for details of various fees payable by Bravura to the Lead Managers and by the Lead Managers to the Co-Managers and Brokers.
What should you do with any enquiries?	All enquiries in relation to this Prospectus should be directed to the Bravura Bravura IPO Information Line on 1300 911 275 (within Australia) or +61 1300 911 275 (outside Australia) from 8.30am until 5.30pm (Sydney Time), Monday to Friday (excluding public holidays). All enquiries in relation to the Broker Firm Offer should be directed to your Broker. If you are unclear in relation to any matter or are uncertain as to whether Bravura is a suitable investment for you, you should seek professional guidance from your accountant, financial adviser, stockbroker, lawyer or other professional adviser before deciding whether to invest.

7.3 Broker Firm Offer

7.3.1 Who can apply

The Broker Firm Offer is open to Australian and New Zealand resident retail clients of Brokers who have received a firm allocation of Shares from their Broker and who have a registered address in Australia or New Zealand and are not located in the United States. You should contact your Broker to determine whether you can receive an allocation of Shares under the Broker Firm Offer.

7.3.2 How to apply

If you have received an allocation of Shares from your Broker and wish to apply for those Shares under the Broker Firm Offer, you should contact your Broker for information about how to submit your Application Form and for payment instructions. Applicants under the Broker Firm Offer must not send their Application Forms or payment to the Share Registry.

Applicants under the Broker Firm Offer should contact their Broker to request a Prospectus and Application Form, or download a copy at http://www.BravuraSolutionsIPO.com.au. Your Broker will act as your agent and it is your Broker's responsibility to ensure that your Application Form and application monies are received before 5.00pm (Sydney Time) on 11 November 2016 or any earlier date as determined by your Broker.

Broker clients should complete and lodge their Broker Firm Offer Application Form with the Broker from whom you received your invitation to acquire Shares under this Prospectus. Broker Firm Offer Application Forms must be completed in accordance with the instructions given to you by your Broker and the instructions set out on the reverse of the Application Form.

By making an application, you declare that you were given access to this Prospectus, together with an Application Form. The Corporations Act prohibits any person from passing an Application Form to another person unless it is attached to, or accompanied by, a hard copy of this Prospectus or the complete and unaltered electronic version of this Prospectus.

The minimum application size under the Broker Firm Offer is $2,000 of Shares. There is no maximum application size under the Broker Firm Offer. The Company, SaleCo and the Lead Managers reserve the right to aggregate any applications that they believe may be multiple applications from the same person or reject or scale back any applications (or aggregation of applications) in the Broker Firm Offer which are for more than $250,000 of Shares. The Company may determine a person to be eligible to participate in the Broker Firm Offer, and may amend or waive the Broker Firm Offer application procedures or requirements, in its discretion in compliance with applicable laws.

The Company, SaleCo and the Lead Managers, reserve the right to treat any applications in the Broker Firm Offer that are from persons who they believe may be an Institutional Investor, as bids in the Institutional Offer or to reject the application(s).

The Company, SaleCo, the Lead Managers and the Share Registry take no responsibility for any acts or omissions committed by your Broker in connection with your application.

The Broker Firm Offer opens at 9.00am (Sydney Time) on 3 November 2016 and is expected to close at 5.00pm (Sydney Time) on 11 November 2016. The Company and SaleCo reserve the right to vary the times and dates of the Offer without notice (including, subject to the ASX Listing Rules and the Corporations Act, to close the Offer early, to extend the Offer period relating to any component of the Offer, to accept late applications, either generally or in particular cases, or to cancel or withdraw the Offer before Completion, in each case without notifying any recipient of this Prospectus or any applicant) Your Broker may also impose an earlier date for returning your application. Applicants are therefore encouraged to submit their applications as early as possible. Please contact your Broker for instructions.

7.3.3 How to pay

Applicants under the Broker Firm Offer must pay their application monies to their Broker in accordance with instructions provided by their Broker.

7.3.4 Broker Firm Offer allocation policy

The allocation of firm stock to Brokers has been determined by the Lead Managers and the Company. Shares that have been allocated to Brokers for allocation to their clients will be issued or transferred to the applicants nominated by those Brokers (subject to the right of the Company, SaleCo and the Lead Managers to reject, aggregate or scale back applications). It will be a matter for each Broker as to how they allocate Shares among their retail clients, and they (and not the Company, SaleCo or the Lead Managers) will be responsible for ensuring that retail clients who have received an allocation from them receive the relevant Shares.

The Company expects to announce the final allocation policy under the Broker Firm Offer on or about Completion. Applicants in the Broker Firm Offer will be able to call the Bravura IPO Information Line on 1300 911 275 (within Australia) or +61 1300 911 275 (outside Australia) from 8.30am to 5.30pm (Sydney Time), Monday to Friday (excluding public holidays), to confirm their allocation. Applicants under the Broker Firm Offer, including those outside Australia, will also be able to confirm their allocation through the Broker from whom they received their allocation.

However, if you sell Shares before receiving a holding statement, you do so at your own risk, even if you obtained details of your holding from the Bravura IPO Information Line or confirmed your allocation through a Broker.

7.4 Priority Offer

7.4.1 Who can apply

The Priority Offer is open to selected investors in eligible jurisdictions who have received a priority offer invitation. If you have been invited by the Company to participate in the Priority Offer, you will be treated as an applicant under the Priority Offer in respect of those Shares that are allocated to you and you will receive a personalised invitation to apply for Shares in the Priority Offer.

Your personalised invitation will indicate an amount of Shares that you may apply for.

7.4.2 How to apply

If you have received a personalised invitation to apply for Shares under the Priority Offer and you wish to apply for all or some of those Shares, you should follow the instructions on your personalised invitation to apply online.

The minimum application under the Priority Offer is $10,000 of Shares and in multiples of $500 thereafter.

Under the Priority Offer, you will receive a guaranteed minimum allocation of $10,000 of Shares at the Offer Price. There is no maximum value of Shares which may be applied for under the Priority Offer.

By making an application online, you declare that you were given access to this Prospectus, together with an Application Form. The Corporations Act prohibits any person from passing an Application Form to another person unless it is attached to, or accompanied by, a hard copy of this Prospectus or the complete and unaltered electronic version of this Prospectus.

7.4.3 How to pay

If you are a Priority Offer applicant, you must pay for Shares applied for online via BPAY® and must comply with the instructions on the website. All payments must be made in Australian dollars. It is your responsibility to ensure your BPAY® payment is received by the Share Registry by no later than 5.00pm (Sydney Time) on 11 November 2016. You should be aware your financial institution may implement earlier cut-off times with regard to electronic payment, and you should therefore take this into consideration when making payment.

7.4.4 Priority Offer allocation policy

Offers and allocations under the Priority Offer will be at the absolute discretion of the Company, in consultation with the Lead Managers.

Applicants under the Priority Offer will receive a guaranteed minimum allocation of $10,000 of Shares at the Offer Price. There is no maximum value of Shares which may be applied for under the Priority Offer. Applications in excess of the guaranteed minimum allocation may be subject to scale back.

The Company, SaleCo and the Lead Managers also reserve the right to close the Offer or any part of it early, extend the Offer or any part of it, accept late applications either generally or in particular cases, reject any application, or (subject to the terms of any guaranteed allocations referred to in this Prospectus) allocate to any applicant fewer Shares than applied for.

7.5 Employee Offer

7.5.1 Who can apply

All Eligible Employees in eligible jurisdictions as nominated by Bravura are entitled to participate in the Employee Offer. Eligible Employees are all permanent full-time and permanent part-time employees of Bravura resident in Australia and New Zealand who have been employed by Bravura for at least one month as at 1 October 2016.

7.5.2 How to apply

If you are an Eligible Employee, you will receive an email offer detailing the terms of the Employee Offer, together with this Prospectus.

The minimum application under the Employee Offer is $2,000 of Shares and in multiples of $500 thereafter.

Under the Employee Offer, you will receive a guaranteed minimum allocation of $2,000 of Shares at the Offer Price. There is no maximum value of Shares which may be applied for under the Employee Offer.

By making an application online, you declare that you were given access to this Prospectus, together with an Application Form. The Corporations Act prohibits any person from passing an Application Form to another person unless it is attached to, or accompanied by, a hard copy of this Prospectus or the complete and unaltered electronic version of this Prospectus.

7.5.3 How to pay

If you are an applicant under the Employee Offer, you must pay for Shares applied for online via BPAY® or electronic funds transfer payment into the Offer bank account and must comply with instructions on the website. All payments must be made in Australian dollars.

Payment may be made via BPAY® for Eligible Employees in Australia or by electronic funds transfer in Australian dollars for Eligible Employees outside Australia. Application monies must be received by the Share Registry by 5.00pm (Sydney Time) on 11 November 2016.

To make payment via BPAY®, Eligible Employees must apply online at http://www.BravuraSolutionsIPO.com.au and must comply with the instructions on the website. Overseas Eligible Employees must apply online at http://www.BravuraSolutionsIPO.com.au and must comply with the instructions on the website.

It is your responsibility to ensure that your BPAY® payment or electronic funds transfer payment is received by the Share Registry by no later than 5.00pm (Sydney Time) on 11 November 2016. You should be aware your financial institution may implement earlier cut-off times with regard to electronic payment, and you should therefore take this into consideration when making payment.

7.5.4 Employee Offer allocation policy

The allocation of Shares under the Employee Offer will be determined by the Company.

The Company, SaleCo and the Lead Managers also reserve the right to close the Offer or any part of it early, extend the Offer or any part of it, accept late applications either generally or in particular cases, reject any application, or (subject to the terms of any guaranteed allocations referred to in this Prospectus) allocate to any applicant fewer Shares than applied for.

7.6 Acceptance of applications under the Retail Offer

An application in the Broker Firm Offer, the Priority Offer or the Employee Offer is an offer by you to the Company and SaleCo to apply for Shares in the dollar amount specified in the Application Form at the Offer Price on the terms and conditions set out in this Prospectus (including any supplementary or replacement document) and the Application Form. To the extent permitted by law, an application by an applicant may not be varied and is irrevocable.

An application may be accepted by the Company or SaleCo in respect of the full number of Shares specified in the Application Form without further notice to the applicant. The Company and SaleCo reserve the right to decline any application if it believes any provisions or procedures in this Prospectus, the Application Form or laws or regulations may not be complied with in relation to the application.

The Company, SaleCo and the Lead Managers reserve the right to reject any application which is not correctly completed or which is submitted by a person whom they believe is ineligible to participate in the Retail Offer, or to waive or correct any errors made by the applicant in completing their application.

Subject to any guaranteed allocation, the final allocation of Shares to applicants in the Retail Offer will be at the Company's absolute discretion, and the Company and SaleCo may reject an application, or allocate fewer Shares than the number or equivalent dollar amount applied for.

Successful applicants in the Retail Offer will be issued or transferred Shares at the Offer Price. Acceptance of an application will give rise to a binding contract, conditional on settlement and quotation of Shares on ASX.

7.7 Application monies

The Company and SaleCo reserve the right to decline any application in whole or in part, without giving any reason. Applicants under the Broker Firm Offer, Priority Offer and Employee Offer whose applications are not accepted, or who are allocated a lesser number of Shares or equivalent dollar amount applied for, will receive a refund of all or part of their application monies, as applicable. Interest will not be paid on any monies refunded.

Applicants whose applications are accepted in full will receive the whole number of Shares calculated by dividing the application monies by the Offer Price. Where the Offer Price does not divide evenly into the application monies, the number of Shares to be allocated will be rounded down.

No refunds pursuant solely to rounding will be provided. Interest will not be paid on any monies refunded and any interest earned on application monies pending the allocation or refund will be retained by the Company and SaleCo.

You should ensure that sufficient funds are held in the relevant account to cover the amount of your BPAY® or electronic funds transfer payment. You may also pay by cheque or bank draft also ensuring that sufficient funds are held in the relevant account to cover the amount of your cheque or bank draft payment.

If payment for application monies (or the amount for which those cheque or bank draft clear in time for allocation) is less than the amount specified on the Application Form, you may be taken to have applied for such lower dollar amount of Shares or your application may be rejected. All payments must be made in Australian dollars.

7.8 Institutional Offer

7.8.1 Invitations to bid

Under the Institutional Offer, Institutional Investors in Australia and certain other eligible jurisdictions outside the United States were invited to bid for an allocation of Shares under this Prospectus. The Lead Managers have separately advised the Institutional Investors of the application procedures for the Institutional Offer.

7.8.2 Allocation policy under the Institutional Offer

The allocation of Shares among applicants in the Institutional Offer was determined by the Lead Managers in consultation with the Company. The Lead Managers (in consultation with the Company and SaleCo) had absolute discretion regarding the basis of allocation of Shares among Institutional Investors.

Participants in the Institutional Offer have been advised of their allocation of Shares, if any, by the Lead Managers. The allocation policy was influenced, but not constrained, by the following factors:

- number of Shares bid for by particular applicants;
- the timeliness of the bid by particular applicants;
- the Company's desire for an informed and active trading market following Completion;
- the Company's desire to establish a wide spread of institutional Shareholders;
- overall level of demand under the Broker Firm Offer, Priority Offer and the Institutional Offer;
- the size and type of funds under management of particular applicants;
- the likelihood that particular applicants will be long-term Shareholders; and
- any other factors that the Company, SaleCo and Lead Managers considered appropriate.

7.9 Underwriting arrangements

The Offer is fully underwritten. The Company, SaleCo and the Lead Managers have entered into an Underwriting Agreement under which the Lead Managers have jointly been appointed as managers and underwriters of the Offer. The Lead Managers agree, subject to certain conditions and termination events, to underwrite applications for all Shares under the Offer. The Underwriting Agreement sets out a number of circumstances under which the Lead Managers may terminate the Underwriting Agreement and their underwriting obligations.

A summary of certain terms of the agreement and underwriting arrangements, including the termination provisions, is provided in Section 9.4.

7.10 Restrictions on distribution

No action has been taken to register or qualify this Prospectus, the Shares or the Offer or otherwise to permit a public offering of the Shares in any jurisdiction outside Australia or New Zealand.

This Prospectus does not constitute an offer or invitation to subscribe for or purchase Shares in any jurisdiction in which, or to any person to whom, it would not be lawful to make such an offer or invitation or issue or transfer under this Prospectus.

This Prospectus may not be released or distributed by you in the United States, and may only be distributed to persons to whom the Offer may lawfully be made in accordance with the laws of any applicable jurisdiction.

This document does not constitute an offer to sell, or a solicitation of an offer to buy, securities in the United States. The Shares have not been, and will not be, registered under the US Securities Act or the securities laws of any state of the United States and may not be offered or sold, directly or indirectly, in the United States except in accordance with an exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act and any other applicable laws.

Each applicant in the Broker Firm Offer, and each person to whom the Institutional Offer was made under this Prospectus, will be taken to have represented, warranted and agreed as follows:

- it understands that the Shares have not been, and will not be, registered under the US Securities Act or the securities law of any state of the United States and may not be offered or sold, directly or indirectly, in the United States;
- it is not acting for the account or benefit of a person in the United States;
- it has not and will not send this Prospectus or any other material relating to the Offer to any person in the United States; and
- it will not offer or sell the Shares in the United States or in any other jurisdiction outside Australia or New Zealand except in transactions exempt from, or not subject to, registration under the US Securities Act and in compliance with all applicable laws in the jurisdiction in which Shares are offered and sold.

7.11 Discretion regarding the Offer

The Company and SaleCo may withdraw the Offer at any time before the issue or transfer of Shares to successful applicants under the Offer. If the Offer, or any part of it, does not proceed, all relevant application monies will be refunded (without interest).

The Company, SaleCo and the Lead Managers also reserve the right to close the Offer or any part of it early, extend the Offer or any part of it, accept late applications either generally or in particular cases, reject any application, or (subject to the terms of any guaranteed allocations referred to in this Prospectus) allocate to any applicant fewer Shares than applied for.

7.12 ASIC relief and ASX confirmations

The Company has obtained the following exemption, declaration and confirmation from ASIC and ASX in relation to the Offer:

- an ASIC exemption from the pre-prospectus advertising and publicity rules in section 734(2) of the Corporations Act to permit it to communicate with employees and Shareholders with certain information relating to the Offer prior to the Prospectus Date; and
- a confirmation from ASX that the Shares are not restricted securities for the purposes of Chapter 9 of the ASX Listing Rules as Bravura has a track record of revenue acceptable to ASX.

7.13 ASX listing, registers and holding statements, and deferred settlement trading

7.13.1 Application to ASX for listing of the Company and quotation of Shares

The Company will apply within seven days after the Prospectus Date, to ASX for admission to the Official List and quotation of Shares on ASX (which is expected to be under the code BVS). ASX takes no responsibility for this Prospectus or the investment to which it relates. The fact that ASX may admit the Company to the Official List is not to be taken as an indication of the merits of Bravura or the Shares offered under this Prospectus.

If permission is not granted for the official quotation of the Shares on ASX within three months after such application is made (or any later date permitted by law), all application monies received by the Company will be refunded without interest as soon as practicable in accordance with the requirements of the Corporations Act.

Subject to certain conditions (including any waivers obtained by the Company from time to time), the Company will be required to comply with the ASX Listing Rules.

7.13.2 CHESS and issuer sponsored holdings

The Company will apply to participate in CHESS and will comply with the ASX Listing Rules and the ASX Settlement Operating Rules. CHESS is an electronic transfer and settlement system for transactions in securities quoted on ASX under which transfers are effected in an electronic form.

When the Shares become approved financial products (as defined in the ASX Settlement Operating Rules), holdings will be registered in one of two subregisters, being an electronic CHESS subregister or an issuer sponsored subregister. For all successful applicants, the Shares of a Shareholder who is a participant in CHESS or a Shareholder sponsored by a participant in CHESS will be registered on the CHESS subregister. All other Shares will be registered on the issuer sponsored subregister.

Following Completion, Shareholders will be sent a holding statement that sets out the number of Shares that have been allocated to them. This statement will also provide details of a Shareholder's Holder Identification Number (HIN) for CHESS holders or, where applicable, the Securityholder Reference Number (SRN) of issuer sponsored holders. Shareholders will subsequently receive statements showing any changes to their holding. Certificates will not be issued.

Shareholders will receive subsequent statements during the first week of the following month if there has been a change to their holding on the register and as otherwise required under the ASX Listing Rules and the Corporations Act. Additional statements may be requested at any other time either directly through the Shareholder's sponsoring broker in the case of a holding on the CHESS subregister or through the Share Registry in the case of a holding on the issuer sponsored subregister. Bravura and the Share Registry may charge a fee for these additional issuer sponsored statements.

7.13.3 Deferred settlement trading and selling Shares on-market

It is expected that the Shares will commence trading on ASX on or about 16 November 2016, initially on a deferred settlement basis.

It is the responsibility of each person who trades in Shares to confirm their holding before trading in Shares. If you sell Shares before receiving a holding statement, you do so at your own risk. The Company, SaleCo, the Lead Managers and the Share Registry disclaim all liability, whether in negligence or otherwise, if you sell Shares before receiving your holding statement, even if you obtained details of your holding from the Bravura IPO Offer Information Line or confirmed your allocation of Shares through a Broker.

Shares are expected to commence trading on ASX on a normal settlement basis on or about 18 November 2016.

7.14 Description of Shares

7.14.1 Introduction

The rights and liabilities attaching to ownership of Shares are detailed in the Constitution and, in certain circumstances, regulated by the Corporations Act, ASX Listing Rules, ASX Settlement Operating Rules and general law.

A summary of the significant rights, liabilities and obligations attaching to the Shares and a description of other material provisions of the Constitution are set out in this Section 7.14. This summary is not exhaustive and is qualified by the full terms of the Constitution. This summary does not constitute a definitive statement of the rights and liabilities of Shareholders. The summary assumes that Bravura is admitted to the Official List.

7.14.2 Voting at a general meeting

At a general meeting of Bravura, every Shareholder present in person or by proxy, representative or attorney has one vote on a show of hands and, on a poll, one vote for each Share held (with adjusted voting rights for partly paid shares). The chairman of the meeting is not entitled to a casting vote.

7.14.3 Meetings of members

Each Shareholder is entitled to receive notice of, attend and vote at general meetings of Bravura and to receive all notices, accounts and other documents required to be sent to Shareholders under the Constitution, the Corporations Act and the ASX Listing Rules.

Bravura must give at least 28 days' written notice of a general meeting.

7.14.4 Dividends

Subject to the Corporations Act, the Constitution and the terms of issue or rights of any shares with special rights to dividends, the Board may from time to time determine that a dividend is payable, fix the amount of the dividend, the timing of the dividend and method of payment of the dividend. A dividend may only be paid in accordance with the Corporations Act.

For further information in respect of Bravura's proposed dividend policy, see Section 4.14.

7.14.5 Transfer of Shares

Subject to the Constitution and the ASX Listing Rules, Shares may be transferred by:

- a proper transfer effected in accordance with the ASX Settlement Operating Rules; or
- any other method required or permitted by the Corporations Act and ASX.

The Board may refuse to register a transfer of Shares where permitted to do so under the Corporations Act, ASX Listing Rules or ASX Settlement Operating Rules. The Board must refuse to register a transfer of Shares when required by the Corporations Act, ASX Listing Rules or ASX Settlement Operating Rules.

7.14.6 Issue of further shares

Subject to the Corporations Act, the ASX Listing Rules and any rights and restrictions attached to any shares, the Board has full discretion to issue, allot and cancel or otherwise dispose of shares, grant options over unissued shares and settle the manner in which fractions of a share are to be dealt with.

7.14.7 Winding up

If Bravura is wound up, the liquidator may, with the sanction of a special resolution of Bravura's shareholders, may divide among Bravura's shareholders in kind the whole or any part of Bravura's property, set the value of that property and determine how the division is to be carried out between shareholders or different classes of shareholders.

7.14.8 Unmarketable parcels

Subject to the Corporations Act, the ASX Listing Rules and the ASX Settlement Operating Rules, the Board may sell the Shares of a Shareholder who holds less than a marketable parcel by following the procedures set out in the Constitution.

7.14.9 Share buy-backs

Subject to the Corporations Act and ASX Listing Rules, Bravura may buy back shares in itself on terms and at times determined by the Board.

7.14.10 Proportional takeover provisions

The Constitution contains provisions for Shareholder approval to be required in relation to any proportional takeover bid. These provisions will cease to apply on the day that is three years after the later of the adoption of this Constitution or their last renewal by special resolution of the Shareholders in general meeting.

7.14.11 Variation of class rights

At present, Bravura's only class of shares on issue is Shares. Subject to the Corporations Act and the terms of issue of a class of shares, wherever the capital of Bravura is divided into different class of shares, the rights attaching to any class of shares may be varied or cancelled:

- with the consent in writing of the holders of three-quarters of the issued shares included in that class; or
- by a special resolution passed at a separate meeting of the holders of those shares.

In either case, the holders of not less than 10% of the votes in the class of shares, the rights of which have been varied or cancelled, may apply to a court of competent jurisdiction to exercise its discretion to set aside such a variation or cancellation.

7.14.12 Conversion or reduction of share capital

Subject to the Corporations Act, Bravura may convert all or any of its shares into a larger or smaller number of shares by resolution passed at a general meeting or with the written consent of all members entitled to vote on the matter.

Bravura may reduce its share capital in any way permitted by the Corporations Act.

7.14.13 Preference shares

Bravura may issue preference shares including preference shares which are, or at the option of Bravura or holder are, liable to be redeemed or convertible to Shares. The rights attaching to preference shares are those set out in the Constitution unless other rights have been approved by special resolution of Bravura.

7.14.14 Dividend reinvestment plans

Subject to the ASX Listing Rules, the Constitution authorises the Directors, on any terms and conditions they think fit, to establish a dividend reinvestment plan (under which any shareholder or any class of shareholders may elect that the dividends payable by Bravura be reinvested by a subscription for shares in Bravura).

7.14.15 Directors – appointment and removal

Under the Constitution, Bravura will have at least three Directors, unless otherwise provided by the Corporations Act and the maximum is fixed by the Directors but may not be more than 10 unless the Shareholders pass a resolution varying that number. Directors are elected at annual general meetings of Bravura. Retirement will occur on a rotational basis so that any Director who has held office for three or more years or three or more annual general meetings (excluding any managing director) faces re-election. The Directors may also appoint a Director to fill a casual vacancy on the Board or as an addition to the existing Directors, who will then hold office until the next annual general meeting of Bravura and is then eligible for election at that meeting.

7.14.16 Directors – voting

Questions arising at a meeting of the Board will be decided by a majority of votes of the Directors present at the meeting and entitled to vote on the matter.

7.14.17 Directors – remuneration

Refer to Section 6.3.2 for a description of the remuneration arrangements for Directors.

7.14.18 Indemnities

To the extent permitted by law, Bravura indemnifies each Director against any liability incurred by that person as an officer of Bravura, and reasonable legal costs incurred by that person in defending an action for a liability of that person. To the extent permitted by law, Bravura may make a payment (whether by way of an advance, loan or otherwise) to a Director in respect of legal costs incurred by that person in defending an action for a liability of that person.

7.14.19 Powers and duties of Directors

The business and affairs of Bravura are to be managed by or under the direction of the Board, which (in addition to the powers and authorities conferred on it by the Constitution) may exercise all powers and do all things that are within Bravura's power (that are not required by law or by the Constitution to be exercised by Bravura in general meeting).

7.14.20 Amendments

The Constitution can only be amended by special resolution passed by at least three-quarters of Shareholders present (in person or by proxy) and entitled to vote on the resolution at a general meeting of Bravura.

Section 8
Independent Limited Assurance Report

08

Ernst & Young Transaction Advisory Services Limited
200 George Street
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GPO Box 2646 Sydney NSW 2001

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ey.com/au

28 October 2016

The Directors
Bravura Solutions Limited
Level 6, 345 George Street
Sydney NSW 2000 Australia

The Directors
Bravura SaleCo Limited
Level 6, 345 George Street
Sydney, NSW 2000 Australia

Dear Directors

PART 1 – INDEPENDENT LIMITED ASSURANCE REPORT ON STATUTORY HISTORICAL FINANCIAL INFORMATION, PRO FORMA HISTORICAL FINANCIAL INFORMATION, STATUTORY FORECAST FINANCIAL INFORMATION AND PRO FORMA FORECAST FINANCIAL INFORMATION

1. Introduction

We have been engaged by Bravura Solutions Limited and Bravura SaleCo Limited to report on the statutory historical financial information, pro forma historical financial information, statutory forecast financial information and pro forma forecast financial information of Bravura Solutions Limited ("Bravura or the 'Company') for inclusion in the prospectus ("Prospectus") to be dated on or about 28 October 2016, and to be issued by Bravura, in respect of the initial public offering of fully paid ordinary shares for issue by Bravura ("the Offer") and a listing on ASX.

Expressions and terms defined in the Prospectus have the same meaning in this report.

The nature of this report is such that it can only be issued by an entity which holds an Australian Financial Services Licence under the Corporations Act 2001. Ernst & Young Transaction Advisory Services Limited ("Ernst & Young Transaction Advisory Services") holds an appropriate Australian Financial Services Licence (AFS Licence Number 240585). Bryan Zekulich is a Director and Representative of Ernst & Young Transaction Advisory Services. We have included our Financial Services Guide as Part 2 of this report.

2. Scope

Statutory Historical Financial Information

You have requested Ernst & Young Transaction Advisory Services to review the following statutory historical financial information of Bravura:

- the statutory historical consolidated statements of profit or loss for the financial years ended 30 June 2014, 30 June 2015 and 30 June 2016 as set out in Table 4.6 of Section 4.3.4 of the Prospectus;
- the statutory historical consolidated cash flows for the financial years ended 30 June 2014, 30 June 2015 and 30 June 2016 as set out in Table 4.10 of Section 4.4.3 of the Prospectus; and

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- the statutory historical consolidated statement of financial position as at 30 June 2016 as set out in Table 4.11 of Section 4.5.1 of the Prospectus.

(Hereafter “the Statutory Historical Financial Information”)

The Statutory Historical Financial Information as at and for the financial year ended 30 June 2014 has been derived from the financial statements of Bravura Solutions Limited (“Old HoldCo”) for the year ended 30 June 2014. The Statutory Historical Financial Information as at and for the financial years ended 30 June 2015 and 30 June 2016 have been derived from the financial statements of Bravura Solutions Holdings Pty Limited (“New HoldCo”) for the years ended 30 June 2015 and 30 June 2016 respectively. The consolidated financial statements for Old HoldCo for the financial year ended 30 June 2014 and New HoldCo for the financial year ended 30 June 2015 and 30 June 2016 were audited by Ernst & Young in accordance with Australian Auditing Standards. Ernst & Young issued unqualified audit opinions on these consolidated financial statements.

The Statutory Historical Financial Information has been prepared in accordance with the stated basis of preparation, being the recognition and measurement principles of Australian Accounting Standards (“AAS”) (including the Australian Accounting Interpretations) issued by the Australian Accounting Standards Board, which are consistent to International Financial Reporting Standards and Interpretations issued by the International Accounting Standards Board.

Pro Forma Historical Financial Information

You have requested Ernst & Young Transaction Advisory Services to review the following pro forma historical financial information of Bravura:

- the pro forma historical consolidated statements of profit or loss for the financial years ended 30 June 2014, 30 June 2015 and 30 June 2016 as set out in Table 4.2 of Section 4.3.1 of the Prospectus;
- the pro forma historical consolidated cash flows for the financial years ended 30 June 2014, 30 June 2015 and 30 June 2016 as set out in Table 4.7 of Section 4.4.1 of the Prospectus; and
- the pro forma historical consolidated statement of financial position as at 30 June 2016 as set out in Table 4.11 of Section 4.5.1 of the Prospectus.

(Hereafter the ”Pro Forma Historical Financial Information”).

The Pro Forma Historical Financial Information has been derived from the Statutory Historical Financial Information and adjusted for the effects of pro forma adjustments described in Tables 4.4 and 4.5 of Section 4.3.3, Tables 4.8 and 4.9 of Section 4.4.2 and Table 4.11 of Section 4.5.1 of the Prospectus.

The Pro Forma Historical Financial Information has been prepared in accordance with the recognition and measurement principles contained in AAS, other than that it includes adjustments which have been prepared in a manner consistent with AAS, that reflect (i) the recognition of certain items in periods different from the applicable period under AAS (ii) the exclusion of certain transactions that occurred in the relevant periods, and (iii) the impact of certain transactions as if they occurred on or before 30 June 2016.

Due to its nature, the Pro Forma Historical Financial Information does not represent the Company’s actual or prospective financial position, financial performance, and cash flows.

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Statutory Forecast Financial Information

You have requested Ernst & Young Transaction Advisory Services to review the following statutory forecast financial information of Bravura:

- statutory forecast consolidated statement of profit or loss for the financial year ending 30 June 2017 as set out in Table 4.2 of Section 4.3.1 of the Prospectus; and
- statutory forecast consolidated cash flows for the financial year ending 30 June 2017 as set out in Section Table 4.7 of Section 4.4.1 of the Prospectus.

(Hereafter "the Statutory Forecast Financial Information").

The directors' best-estimate assumptions underlying the Statutory Forecast Financial Information are described in Sections 4.8.1 and 4.8.2 of the Prospectus.

The stated basis of preparation used in the preparation of the Statutory Forecast Financial Information is in accordance with recognition and measurement principles of AAS (including the Australian Accounting Interpretations) issued by the Australian Accounting Standards Board, which are consistent to International Financial Reporting Standards and Interpretations issued by the International Accounting Standards Board..

Pro Forma Forecast Financial Information

You have requested Ernst & Young Transaction Advisory Services to review the following pro forma forecast financial information of Bravura:

- pro forma forecast consolidated statement of profit or loss for the financial year ending 30 June 2017 as set out in Table 4.2 of Section 4.3.1 of the Prospectus; and
- pro forma forecast consolidated cash flows for the financial year ending 30 June 2017 as set out in Table 4.7 of Section 4.4.1 of the Prospectus.

(Hereafter "the Pro Forma Forecast Financial Information").

(Collectively, the Statutory Historical Financial Information, the Pro Forma Historical Financial Information, the Statutory Forecast Financial Information and the Pro Forma Forecast Financial Information are referred to as the Financial Information).

The Pro Forma Forecast Financial Information has been derived from the Statutory Forecast Financial Information, after adjusting for the effects of the pro forma adjustments described in Tables 4.4 and 4.5 of Section 4.3.3 and Tables 4.8 and 4.9 of Section 4.4.2 of the Prospectus.

The Pro Forma Forecast Financial Information has been prepared in accordance with the recognition and measurement principles contained in AAS, other than that it includes adjustments which have been prepared in a manner consistent with AAS, that reflect (i) the recognition of certain items in periods different from the applicable period under AAS (ii) the exclusion of certain transactions that occurred in the relevant periods, and (iii) the impact of certain transactions as if they occurred on 1 July 2016.

Due to its nature, the Pro Forma Forecast Financial Information does not represent the Company's actual or prospective financial position, financial performance, and cash flows for the financial year ending 30 June 2017.

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The Financial Information is presented in the Prospectus in an abbreviated form, insofar as it does not include all of the presentation and disclosures required by Australian Accounting Standards and other mandatory professional reporting requirements applicable to general purpose financial reports prepared in accordance with the *Corporations Act 2001*.

3. Directors' Responsibility

Statutory Historical Financial Information and Pro Forma Historical Financial Information

The directors of Bravura are responsible for the preparation and presentation of the Statutory Historical Financial Information and Pro Forma Historical Financial Information, including the basis of preparation, selection and determination of pro forma adjustments made to the Statutory Historical Financial Information and included in the Pro Forma Historical Financial Information. This includes responsibility for such internal controls as the directors determine are necessary to enable the preparation of Statutory Historical Financial Information and Pro Forma Historical Financial Information that are free from material misstatement, whether due to fraud or error.

Statutory Forecast Financial Information and Pro Forma Forecast Financial Information

The directors of Bravura are responsible for the preparation and presentation of the Statutory Forecast Financial Information for the financial year ending 30 June 2017, including the basis of preparation, the best-estimate assumptions underlying the Statutory Forecast Financial Information. They are also responsible for the preparation and presentation of the Pro Forma Forecast Financial Information for the financial year ending 30 June 2017, including the basis of preparation, selection and determination of the pro forma adjustments made to the Statutory Forecast Financial Information and included in the Pro Forma Forecast Financial Information. This includes responsibility for such internal controls as the directors determine are necessary to enable the preparation of Statutory Forecast Financial Information and Pro Forma Forecast Financial Information that is free from material misstatement, whether due to fraud or error.

4. Our Responsibility

Statutory Historical Financial Information and Pro Forma Historical Financial Information

Our responsibility is to express a limited assurance conclusion on the Statutory Historical Financial Information and Pro Forma Historical Financial Information based on the procedures performed and the evidence we have obtained.

Statutory Forecast Financial Information and Pro Forma Forecast Financial Information

Our responsibility is to express a limited assurance conclusion on the Statutory Forecast Financial Information and Pro Forma Forecast Financial Information, the best-estimate assumptions underlying the Statutory Forecast Financial Information and Pro Forma Forecast Financial Information, and the reasonableness of the Statutory Forecast Financial Information and Pro Forma Forecast Financial Information themselves, based on our limited assurance engagement.

We have conducted our engagement in accordance with the Standard on Assurance Engagements ASAE 3450 *Assurance Engagements involving Corporate Fundraisings and/or Prospective Financial Information*.

Our limited assurance procedures consisted of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other limited assurance procedures. A limited assurance engagement is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain reasonable

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assurance that we would become aware of all significant matters that might be identified in a reasonable assurance engagement. Accordingly, we do not express an audit opinion.

Our engagement did not involve updating or re-issuing any previously issued audit or limited assurance reports on any financial information used as a source of the Financial Information.

5. Conclusions

Statutory Historical Financial Information

Based on our limited assurance engagement, which is not an audit, nothing has come to our attention that causes us to believe that the Statutory Historical Financial Information comprising:

- the historical consolidated statements of profit or loss for the financial years ended 30 June 2014, 30 June 2015 and 30 June 2016 as set out in Table 4.6 of Section 4.3.4 of the Prospectus;
- the historical consolidated cash flows for the financial years ended 30 June 2014, 30 June 2015 and 30 June 2016 as set out in Table 4.10 of Section 4.4.3 of the Prospectus; and
- the historical consolidated statement of financial position as at 30 June 2016 as set out in Table 4.11 of Section 4.5.1 of the Prospectus

is not presented fairly, in all material respects, in accordance with the stated basis of preparation, as described in Section 4.2.1 of the Prospectus.

Pro Forma Historical Financial Information

Based on our limited assurance engagement, which is not an audit, nothing has come to our attention that causes us to believe that the Pro Forma Historical Financial Information comprising:

- the pro forma historical consolidated statements of profit or loss for the financial years ended 30 June 2014, 30 June 2015 and 30 June 2016 as set out in Table 4.2 of Section 4.3.1 of the Prospectus;
- the pro forma historical consolidated cash flows for the financial years ended 30 June 2014, 30 June 2015 and 30 June 2016 as set out in Table 4.7 of Section 4.4.1 of the Prospectus; and
- the pro forma historical consolidated statement of financial position as at 30 June 2016 as set out in Table 4.11 of Section 4.5.1 of the Prospectus

is not presented fairly, in all material respects, in accordance with the stated basis of preparation, as described in Section 4.2.1 of the Prospectus.

Statutory Forecast Financial Information

Based on our limited assurance engagement, which is not an audit, nothing has come to our attention that causes us to believe that:

- the directors' best-estimate assumptions used in the preparation of the Statutory Forecast Financial Information of Bravura for the financial year ending 30 June 2017 do not provide reasonable grounds for the Statutory Forecast Financial Information; and
- in all material respects, the Statutory Forecast Financial Information:
  - is not prepared on the basis of the directors' best estimate assumptions as described in Sections 4.8.1 and 4.8.2 of the Prospectus; and

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  - is not presented fairly in accordance with the stated basis of preparation, as described in Section 4.2.1 of the Prospectus; and

- the Statutory Forecast Financial Information itself is unreasonable.

Pro Forma Forecast Financial Information

Based on our limited assurance engagement, which is not an audit, nothing has come to our attention that causes us to believe that:

- the directors' best-estimate assumptions used in the preparation of the Pro Forma Forecast Financial Information of Bravura for the financial year ending 30 June 2017 do not provide reasonable grounds for the Pro Forma Forecast Financial Information; and

- in all material respects, the Pro Forma Forecast Financial Information:
  - is not prepared on the basis of the directors' best estimate assumptions as described in Section 4.8.1 and 4.8.2 of the Prospectus; and
  - is not presented fairly in accordance with the stated basis of preparation, as described in Section 4.2.1 of the Prospectus; and

- the Pro Forma Forecast Financial Information itself is unreasonable.

Statutory Forecast Financial Information and Pro Forma Forecast Financial Information

The Statutory Forecast Financial Information and Pro Forma Forecast Financial Information has been prepared by management and adopted by the directors in order to provide prospective investors with a guide to the potential financial performance and cash flows of Bravura for the financial year ending 30 June 2017. There is a considerable degree of subjective judgement involved in preparing forecasts since they relate to events and transactions that have not yet occurred and may not occur. Actual results are likely to be different from the Statutory Forecast Financial Information and Pro Forma Forecast Financial Information since anticipated events or transactions frequently do not occur as expected and the variation may be material. The directors' best-estimate assumptions on which the Statutory Forecast Financial Information and Pro Forma Forecast Financial Information is based relate to future events and/or transactions that management expect to occur and actions that management expect to take and are also subject to uncertainties and contingencies, which are often outside the control of Bravura. Evidence may be available to support the directors' best-estimate assumptions on which the Statutory Forecast Financial Information and Pro Forma Forecast Financial Information is based however such evidence is generally future-oriented and therefore speculative in nature. We are therefore not in a position to express a reasonable assurance conclusion on those best-estimate assumptions, and accordingly, provide a lesser level of assurance on the reasonableness of the directors' best-estimate assumptions. The limited assurance conclusions expressed in this report have been formed on the above basis.

Prospective investors should be aware of the material risks and uncertainties in relation to an investment in Bravura, which are detailed in the Prospectus and the inherent uncertainty relating to the Statutory Forecast Financial Information and Pro Forma Forecast Financial Information. Accordingly, prospective investors should have regard to the investment risks and sensitivities as described in Section 5 of the Prospectus. The sensitivity analysis described in Section 4.9 of the Prospectus demonstrates the impact on the Pro Forma Forecast Financial Information of changes in key best-estimate assumptions. We express no opinion as to whether the statutory forecast or pro forma forecast will be achieved.

We disclaim any assumption of responsibility for any reliance on this report, or on the Statutory Forecast Financial Information and Pro Forma Forecast Financial Information to which it relates, for any purpose other than that for which it was prepared. We have assumed, and relied on representations from certain

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members of management of Bravura, that all material information concerning the prospects and proposed operations of Bravura has been disclosed to us and that the information provided to us for the purpose of our work is true, complete and accurate in all respects. We have no reason to believe that those representations are false.

6. Restriction on Use

Without modifying our conclusions, we draw attention to Section 4.2.1 of the Prospectus, which describes the purpose of the Financial Information. As a result, the Financial Information may not be suitable for use for another purpose.

7. Consent

Ernst & Young Transaction Advisory Services has consented to the inclusion of this limited assurance report in the Prospectus in the form and context in which it is included.

8. Independence or Disclosure of Interest

Ernst & Young Transaction Advisory Services does not have any interests in the outcome of this Offer other than in the preparation of this report for which normal professional fees will be received.

Yours faithfully
Ernst & Young Transaction Advisory Services Limited

Bryan Zekulich
Director and Representative

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28 October 2016

THIS FINANCIAL SERVICES GUIDE FORMS PART OF THE INDEPENDENT LIMITED ASSURANCE REPORT

PART 2 – FINANCIAL SERVICES GUIDE

1. Ernst & Young Transaction Advisory Services

Ernst & Young Transaction Advisory Services Limited ("Ernst & Young Transaction Advisory Services" or "we," or "us" or "our") has been engaged to provide general financial product advice in the form of an Independent Limited Assurance Report ("Report") in connection with a financial product of another person. The Report is to be included in documentation being sent to you by that person.

2. Financial Services Guide

This Financial Services Guide ("FSG") provides important information to help retail clients make a decision as to their use of the general financial product advice in a Report, information about us, the financial services we offer, our dispute resolution process and how we are remunerated.

3. Financial services we offer

We hold an Australian Financial Services Licence which authorises us to provide the following services:

- financial product advice in relation to securities, derivatives, general insurance, life insurance, managed investments, superannuation, and government debentures, stocks and bonds; and
- arranging to deal in securities.

4. General financial product advice

In our Report we provide general financial product advice. The advice in a Report does not take into account your personal objectives, financial situation or needs.

You should consider the appropriateness of a Report having regard to your own objectives, financial situation and needs before you act on the advice in a Report. Where the advice relates to the acquisition or possible acquisition of a financial product, you should also obtain an offer document relating to the financial product and consider that document before making any decision about whether to acquire the financial product.

We have been engaged to issue a Report in connection with a financial product of another person. Our Report will include a description of the circumstances of our engagement and identify the person who has engaged us. Although you have not engaged us directly, a copy of the Report will be provided to you as a retail client because of your connection to the matters on which we have been engaged to report.

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5. Remuneration for our services

We charge fees for providing Reports. These fees have been agreed with, and will be paid by, the person who engaged us to provide a Report. Our fees for Reports are based on a time cost or fixed fee basis. Our directors and employees providing financial services receive an annual salary, a performance bonus or profit share depending on their level of seniority. The estimated fee for this Report is $165,000 (inclusive of GST).

Ernst & Young Transaction Advisory Services is ultimately owned by Ernst & Young, which is a professional advisory and accounting practice. Ernst & Young may provide professional services, including audit, tax and financial advisory services, to the person who engaged us and receive fees for those services.

Except for the fees and benefits disclosed in this Prospectus in section 6.3.1, Ernst & Young Transaction Advisory Services, including any of its directors, employees or associated entities should not receive any fees or other benefits, directly or indirectly, for or in connection with the provision of a Report.

6. Associations with product issuers

Ernst & Young Transaction Advisory Services and any of its associated entities may at any time provide professional services to financial product issuers in the ordinary course of business.

7. Responsibility

The liability of Ernst & Young Transaction Advisory Services is limited to the contents of this Financial Services Guide and the Report.

8. Complaints process

As the holder of an Australian Financial Services Licence, we are required to have a system for handling complaints from persons to whom we provide financial services. All complaints must be in writing and addressed to the AFS Compliance Manager or the Chief Complaints Officer and sent to the address below. We will make every effort to resolve a complaint within 30 days of receiving the complaint. If the complaint has not been satisfactorily dealt with, the complaint can be referred to the Financial Ombudsman Service Limited.

9. Compensation Arrangements

The Company and its related entities hold Professional Indemnity insurance for the purpose of compensation should this become relevant. Representatives who have left the Company's employment are covered by our insurances in respect of events occurring during their employment. These arrangements and the level of cover held by the Company satisfy the requirements of section 912B of the Corporations Act 2001.

Contacting Ernst & Young Transaction Advisory Services	**Contacting the Independent Dispute Resolution Scheme:**
AFS Compliance Manager Ernst & Young 200 George Street Sydney NSW 2000 Telephone: (02) 9248 5555	Financial Ombudsman Service Limited PO Box 3 Melbourne VIC 3001 Telephone: 1300 78 08 08

This Financial Services Guide has been issued in accordance with ASIC Class Order CO 04/1572.

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Section 9
Additional Information

09

Additional Information

9.1 Registration

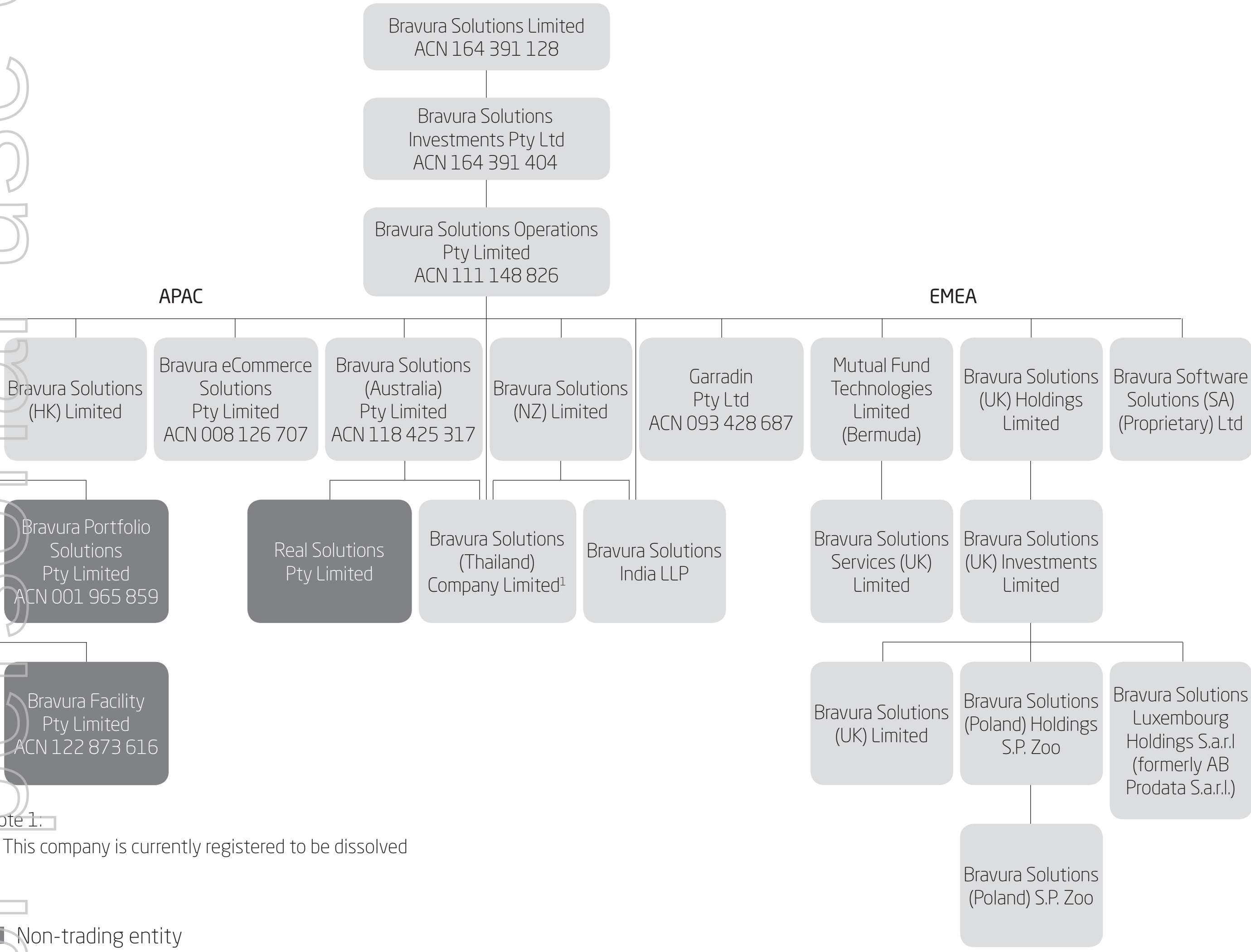
Bravura Solutions Limited was registered in Victoria, Australia on 20 June 2013 as a proprietary company and was converted to a public company on 30 September 2016.

9.2 Company tax status

Bravura operates in various jurisdictions, and is subject to various taxation regimes and tax rates.

9.3 Corporate structure

The following diagram shows the entities in the corporate structure of the Bravura group at Completion:



Note 1:
– This company is currently registered to be dissolved

■ Non-trading entity

A list of Bravura's subsidiaries as at the Prospectus Date is set out in Appendix B.

9.4 Underwriting Agreement

The Offer is being underwritten by the Lead Managers pursuant to an underwriting agreement, dated 28 October 2016, between the Lead Managers and Bravura (**Underwriting Agreement**). Under the Underwriting Agreement, the Lead Managers have agreed to arrange, manage and underwrite the Offer.

9.4.1 Commissions, fees and expenses

Bravura and SaleCo must pay to the Lead Managers in equal proportions and in accordance with the Underwriting Agreement a base fee equal to 2.2% and a selling and management equal to 0.55% of the total Offer proceeds. Bravura may also elect, at its absolute discretion, to pay the Lead Managers an incentive fee of 0.75% of the total Offer proceeds.

Bravura and SaleCo have agreed to reimburse the Lead Managers for reasonable costs and expenses incurred by the Lead Managers in relation to the Offer. Bravura has authorised the Lead Managers to pay any fees of the Co-Managers or Brokers in relation to the offer, out of fees payable to them. For the avoidance of doubt, all commissions and fees due to a Co-Manager or Broker will be borne by Bravura or SaleCo (and paid on their behalf by the Lead Managers out of fees payable to the Lead Managers) and will not be borne by the Lead Managers.

9.4.2 Termination events

A Lead Manager may terminate the Underwriting Agreement, at any time after the date of the Underwriting Agreement and on or before 10.00am on the date for settlement under the Offer by notice to the other party if any of the following events occur:

(a) Bravura and SaleCo issue or, in the reasonable opinion of the Lead Managers, are required to issue, a supplementary prospectus to comply with section 719(1) of the Corporations Act;

(b) at any time the S&P/ASX 200 Index falls to a level that is 87.5% or less of the level as at the close of trading on the date of close of the institutional bookbuild and is at or below that level at the close of trading: (i) for 2 consecutive business days during any time after the date of the Underwriting Agreement; or (ii) on the business day immediately prior to, either, the date of settlement or the date of issue;

(c) Bravura, SaleCo or any of their respective directors or officers (as those terms are defined in the Corporations Act) engage, or have engaged since the date of the Underwriting Agreement, in any fraudulent conduct or activity whether or not in connection with the Offer;

(d) approval is refused or not granted, or approval is granted subject to conditions other than customary conditions, to: (i) Bravura's admission to the official list of ASX on or before the date required in the Underwriting Agreement; or (ii) the quotation of all of Bravura's Shares, to be traded through the Clearing House Electronic Subregister System on or before the quotation date specified in the Underwriting Agreement timetable, or if granted, the approval is subsequently withdrawn, qualified (other than by customary conditions) or withheld;

(e) any of the following notifications are made in respect of the Offer: (i) ASIC issues an order (including an interim order) under section 739 of the Corporations Act and any such order, inquiry or hearing is not withdrawn within 2 business days or if it is made within 2 business days of the date of settlement it has not been withdrawn by the business day immediately before the date of settlement; (ii) ASIC holds a hearing under section 739(2) of the Corporations Act; (iii) an application is made by ASIC for an order under Part 9.5 in relation to the Offer or an offer document or ASIC commences any investigation or hearing under Part 3 of the ASIC Act in relation to the Offer or an offer document, and any such application, inquiry or hearing is not withdrawn within 2 business days or if it is made within 2 business days of the date of settlement it has not been withdrawn by the business day immediately before the date of settlement; (iv) any person (other than the Lead Managers) who has previously consented to the inclusion of its name in any offer document withdraws that consent; or (v) any person (other than the Lead Managers) gives a notice under section 730 of the Corporations Act in relation to the Prospectus;

(f) Bravura or SaleCo does not provide a closing certificate as and when required by the Underwriting Agreement;

(g) if any of the obligations of the relevant parties under any of the contracts that are material to the business of the Bravura group are not capable of being performed in accordance with their terms (in the reasonable opinion of the terminating Lead Manager) or if all or any part of any of such contracts: (i) is terminated; (ii) ceases to have effect, otherwise than in accordance with its terms; or (iii) is or becomes void, voidable, illegal, invalid or unenforceable (other than by reason only of a party waiving any of its rights) or capable of being terminated, rescinded or avoided or of limited force and affect, or its performance is or becomes illegal;

(h) Bravura or SaleCo withdraws the Prospectus or the Offer or indicates that it does not intend to proceed with the Offer or any part of the Offer;

(i) any member of the Bravura group becoming insolvent, or there is an act or omission which is likely to result in a Bravura group member becoming insolvent;

(j) an event specified in the timetable set out in the Underwriting Agreement up to and including the date of settlement is delayed by more than 2 business days (other than any delay caused solely by the Lead Managers or any delay agreed between Bravura and the Lead Managers or a delay as a result of an extension of the exposure period by ASIC);

(k) Bravura: (i) alters the issued capital of Bravura or a Bravura group member; or (ii) disposes or attempts to dispose of a substantial part of the business or property of Bravura or a Bravura group member, without the prior written consent of the Lead Managers;

(l) if a regulatory body withdraws, revokes or amends any regulatory approvals required for Bravura or SaleCo to perform their obligations under the Underwriting Agreement or to carry out the transactions contemplated by the offer documents;

(m) there is an event or occurrence, including any statute, order, rule, regulation, directive or request (including one compliance with which is in accordance with the general practice of persons to whom the directive or request is addressed) of any governmental agency which makes it illegal for the Lead Managers to satisfy an obligation under this document, or to market, promote or settle the Offer;

(n) a change in the chief executive officer or the chief financial officer or the board of directors of Bravura or SaleCo occurs, or there is a change in or the board of directors of the Company or SaleCo, or the chief executive officer, chief financial officer, or any other director of the Company or SaleCo vacates his or her office; or

(o) any of the following occur: (i) a director of Bravura or SaleCo is charged with an indictable offence; or (ii) any director of Bravura or SaleCo is disqualified from managing a corporation under Part 2D.6.

9.4.3 Termination subject to materiality

A Lead Manager may terminate the Underwriting Agreement, at any time after the date of the Underwriting Agreement and on or before 10:00am on the date for settlement under the Offer by notice to the other party, if any of the following events occur and a Lead Manager has reasonable grounds to believe the event: (i) has or is likely to have a material adverse effect on the success, settlement or marketing of the Offer or on the ability of the Lead Manager to market or promote or settle the Offer; or (ii) will, or is likely to, give rise to a liability of the Lead Manager under, or give rise to, or result in, a contravention by the Lead Manager or its affiliates, or the Lead Manager or its affiliates being involved in a contravention of, any applicable law:

(a) a statement in any of the offer documents or public information is or becomes misleading or deceptive, or a matter required to be included (including under New Zealand securities laws) is omitted from the offer documents;

(b) there occurs a new circumstance that arises after the Prospectus is lodged that would have been required to be included in the Prospectus if it had arisen before lodgement;

(c) any of the escrow deeds are withdrawn, varied, terminated, rescinded, altered, amended or breached or failed to be complied with;

(d) a sale deed or sale election is withdrawn, varied, terminated, rescinded, altered or amended, breached or failed to be complied with;

(e) any statement or estimate in the offer documents which relates to a future matter is unlikely to be met in the projected time (including financial forecasts);

(f) Bravura or SaleCo fail to comply with the requirements of the NZ Mutual Recognition Regulations to enable the Offer to proceed on the basis of the Prospectus, under those regulations;

(g) if any of the obligations of the relevant parties under any of the contracts that are material to the business of the Bravura group are not capable of being performed in accordance with their terms (in the reasonable opinion of the terminating Lead Manager) or if all or any part of any of such contracts: (i) is amended or varied without the prior written consent of the Lead Managers; or (ii) is breached;

(h) the report of the due diligence committee is or becomes, misleading or deceptive, including by way of omission;

(i) any adverse change occurs in the assets, liabilities, financial position or performance, profits, losses or prospects of Bravura and the Bravura group (insofar as the position in relation to Bravura group member affects the overall position of Bravura) from those disclosed in the Prospectus lodged with ASIC on the Prospectus Date;

(j) there is introduced, or there is a public announcement of a proposal to introduce, into the Parliament of Australia, New Zealand, the United Kingdom, Poland, or any State or Territory of Australia a new law (other than a law which has been announced before the date of the Underwriting Agreement);

(k) a representation or warranty contained in the Underwriting Agreement on the part of Bravura or SaleCo (whether severally or jointly) is breached, becomes not true or correct, except in relation to clause 9.1(f), where the pathfinder contains a statement that is not true or correct and this is rectified, with the prior written consent of the Lead Managers, in the Prospectus;

(l) Bravura or SaleCo defaults on one or more of its obligations under the Underwriting Agreement;

(m) any of the following occurs: (i) the commencement of legal proceedings against Bravura, SaleCo, any other Bravura group member or against any director of Bravura, SaleCo, or any other Bravura group member in that capacity; or (ii) any governmental agency commences any enquiry or public action against a Bravura group member or any of their respective directors in their capacity as director, or announces that it intends to take action;

(n) hostilities not presently existing commence (whether war has been declared or not) or an escalation in existing hostilities occurs (whether war has been declared or not) involving any one or more of Australia, New Zealand, the United States, the United Kingdom, Hong Kong, the People's Republic of China, Singapore, or any member state of the European Union, or a major terrorist act is perpetrated on any of those countries or any diplomatic, military, commercial or political establishment of any of those countries;

(o) a statement in any closing certificate is false, misleading, inaccurate or untrue or incorrect;

(p) any of the following occurs: (i) a general moratorium on commercial banking activities in Australia, New Zealand, the United Kingdom, Hong Kong, the United States or a Member State of the European Union is declared by the relevant central banking authority in those countries, or there is a disruption in commercial banking or security settlement or clearance services in any of those countries; or(ii) trading in all securities quoted or listed on ASX, New Zealand Stock Exchange, Hong Kong Stock Exchange, New York Stock Exchange or London Stock Exchange is suspended or limited in a material respect for 1 day (or a substantial part of 1 day) on which that exchange is open for trading;

(q) the New Banking Facilities are terminated, breached or amended, or become void, voidable or otherwise non-binding.

9.4.4 Indemnity

Subject to certain exclusions relating to, among other things, gross negligence, recklessness, fraud or wilful misconduct by an indemnified party, Bravura agrees to keep the Lead Managers and certain affiliated parties indemnified from losses suffered in connection with the Offer.

9.4.5 Conditions, warranties, undertakings and other terms

The Underwriting Agreement contains certain standard representations, warranties and undertakings by Bravura (in relation to itself and SaleCo) and SaleCo (in relation to itself only) to the Lead Managers (as well as common conditions precedent), including the entry into voluntary escrow deeds by certain of the Existing Owners in a form and substance acceptable to the Lead Managers.

The representations and warranties given by Bravura and SaleCo include but are not limited to matters such as power and authorisations, compliance with applicable laws and Listing Rules, financial information, information contained in the Prospectus, the conduct of the Offer and the due diligence process, litigation, material contracts, patents and trademarks, IT systems, encumbrances, licences, insurance, dividends and distributions, title to property, internal controls, tax and labour.

Bravura provides undertakings under the Underwriting Agreement which include but are not limited to notifications of breach of any obligation, representation or warranty or undertaking or non-satisfaction of any condition given by it under the Underwriting Agreement and that it will not, during the period following the date of the Underwriting Agreement until 120 days after Shares have been issued (or transferred) under the Offer, issue any Shares or securities without the consent of the Lead Managers, subject to certain exceptions. These exceptions include: (i) the issue of Shares or securities under the Offer or the Underwriting Agreement; (ii) the issue of an employee share, option or other incentive plan, a non-underwritten dividend reinvestment or a bonus share plan as described in the Prospectus; or (ii) the issue of Shares or securities under a proposed transaction fully and fairly disclosed in the Prospectus.

9.5 Description of the syndicate

Goldman Sachs and Macquarie Capital are the Lead Managers. Commonwealth Securities Limited and Macquarie Equities Limited are the Co-Managers.

9.6 Ownership restrictions

The sale and purchase of Shares is regulated by Australian laws that restrict the level of ownership or control by any one person (either alone or in combination with others). This Section 9.6 contains a general description of these laws.

9.6.1 Corporations Act

The takeover provisions in Chapter 6 of the Corporations Act restrict acquisitions of shares in listed companies, and unlisted companies with more than 50 members, if the acquirer's (or another party's) voting power would increase to above 20%, or would increase from a starting point that is above 20% and below 90%, unless certain exceptions apply. The Corporations Act also imposes notification requirements on persons having voting power of 5% or more in Bravura, either themselves or through an associate.

9.6.2 Foreign Acquisitions and Takeovers Act 1975 (Cth) and Australian Government Foreign Investment Policy

Generally, the Foreign Acquisitions and Takeovers Act 1975 (Cth) (**FATA**) applies to acquisitions of shares and voting power in a company of 20% or more by a single foreign person and its associates, or 40% or more by two or more associated foreign persons and their associates, where the acquisition meets a threshold value (which varies by investor type and industry). In addition, the FATA applies to acquisitions of a direct interest in an Australian company by foreign governments and their related entities irrespective of the acquisition value. A "direct interest" is an interest of 10% in the entity but may also include an interest of less than 10% where the investor has entered into business arrangements with the entity or the investor is in a position to influence or participate in the management and control or policy of the entity. There are exemptions which can apply to certain acquisitions.

Where the FATA applies to the acquisition, the acquisition may not occur unless notice of it has been given to the Federal Treasurer and the Federal Treasurer has either notified that there is no objection to the proposed acquisition (with or without conditions) or a statutory period has expired without the Federal Treasurer objecting.

An acquisition to which the FATA applies, may be the subject of a divestment order by the Federal Treasurer unless the process of notification, and either a non-objection notification or expiry of a statutory period without objection, has occurred. Criminal offences and civil penalties can apply to failing to give notification of certain acquisitions, undertaking certain acquisitions without no objection notification or contravening a condition in a no objection notification.

9.6.3 Legal proceedings

As at the Prospectus Date, so far as the Directors are aware, there is no current or threatened civil litigation, arbitration proceedings or administrative appeals, or criminal or governmental prosecutions of a material nature in which Bravura is directly or indirectly concerned which is likely to have a material adverse impact on the business or financial position of Bravura.

9.7 Taxation considerations

This Section 9.7 does not constitute financial product advice as defined in the Corporations Act and is confined to Australian taxation issues only. Taxation is only one of the matters you need to consider when making a decision about your investments. You should consider taking advice from a licensed adviser, before making a decision about your investments.

The following tax comments are based on the tax laws in Australia in force as at the Prospectus Date. Australian tax laws are complex. This summary is general in nature and is not intended to be an authoritative or complete statement of all potential tax implications for each investor or relied upon as tax advice. During the period of ownership of the Shares by investors, the taxation laws of Australia, or their interpretation, may change. The precise implications of ownership or disposal will depend upon each investor's specific circumstances. Investors should seek their own professional advice on the taxation implications of holding or disposing of the Shares, taking into account their specific circumstances.

The following information is a general summary of the Australian income tax implications for Australian tax resident individuals, complying superannuation entities, trusts, partnerships and companies. These comments do not apply to tax non-resident investors, investors that hold Shares on revenue account or as trading stock, investors who are exempt from Australian income tax or investors subject to the Taxation of Financial Arrangements regime in Division 230 of the Income Tax Assessment Act 1997 (Cth) which have made elections (i.e. to apply the fair value or reliance on financial reports methodologies), and does not cover non-Australian tax implications of owning the Shares.

9.7.1 Dividends paid on Shares

9.7.1.1 Individuals and complying superannuation entities

Dividends paid by the Company on a Share will constitute assessable income of an Australian tax resident investor. Australian tax resident investors who are individuals or complying superannuation entities should include the dividend in their assessable income in the year the dividend is paid, together with any franking credit attached to that dividend.

Subject to the 45 day rule as discussed further below, such investors should be entitled to a tax offset equal to the franking credit attached to the dividend. The tax offset can be applied to reduce the tax payable on the investor's taxable income. Where the tax offset exceeds the tax payable on the investor's taxable income, the investors who are individuals or complying superannuation entities should be entitled to a tax refund equal to the excess.

To the extent that the dividend is unfranked, the investor will generally be taxed at their prevailing (marginal) rate, on the dividend received (with no tax offset).

9.7.1.2 Trusts and partnerships

Australian tax resident investors who are trustees (other than trustees of complying superannuation entities) or partnerships should include the franking credit in determining the net income of the trust or partnership. The relevant beneficiary or partner may be entitled to a tax offset equal to the beneficiary's or partner's share of the net income of the trust or partnership.

9.7.1.3 Companies

Companies are also required to include both the dividend and the associated franking credit in their assessable income.

Companies are then entitled to a tax offset up to the amount of the franking credit attached to the dividend.

An Australian tax resident company should be entitled to a credit in its own franking account to the extent of the franking credits attached to the distribution received. This will allow the company to pass on the franking credits to its shareholders on the subsequent payment of franked dividends.

Excess franking credits received by Australian tax resident companies will not give rise to a refund entitlement for a company, but can be converted into carry forward tax losses instead.

9.7.1.4 Shares held at risk

The benefit of franking credits can be denied where an investor is not a "qualified person", in which case the investor will not need to include the amount of the franking credits in their assessable income and will not be entitled to a tax offset.

Broadly, to be a "qualified person", two tests must be satisfied, namely the holding period rule and the related payment rule.

Under the holding period rule, an investor is required to hold the Shares at risk for more than 45 days continuously (which is measured as the period commencing the day after the Shares were acquired and ending on the 45th day after the Shares become ex-dividend) in order to qualify for franking benefits, including franking credits. This holding period rule is subject to certain exceptions, including where the total franking offsets of an individual in a year of income do not exceed $5,000.

Under the related payment rule, a different testing period applies where the investor has made, or is under an obligation to make, a related payment in relation to the dividend. The related payment rule is applied within the period commencing on the 45th day before, and ending on the 45th day after, the day the Shares become ex-dividend.

Investors should seek professional advice to determine if these requirements, as they apply to them, have been satisfied.

There are specific integrity rules that prevent taxpayers from obtaining a tax benefit from additional franking credits where dividends are received as a result of "dividend washing" arrangements. Shareholders should consider the impact of these rules given their own personal circumstances.

9.7.2 Disposal of Shares

Most Australian tax resident investors will be subject to Australian capital gains tax (**CGT**) on the disposal of their Shares. Some investors may hold their Shares on revenue account as trading stock, or be subject to the Taxation of Financial Arrangements regime. These investors should seek their own professional advice in respect of the consequences of a disposal of Shares.

An investor will derive a capital gain on the disposal of Shares where the capital proceeds received on disposal exceeds the CGT cost base of the Shares. The CGT cost base of the Shares is broadly the amount paid to acquire the Shares plus any transaction/incidental costs.

A CGT discount may be available on the capital gain for individual investors, trustee investors and investors that are complying superannuation entities provided the particular Shares are held for at least 12 months prior to sale. Any current year or carried forward capital losses should offset the capital gain first before the CGT discount can be applied.

The CGT discount for individuals and trusts is 50% and for complying superannuation entities is 33⅓%. In relation to trusts, the CGT discount rules are complex, but the discount may flow through to presently entitled individuals and complying superannuation fund beneficiaries of the trust.

An investor will incur a capital loss on the disposal of their Shares to the extent that the capital proceeds on disposal are less than the reduced cost base of the Shares for CGT purposes.

If an investor derives a net capital gain in a year, this amount is, subject to the comments below, included in the investor's assessable income. If an investor incurs a net capital loss in a year, this amount is carried forward and is available to offset against capital gains derived in subsequent years, subject in some cases to the investor satisfying certain rules relating to the recoupment of carried forward losses.

9.7.3 Tax file number (TFN) and Australian Business Number (ABN)

Resident investors may, if they choose, notify Bravura of their TFN, ABN or a relevant exemption from withholding tax with respect to dividends. In the event Bravura is not so notified, tax will automatically be deducted at the highest marginal rate, including where relevant, the Medicare levy and Temporary Budget Repair Levy, from unfranked dividends and/or distributions.

Resident investors may be able to claim a tax credit/rebate (as applicable) in respect of any tax withheld on dividends in their tax returns. An investor is not required to quote their TFN to the Company. However, if the TFN (or certain exemption details) are not provided, Australian tax may be required to be deducted by the Company from dividends at the maximum marginal tax rate plus the Medicare levy.

An investor who holds Shares as part of an enterprise may quote its ABN instead of its TFN.

9.7.4 Goods and services tax (GST)

The acquisition, redemption or disposal of the Shares by an Australian resident (registered for GST) will be an input taxed financial supply, and therefore is not subject to GST.

No GST should be payable in respect of dividends paid to investors.

An Australian resident investor (registered for GST) may not be entitled to claim full input tax credits in respect of GST on expenses incurred relating to the acquisition, redemption or disposal of the Shares (e.g. lawyers' and accountants' fees).

Investors should seek their own tax advice on the impact of GST in their own particular circumstances.

9.7.5 Stamp duty

No stamp duty should be payable by investors on the acquisition of the Shares.

Investors should seek their own tax advice as to the impact of stamp duty in their own particular circumstances.

9.8 Consent to be named and statement of disclaimers of responsibility

Each of the parties listed in this Section 9.8 (each a **Consenting Party**), to the maximum extent permitted by law, expressly disclaims all liabilities in respect of, makes no representations regarding and takes no responsibility for any statements in or omissions from this Prospectus, other than the reference to its name in the form and context in which it is named and a statement or report included in this Prospectus with its consent as specified below.

Each of the Consenting Parties has given and has not, at the time of lodgement of this Prospectus with ASIC, withdrawn its written consent to be named in this Prospectus in the form and context in which it is named. None of the Consenting Parties referred to below has made any statement that is included in this Prospectus or any statement on which a statement made in this Prospectus is based, other than as specified below:

- Celent;
- Centaur Communications Limted, owner of the Platforum brand;
- Clayton Utz;
- Commonwealth Securities Limited;
- Ernst & Young;
- Ernst & Young Transaction Advisory Services Limited;
- Fidelity UK, Peter Horrell, Managing Director;
- Fort Street Advisers Pty Ltd;
- Goldman Sachs Australia Pty Ltd;
- Link Market Services Limited;
- Macquarie Capital (Australia) Limited;
- Macquarie Equities Limited;
- Mercer Australia, Andrew Godfrey, Financial Services Business Leader;
- Nucleus Financial, David Ferguson, CEO;
- Partners Life, Naomi Ballantyne, CEO;
- Prudential Assurance, Simon Matthews, Head of Applications;
- VicSuper, Michael Dundon, CEO;

Ernst & Young Transaction Advisory Services Limited has given, and has not withdrawn prior to the lodgement of this Prospectus with ASIC, its written consent to be named as the Investigating Accountant in the form and context in which it is named and to the inclusion in this Prospectus of its Independent Limited Assurance Report set out in Section 8. Ernst & Young Transaction Advisory Services Limited has not authorised or caused the issue of this Prospectus and does not make or purport to make any statement in the Prospectus;

Ernst & Young has given, and has not withdrawn prior to the lodgement of this Prospectus with ASIC, its written consent to be named in this Prospectus as auditor, provider of financial and tax due diligence services and Australian taxation adviser to Bravura, in the form and context in which it is named. Ernst & Young has not authorised or caused the issue of this Prospectus and does not make or purport to make any statement in the Prospectus;

Centaur Communications Limited, owner of the Platforum brand has given, and has not withdrawn prior to the lodgement of this Prospectus with ASIC, its written consent to the inclusion in this Prospectus of:

- the data and other information set out in Figures 2.10, 2.11, 2.12 and 2.13; and
- statements specifically attributed to it in the text of this Prospectus at pages 39 and 40 in the form and context in which they are included, and takes no responsibility for any other statements in this Prospectus. All data statements and other information attributed to Platforum in this Prospectus is included subject to the Platforum disclaimer on page 1 of this Prospectus; and

Celent has given, and has not withdrawn prior to the lodgement of this Prospectus with ASIC, its written consent to the inclusion in this Prospectus of:

- the data and other information set out in Figure 2.1, Figure 2.2, Figure 2.4, Figure 2.7, Figure 2.8, and Figure 2.9; and
- the statement specifically attributed to it by way of footnote in Section 2.3 on page 35 of this Prospectus, in the form and context in which they are included, and takes no responsibility for any other statements in this Prospectus. All data, statements and other information attributed to Celent in this Prospectus in included subject to the Celent disclaimer on page 1 of this Prospectus

Certain parties above have consented to the quotes attributed to them on page 48 of this Prospectus.

None of the Consenting Parties has authorised or caused the issue of this Prospectus, nor do any of the Consenting Parties make any offer of Shares.

Bravura has included statements in this Prospectus made by, attributed to or based on statements made by the following parties:

- Australian Prudential Regulation Authority, "Inquiry into the Scrutiny of Financial Advice - Life Insurance", Submission to the Senate Economics Committee (April 2016);
- Ernst & Young, "Digital disruption and the game-changing role of technology in global wealth management – IT in Wealth Management 2015" (2015);
- European Fund and Asset Management Association, "European Quarterly Statistical Release" (August 2016);
- The Investment Association (January 2016);
- KPMG, "Life insurance legacy review: Turning the old into the new" (4 June 2016);
- McKinsey (Philipp Koch, Christine Korwin-Szymanowska, Ildiko Ring), "Are you ready for the new-look UK retirement market?" (July 2015);
- UK Financial Conduct Authority (FCA) (TR16/2) "Fair treatment of long-standing customers in the life insurance sector"; and
- Willis Towers Watson, "Global Pension Assets Study 2016" (2016).

The inclusion of statements made by, attributed to or based on statements made by these parties has not been consented to by the relevant party for the purpose of section 729 of the Corporations Act and are included in this Prospectus by Bravura on the basis of ASIC Corporations (Consent to Statements) Instrument 2016/72 relief from the Corporations Act for statements used from books, journals or comparable publications.

9.9 Governing law

This Prospectus and the contracts that arise from the acceptance of applications and bids under this Prospectus are governed by the laws applicable in New South Wales, Australia and each applicant and bidder under this Prospectus submits to the exclusive jurisdiction of the courts of New South Wales, Australia.

9.10 Statement of directors of Bravura and directors of SaleCo

This Prospectus has been authorised by each Director of Bravura and each director of SaleCo who has consented to its lodgement with ASIC and its issue and has not withdrawn that consent.

Appendix A: Significant Accounting Policies

The principal accounting policies adopted in the preparation of the Financial Information are set out below. These policies have been consistently applied to all the periods presented, unless otherwise stated.

Basis of preparation

The Financial Information has been prepared under the historical cost convention except for financial assets and liabilities recorded at fair value through profit or loss.

The preparation of the Financial Information requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of Bravura's accounting policies.

New and amended standards and interpretations

Certain new accounting standards and interpretations have been published that are not yet effective and have not been early adopted by Bravura. Bravura's assessment of the impact of these new standards and interpretations is set out below.

AASB 9 Financial Instruments

This standard includes requirements to simplify the approach for the classification and measurement of financial instruments. This is not expected to materially impact Bravura's Financial Information.

AASB 15 Revenue from Contracts with Customers

This standard establishes principles for reporting useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from an entity's contracts with customers. At this stage, Bravura is currently assessing the impact on its financial statements.

AASB 16 Leases

This standard establishes the enhanced reporting requirements of the lessee and lessor when entering into leases. At this stage, Bravura is currently assessing the impact on its financial statements.

Basis of consolidation

The Financial Information comprises the financial statements of Bravura Solutions Limited and its subsidiaries as at and for each of the periods disclosed. Control is achieved when Bravura is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, Bravura controls an investee if and only if Bravura has:

- power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee);
- exposure, or rights, to variable returns from its involvement with the investee; and
- the ability to use its power over the investee to affect its returns.

When Bravura has less than a majority of the voting or similar rights of an investee, Bravura considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- the contractual arrangement with the other vote holders of the investee;
- rights arising from other contractual arrangements; and
- Bravura's voting rights and potential voting rights.

Bravura reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when Bravura obtains control over the subsidiary and ceases when Bravura loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during a year are included in the Financial Information from the date Bravura gains control until the date Bravura ceases to control the subsidiary.

Profit or loss is attributed to the equity holders of Bravura and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with Bravura's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of Bravura are eliminated in full on consolidation unless the transaction provides evidence of the impairment of the asset transferred.

Appendix A: Significant Accounting Policies

Foreign currency translation

(i) Functional and presentation currency

Items included in the financial statements of each of the consolidated entities are measured using the currency of the primary economic environment in which the entity operates (**functional currency**). The Financial Information is presented in Australian dollars, which is Bravura's functional and presentation currency.

Each entity in Bravura determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency.

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

As at the reporting date, the assets and liabilities of the overseas subsidiaries are translated into the presentation currency of Bravura at the rate of exchange ruling at the balance date and revenues, expenses and other comprehensive income are translated at the average exchange rates for the period.

The exchange differences arising on the retranslation are taken directly to a separate component of equity.

On disposal of a foreign entity, the deferred cumulative amount recognised in equity relating to that particular foreign operation is recognised in the consolidated statement of profit or loss.

Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are net of returns, trade allowances, rebates and amounts collected on behalf of third parties.

Bravura derives its revenues from the licence of its software products, maintenance, hosting and support fees and professional services fees. The vast majority of its software arrangements include support services and a few also include professional services.

Bravura recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and specific criteria have been met for each of Bravura's activities as described below. Bravura bases its estimates on historical results, taking into consideration the type of client, the type of transaction and the specifics of each arrangement.

Revenue is recognised for the major business activities as follows:

(i) Licence fees

Provided that the arrangement does not involve significant production, modification, or customisation of the software, Bravura recognises the revenue when all of the following four criteria have been met:

- persuasive evidence of an arrangement exists;
- delivery has occurred;
- the fee is fixed or determinable; and
- collectability is probable.

Licence fees recognised upfront are recognised at the present value of the related future contractual revenue streams, discounted at the discount rate applicable to the debtor which rate is approximate to Bravura's incremental borrowing rate, with the discount being unwound through profit or loss over the period of the agreement and presented as interest income. Fees for term licences are recognised over the term of the arrangement, unless the full licence fee has been paid upfront.

(ii) Maintenance/hosting/support fees

Maintenance/hosting/support revenue is recognised on a straight-line basis over the period of the contract.

(iii) Professional services fees

Revenue is recognised over the period when services are provided.

In the case of fixed agreements and where the contract outcome can be reliably measured, revenue is recognised by reference to the stage of completion of the contract at the reporting date. Stage of completion is measured by reference to the labour hours incurred to date as a percentage of total estimated labour hours for each contract.

Where the contract outcome cannot be reliably measured, revenue is recognised only to the extent that costs have been incurred.

(iv) Revenue recognition on multiple element arrangements

Such arrangements usually provide a licence for software products and services such as post contract client support. Revenue is allocated to each element based on its respective fair value, based on the cost to deliver the services plus an acceptable margin.

(v) Deferred revenue

Fees for services received in advance are recorded as a liability within deferred revenue on the statement of financial position and these amounts are amortised to profit or loss over the relevant period of the contract which is in line with the provision of the services.

(vi) Interest income

Interest income is recognised using the effective interest rate method.

(vii) Dividends

Dividends are recognised as revenue when the right to receive payment is established.

(viii) Other revenue

Other revenue is recognised when the right to receive payment is established.

Leases

A distinction is made between finance leases which effectively transfer from the lessor to the lessee substantially all the risks and benefits incidental to ownership of leased non current assets, and operating leases under which the lessor effectively retains substantially all such risks and benefits.

Finance leases are capitalised. A lease asset and liability are established at the present value of minimum lease payments. Lease payments are allocated between the principal component of the lease liability and the finance costs.

The leased asset is depreciated on a straight line basis over the term of the lease, or where it is likely that Bravura will obtain ownership of the asset, it is depreciated over the life of the asset.

Business combinations

The acquisition method of accounting is used to account for all business combinations, including business combinations involving entities or businesses under common control, regardless of whether equity instruments or other assets are acquired. The consideration transferred for the acquisition of a subsidiary comprises the fair values of the assets transferred, the liabilities incurred and the equity interests issued by Bravura. The consideration transferred also includes the fair value of any contingent consideration arrangement and the fair value of any pre-existing equity interest in the subsidiary. Acquisition-related costs are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date. On an acquisition-by-acquisition basis, Bravura recognises any non-controlling interest in the acquiree either at fair value or at the non controlling interest's proportionate share of the acquiree's net identifiable assets.

The excess of the consideration transferred, the amount of any non controlling interests in the acquiree and the acquisition date fair value of any previous equity interest in the acquiree over the fair value of Bravura's share of the net identifiable assets acquired, is recorded as goodwill. If those amounts are less than the fair value of the net identifiable assets of the subsidiary acquired and the measurement of all amounts has been reviewed, the difference is recognised directly in profit or loss as a bargain purchase.

Where settlement of any part of cash consideration is deferred, the amounts payable in the future are discounted to their present value as at the date of exchange. The discount rate used is the entity's incremental borrowing rate, being the rate at which a similar borrowing could be obtained from an independent financier under comparable terms and conditions.

Contingent consideration is classified either as equity or a financial liability. Amounts classified as a financial liability are subsequently remeasured to fair value, with changes in fair value recognised in profit or loss.

Appendix A: Significant Accounting Policies

Impairment of assets

Goodwill, and intangible assets that have an indefinite useful life, are not subject to amortisation and are tested annually for impairment or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell, and value in use. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (**cash-generating units**). Non financial assets other than goodwill that suffered impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

At each reporting date, Bravura assesses whether there is any indication that an asset may be impaired, or more frequently if events or changes in circumstances indicate that they might be impaired. Where an indicator exists, Bravura makes a formal estimate of the asset's recoverable amount. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered to be impaired and is written down to its recoverable amount.

The recoverable amount is the greater of fair value less costs to sell, and value in use. It is determined for an individual asset, unless the asset's value in use cannot be estimated to be close to its fair value less costs to sell and it does not generate cash inflows that are largely independent of those from other assets or groups of assets, in which case the recoverable amount is determined for the cash-generating unit to which the asset belongs.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

Non-financial assets other than goodwill that suffer impairment are tested for possible reversal of the impairment whenever events or changes in circumstances indicate that the impairment may have reversed.

Trade receivables

Trade receivables are carried at the original invoice amount, less provision for impairment. Trade receivables are generally due for settlement within 30 to 90 days.

Collectability of trade receivables is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off by reducing the carrying amount directly. An allowance account (provision for impairment of trade receivables) is used when there is objective evidence that Bravura will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments (more than 90 days overdue) are considered indicators that the trade receivable is impaired.

The amount of the impairment loss is recognised in profit or loss within other expenses. When a trade receivable for which an impairment allowance had been recognised becomes uncollectible in a subsequent period, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against other expenses in profit or loss.

Derivatives

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured to their fair value at the end of each reporting period. The accounting for subsequent changes in fair value depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged. Bravura designates certain derivatives as:

- hedges of the fair value of recognised assets or liabilities or a firm commitment (fair value hedges);
- hedges of the cash flows of recognised assets and liabilities and highly probable forecast transactions (cash flow hedges); or
- hedges of a net investment in a foreign operation (net investment hedges).

Bravura uses derivative financial instruments, such as interest rate swaps, to hedge its interest rate risks. Such derivative financial instruments are initially recognised at fair value on the date on which the derivative contract is entered into and are subsequently remeasured at fair value. Derivatives are carried as financial assets when the fair value is positive and financial liabilities when the fair value is negative.

Any gains or losses arising from changes in the fair value of derivatives are taken directly to profit or loss.

Property, plant and equipment

Property, plant and equipment are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to Bravura and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

Appendix A: Significant Accounting Policies

Depreciation on other assets is calculated using the straight-line method to allocate their cost or revalued amount, net of their residual value, over their estimated useful lives or, in the case of leasehold improvements and certain leased plant and equipment, the lease term or as follows:

Asset	Depreciation calculation
Leasehold improvements	Term of lease
Furniture and fittings	20%
Plant and equipment	20% to 33%

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the asset's carrying amount. These are included in profit or loss.

Intangible assets

(i) Goodwill

Goodwill represents the excess of the cost of an acquisition over the fair value of Bravura's share of the net identifiable assets of the acquired subsidiary at the date of acquisition. Goodwill on acquisitions of subsidiaries is included in intangible assets. Goodwill is not amortised. Instead, goodwill is tested for impairment annually or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units or groups of cash generating units that are expected to benefit from the business combination in which the goodwill arose, identified according to operating segments.

(ii) Business contracts and relationships

Business contracts and relationships acquired in a business combination are amortised on a straight-line basis over the period of their expected benefit, being their finite life of between two and 10 years.

(iii) Intellectual property and software development

Intellectual property and software development are capitalised as an asset and are amortised on a straight-line basis over the period of their expected benefit, being their finite life of five to 15 years.

Research costs are expensed as incurred. An intangible asset arising from development expenditure on an internal project is recognised only when Bravura can demonstrate the technical feasibility of completing the intangible asset so that it will be available for use or sale, its intention to complete and its ability to use or sell the asset, how the asset will generate future economic benefits, the availability of resources to complete the development and the ability to measure reliably the expenditure attributable to the intangible asset during its development. Following initial recognition of the development expenditure, the cost model is applied requiring the asset to be carried at cost less any accumulated amortisation and accumulated impairment losses. Any expenditure so capitalised is amortised over the period of expected benefits from the related project date.

Technological feasibility for software products is reached shortly before the products are released for commercial sale to clients. Development costs incurred after technological feasibility is established are capitalised. Research costs are expensed when incurred.

Trade and other payables

Trade and other payables are carried at amortised cost and represent liabilities for goods and services provided to Bravura prior to the end of the period that are unpaid and arise when Bravura becomes obliged to make future payments in respect of the purchase of these goods and services.

Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest rate method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the drawdown occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised in accordance with the effective interest rate method of the facility to which it relates.

Appendix A: Significant Accounting Policies

Provisions

Provisions are recognised when Bravura has a present obligation (legal or constructive) as a result of a past event, it is probable Bravura will be required to settle the obligation, and a reliable estimate can be made regarding the amount of the obligation. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at reporting date, taking into account the risks and uncertainties surrounding the obligation. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Onerous contract provisions are recognised for losses on contracts where the forecast costs of fulfilling the contract throughout the contract period exceed the forecast income receivable. The provision is calculated based on discounted cash flows to the end of the contract.

Employee benefits

(i) Short term obligations

Liabilities for wages and salaries, including non-monetary benefits, and annual leave expected to be settled within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled.

(ii) Other long-term employee benefit obligations

The liability for long service leave and annual leave which is not expected to be settled within 12 months after the end of the period in which the employees render the related service is recognised in the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period, using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the end of the reporting period on quality corporate bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

Contributed equity

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from the proceeds. Incremental costs directly attributable to the issue of new shares for the acquisition of a business are not included in the cost of the acquisition as part of the purchase consideration.

Income tax

The income tax expense or revenue for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction, adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

Current tax assets and liabilities for the current and prior years are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantially enacted by the balance date.

Deferred income tax is provided on all temporary differences at the balance date between tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all taxable temporary differences:

- except where the deferred income tax liability arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither accounting profit nor taxable profit or loss; and
- in respect of taxable temporary differences associated with investments in subsidiaries, except where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred income tax assets are recognised for all deductible temporary differences, carry forward of unused tax assets and unused tax losses, to the extent that it is probable that the taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax assets and unused tax losses can be utilised:

- except where the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of deductible temporary differences associated with investments in subsidiaries, deferred tax assets are only recognised to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

Appendix A: Significant Accounting Policies

The carrying amount of deferred tax assets is reviewed at each balance date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance date.

Tax consolidation legislation

Certain Australian entities in Bravura formed a tax consolidated group in Australia from 10 October 2014. The tax consolidated group's current tax expense and other deferred tax assets are required to be allocated to the members of the Australian tax consolidated group in accordance with UIG 1052 *Tax Consolidation Accounting*. Bravura uses a group allocation method for this purpose where the allocated current tax payable, current tax loss, deferred tax assets and other tax credits for each Australian member of the tax consolidated group is determined as if the Australian tax consolidated group is a stand-alone taxpayer but modified as necessary to recognise membership of a tax consolidated group. Recognition of amounts allocated to members the tax consolidated group has regard to the tax consolidated group's future taxable profits.

Goods and services tax (GST)

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the taxation authority. In this case, it is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the taxation authority is included with other receivables or payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to, the taxation authority, are presented as operating cash flows.

Fair value measurement

AASB 13 *Fair Value Measurement* establishes a single framework for measuring fair value and making disclosures about fair value measurements, when such measurements are required or permitted by other AASBs. It unifies the definition of fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. It replaces and expands the disclosure requirements about fair value measurements in other AASBs, including AASB 7 *Financial Instruments: Disclosures*. These changes have no significant impact on Bravura's disclosures as the carrying amount of the assets and liabilities are a reasonable approximation of their fair value.

Non-recurring expenses

Non-recurring expenses include those expenses that are one-off in nature and are not expected to re-occur in the ordinary course of business.

Critical accounting estimates and judgements

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that may have a financial impact on Bravura and that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions in applying the entity's accounting policies

Bravura makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

(i) Estimated impairment of goodwill and intangible assets with indefinite useful life

Bravura determines whether goodwill and intangible assets with indefinite useful lives are impaired at least on an annual basis. This requires an estimation of the recoverable amount of the cash-generating units to which the goodwill and intangible assets with indefinite useful lives are allocated.

(ii) Income taxes

Deferred tax assets are recognised for deductible temporary differences as management considers that it is probable that future taxable profits will be available to utilise those temporary differences.

Appendix A: Significant Accounting Policies

(iii) Long service leave provision

A provision has been made for the present value of the anticipated costs to meet Bravura's long service leave liabilities under Australian federal and state laws. The calculation of this provision requires assumptions such as an estimation of the probability that an employee will remain with Bravura until they reach the entitlement period. The probability factors applied to pro rated entitlements are based on company and industry specific data. Adjustments are made to these probabilities when considered necessary.

(iv) Revenue recognition for multiple-element arrangements

Bravura has arrangements that provide licence for software products and services such as post contract client support. Revenue is allocated to each element based on its respective fair value, based on the cost to deliver the services plus an acceptable margin. This estimation is based on management's assessment of fair value.

Bravura determines the amount of revenue to be recognised on projects in progress based on the estimated amount of work completed in relation to the projects. This estimation is based on management's assessment of costs incurred as well as an estimation of the percentage of the project completed.

(v) Onerous contracts

Bravura determines the amount of any onerous contract provision by estimating the costs of fulfilling a contract which include all directly attributable costs that are unavoidable under the terms of the contract.

Critical judgements in applying the entity's accounting policies

(i) Useful lives of assets

The estimation of the useful lives of assets has been based on historical experience as well as average length of client contracts and specific industry technology factors for intangible assets, manufacturers' warranties (for plant and equipment) and lease terms (for leased equipment). In addition, the condition of the assets is assessed at least once per year and considered against the remaining useful life. Adjustments to useful lives are made when considered necessary.

(ii) Litigation and claims

Bravura continually monitors ongoing and potential litigation and claims, and assesses whether there is any present obligation (legal or constructive) as a result of a past event which would give rise to a probable outflow of economic benefits in order to settle the obligation and whether a reliable estimate can be made of the amount of the obligation. Factors considered by Bravura with regard to potential or ongoing litigation include a probability assessment carried out in consultation with legal advisors. Based on advice received and status of the situation at the time of finalising the financial statements provisions, will be made accordingly. Where conditions requiring a provision are not met, no such provision will be recognised by Bravura.

Where the possibility of any outflow in any settlement is contingent upon one or more conditions being met, judgement is applied to determine the estimated financial impact of any settlement and whether the possibility of outflow is remote. Where the possibility of outflow is remote, no disclosure of any contingent liability has been made.

Appendix B: Corporate Structure

The following table sets out each subsidiary of Bravura and, in each case, its place of incorporation and the nature of its business. Each company in the Bravura group is 100% owned by Bravura (whether directly or indirectly through one of its wholly owned subsidiaries).

Company name	Place of incorporation	Nature of subsidiary's business
Bravura Solutions Ltd (ACN 164 391 128)	Australia	Holding company for the group
Bravura Solutions Investments Pty Ltd (ACN 164 391 404)	Australia	Intermediary holding company.
Bravura Solutions Operations Pty Ltd (ACN 111 148 826)	Australia	Australian operating company other than for contracts
Bravura Solutions (HK) Limited (C# 0974630)	Hong Kong	Hong Kong operating company
Bravura Solutions (NZ) Limited (C# 1630687)	New Zealand	New Zealand operating company
Bravura Solutions (Thailand) Company Limited (Registered no. 0105553058987)	Thailand	In course of dissolution
Bravura Solutions (Australia) Pty. Limited (ACN 118 425 317)	Australia	Australian operating company as contracting party for new clients
Bravura Solutions India LLP (AAG-3228)	India	India operating entity
Garradin Pty Ltd (ACN 093 428 687)	Australia	Non-trading entity
Bravura eCommerce Solutions Pty Ltd (ACN 008 126 707)	Australia	Australian operating company
Real Solutions Pty Ltd (ACN 084 502 278)	Australia	Non-trading entity
Bravura Facility Pty Ltd (ACN 122 873 616)	Australia	Non-trading entity
Bravura Portfolio Solutions Pty. Limited (ACN 001 965 859)	Australia	Non-trading entity
Bravura Solutions (UK) Holdings Limited (C# 8737075)	United Kingdom	Holding company for EMEA entities
Bravura Solutions (UK) Investments Limited (C# 8737051)	United Kingdom	UK non-trading company, provides financing for UK entities
Bravura Solutions (UK) Limited (C# 05470232)	United Kingdom	UK operating company
Bravura Sol. Luxembourg Holdings S.a.r.l. (C# B 39728)	Luxembourg	Luxembourg operating company
Bravura Solutions (Polska) Holdings SP. Z O.O. (C# 0000486042)	Poland	Polish Holding company
Bravura Solutions Polska SP. Z O.O. (C# 0000123924)	Poland	Polish operating company
Bravura Software Solutions (SA) (Proprietary) Limited (C# 2007/033769/07)	South Africa	South Africa operating company
Mutual Fund Technologies Limited (C# 23768)	Bermuda	Bermuda operating company
Bravura Solutions Services (UK) Limited (C# 07224909)	United Kingdom	UK operating company

Glossary

$, A$ or AUD	means Australian dollar
ABN	means Australian Business Number
APAC	means Asia-Pacific
Application Form	means the application form attached to or accompanying this Prospectus (including the electronic form provided by an online application facility)
assets under administration or AUA	means the total market value of all the financial assets which a financial institution manages or administers on behalf of its customers and themselves
ASIC	means the Australian Securities and Investments Commission
ASX	means the Australian Securities Exchange
ASX Listing Rules	means the listing rules of ASX, as amended, modified or waived from time to time
ASX Principles	means the 3rd edition of the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations
ASX Settlement Operating Rules	means the operating rules of ASX Settlement Pty Limited (ABN 49 008 504 532)
Australian Accounting Standards or AAS	means the Australian Accounting Standards and other authoritative pronouncements issued by the Australian Accounting Standards Board
Bank of New York Mellon	means Bank of New York Mellon Corporation
BNY Mellon	means Bank of New York Mellon (International) Limited
Board	means the board of directors of Bravura
Board Charter	has the meaning given in Section 6.4.1.2
Bravura or Company	means Bravura Solutions Limited (ACN 164 391 128), including, as the context requires its subsidiaries, or the business trading under that name
Broker	means any ASX participating organisation selected by the Company, SaleCo and the Lead Managers to act as a broker to the Offer
Broker Firm Offer	means the offer of Shares under this Prospectus to Australian and New Zealand resident retail clients of Brokers who have received a firm allocation of Shares from their Broker and who have a registered address in Australia or New Zealand and are not located in the United States as described in Section 7.3
CAGR	means compound annual growth rate
Celent	means Celent Research and Advisory, a division of the Oliver Wyman Group
CEO	means Chief Executive Officer of Bravura
CFO	means Chief Financial Officer of Bravura
Chairman	means the chairman of the Board
CHESS	means the Clearing House Electronic Subregister System operated in accordance with the Corporations Act
Citi	means Citibank Europe PLC
Co-Managers	means Commonwealth Securities Limited and Macquarie Equities Limited
Code of Conduct	has the meaning given in Section 6.4.3.4
Completion	means completion of the issue and transfer of Shares pursuant to the Offer
Consenting Party	means each of the parties listed in Section 9.8
Constitution	means the constitution of Bravura
Corporations Act	means the Corporations Act 2001 (Cth)
Director	means each of the directors of Bravura from time to time

Glossary (continued)

EBIT	has the meaning given in Section 4.2.5
EBITDA	has the meaning given in Section 4.2.5
Eligible Employees	means all permanent full-time and permanent part-time employees of Bravura resident in Australia and New Zealand who have been employed by Bravura for at least one month as at 1 October 2016
EMEA	means Europe, Middle East and Africa
Employee Incentive Plan	means the employee incentive plan adopted by Bravura summarised in Section 6.3.3.3
Employee Offer	means the offer made to Eligible Employees in eligible jurisdictions as nominated by Bravura, as described in Section 7.5
Existing Shareholders	means the current owners of Bravura, being the Ironbridge Funds and each Management Shareholder
Expiry Date	means the date on which this Prospectus expires (being the date which is 13 months after the Prospectus Date)
Exposure Period	means the seven day period after the Prospectus Date, which may be extended by ASIC for up to an additional seven days, during which an application must not be accepted
FATA	means the Foreign Acquisitions and Takeovers Act 1975 (Cth)
Fidelity International	means: – Fidelity UK; – FIL Fund Services (Bermuda) Limited; and/or – any members of a group of companies that provides financial services and trades as Fidelity International, as the case may be, having regard to the relevant context
Fidelity Life (NZ)	means Fidelity Life Assurance Company Limited
Fidelity UK	means FIL Investment Management Limited
Financial Adviser	means Fort Street Advisers
Financial Information	means the financial information of Bravura contained in Section 4
Financial Services Guide	has the meaning given in Section 8
Forecast Financial Information	has the meaning given in Section 4.1.1
Fort Street Advisers	means Fort Street Advisers Pty Ltd (ABN 21 137 980 520)
Funds Administration	means the funds administration reporting segment of Bravura
FX	means foreign exchange
FY	means financial year ended/ending 30 June (as applicable)
GBP	means Great British pound sterling
Genpact	means Genpact WM UK Limited
Goldman Sachs	means Goldman Sachs Australia Pty Ltd (ABN 21 006 797 897)
GST	means the goods and services or similar tax imposed in Australia
High Net Worth	means the segment of investors with investable assets between US$1 million and US$10 million
Historical Financial Information	has the meaning given in Section 4.1.1
IFRS	means International Financial Reporting Standards and Interpretations issued by the International Accounting Standards Board

Institutional Investor	means an investor: – in Australia who is a "wholesale client" for the purpose of section 761G of the Corporations Act and who is either a "professional investor" or "sophisticated investor" under sections 708(8) and 708(11) of the Corporations Act; or – in certain other jurisdictions, as agreed between Bravura and the Lead Managers, to whom offers or invitations in respect of securities can be made without the need for a lodged or registered prospectus or other form of disclosure document or filing with, or approval by, any governmental agency (except one with which Bravura is willing, in its absolute discretion, to comply), provided that in each such case such investor is not in the United States or acting for the account or benefit of a person in the United States
Institutional Offer	means the offer of Shares under this Prospectus to Institutional Investors in Australia and certain other eligible jurisdictions outside the United States, as described in Section 7.8
Investigating Accountant	means Ernst & Young Transaction Advisory Services Limited (ACN 003 599 844)
Ironbridge Funds	means the following: – Carp Advisory A Pty Limited as trustee for Carp Investment Trust No. 1; – Carp Advisory B Pty Limited as trustee for Carp Investment Trust No. 2; and – Carp Holdings NV
Ironbridge Capital	means Ironbridge Capital Management Pty Limited (ACN 105 880 108)
Ironbridge Redeemable Preference Shares	means the redeemable preference shares held by the Ironbridge Funds and Ironbridge Capital G.P. Limited representing Ironbridge Fund II LP, proposed to be redeemed on Completion
Lead Manager	means each of Goldman Sachs and Macquarie Capital
Legal & General	means Legal & General Unit Trust Managers Limited
Lighthouse Contract	means the contract entered into with a client who was an early adopter of Sonata, refer to Section 3.3.1
Macquarie Capital	means Macquarie Capital (Australia) Limited (ACN 123 199 548)
Management Shareholder	means a member of Bravura management who is a Shareholder as at the date of this Prospectus
Mass Affluent	means the segment of investors with investable assets between US$250,000 and US$1 million
Mass Market	means the segment of investors with investable assets between US$50,000 and US$250,000
Mercer	means Mercer (Australia) Pty Ltd
New Banking Facilities	has the meaning given in Section 4.11
NPAT	means net profit/(loss) after tax
NPATA	means net profit/(loss) after tax adjusted for amortisation of acquired intangible assets
NPBT	means net profit/(loss) before tax
NTT	means NTT Com ICT DC Solutions (Australia) Pty Ltd
Offer	means an offer of the issue of 78.9 million Shares by the Company, and the sale of 23.2 million Shares by SaleCo through the Retail Offer and the Institutional Offer
Offer Price	means $1.45 per Share
Official List	means the official list of entities that ASX has admitted to and not removed from listing
Partners Life	means Partners Life Limited
Priority Offer	means the offer to selected investors in eligible jurisdictions who have received a priority offer invitation, as described in Section 7.4
Prospectus	means this document (including the electronic form of this Prospectus) and any supplementary or replacement prospectus in relation to this document
Prospectus Date	means the date on which a copy of this Prospectus was lodged with ASIC, being 28 October 2016

Prudential	means Prudential Distribution Limited
Relationship Deed	means the relationship deed entered into on or around 28 October 2016 between Bravura; Ironbridge Capital II G.P. Limited in its capacity as general partner for Ironbridge Fund II L.P; Ironbridge Capital Management Pty Limited as representative for Carp Investment Trust No. 1; and Ironbridge Capital Management Pty Limited as representative for Carp Investment Trust No. 2 as described in Section 6.5.2
Retail Offer	means the Broker Firm Offer, the Priority Offer or the Employee Offer
Revenue from Existing Clients	has the meaning given in Section 4.8.2
Revera	means Revera Limited
SaleCo	means Bravura Saleco Limited (ACN 615 139 574)
Schroders	means Schroders Investment Management (Luxembourg) SA
Scottish Friendly	means Scottish Friendly Assurance Society Limited
Selling Shareholders	means those Shareholders who are selling Shares to SaleCo as part of the Offer
Service-oriented Architecture	means an architectural pattern in computer software design which allows different services to interact with one another independently
Share	means a fully paid ordinary share in the capital of the Company
Share Registry	means Link Market Services Limited (ABN 54 083 214 537)
Shareholder	means the registered holder of a Share from time to time
STIP	means the short term incentive plan adopted by Bravura summarised at Section 6.3.3.2
Sydney Time	means the time in Sydney, Australia
TAL	means TAL Services Limited
TFN	means tax file number
Ultra High Net Worth	means the segment of investors with investable assets exceeding US$10 million
Underwriting Agreement	means the underwriting agreement dated on or about the Prospectus Date between the Lead Managers, Bravura and SaleCo summarised at Section 9.4
US$ or USD	means United States dollar
VicSuper	means VicSuper Pty Ltd
Vodafone	means Vodafone Limited
Wealth Management	means the wealth management reporting segment of Bravura
Westpac NZ	means BT Funds Management (NZ) Limited
wrap platform	means a financial product that combines all of a customer's financial products (e.g. listed securities, managed funds, shares, insurance and superannuation) into a single account

Corporate Directory

Company's registered office

Bravura Solutions Limited

Level 6, 345 George Street

Sydney NSW 2000

Australian legal adviser

Clayton Utz

Level 15, 1 Bligh Street

Sydney NSW 2000

Financial Adviser

Fort Street Advisers Pty Ltd

Level 11, 1 O'Connell Street

Sydney NSW 2000

Lead Managers

Goldman Sachs Australia Pty Ltd

Level 46, Governor Phillip Tower, 1 Farrer Place

Sydney NSW 2000

Macquarie Capital (Australia) Limited

Level 11, 50 Martin Place

Sydney NSW 2000

Co-Managers

Commonwealth Securities Limited

Tower 1, 201 Sussex Street

Sydney NSW 2000

Macquarie Equities Limited

1 Shelley Street

Sydney NSW 2000

Investigating Accountant

Ernst & Young Transaction Advisory Services Limited

200 George Street

Sydney NSW 2000

Auditor

Ernst & Young

200 George Street

Sydney NSW 2000

Tax adviser

Ernst & Young

200 George Street

Sydney NSW 2000

Share Registry

Link Market Services Limited

Level 12, 680 George Street

Sydney NSW 2000

Bravura IPO Information Line

1300 911 275 (within Australia)

+61 1300 911 275 (outside Australia)

8.30am to 5.30pm (Sydney Time), Monday to Friday (excluding public holidays)

www.BravuraSolutionsIPO.com.au

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For personal use only

bravura solutions

ACN 164 391 128

Broker Code

Adviser Code

Broker Firm Offer Application Form

This is an Application Form for Shares in Bravura Solutions Limited ("Bravura") under the Broker Firm Offer on the terms set out in the Prospectus dated 28 October 2016. You may apply for a minimum of A$2,000 worth of Shares. This Application Form and your cheque or bank draft must be received by your Broker by the deadline set out in their offer to you.

If you are in doubt as to how to deal with this Application Form, please contact your accountant, lawyer, stockbroker or other professional adviser. The Prospectus contains information relevant to a decision to invest in Shares and you should read the entire Prospectus carefully before applying for Shares.

A Shares applied for , , at Price per Share **A$1.45**

(minimum A$2,000 worth of Shares)

B Application Monies **A$** , , .

PLEASE COMPLETE YOUR DETAILS BELOW (refer overleaf for correct forms of registrable names)

C Applicant #1 – Surname/Company Name

Title First Name Middle Name

Joint Applicant #2 – Surname

Title First Name Middle Name

Designated account e.g. <Super Fund> (or Joint Applicant #3)

D TFN/ABN/Exemption Code

First Applicant Joint Applicant #2 Joint Applicant #3

TFN/ABN type – if NOT an individual, please mark the appropriate box: Company Partnership Trust Super Fund

E **PLEASE COMPLETE ADDRESS DETAILS**

PO Box/RMB/Locked Bag/Care of (c/-)/Property name/Building name (if applicable)

Unit Number/Level Street Number Street Name

Suburb/City or Town State Postcode

Email address (only for purpose of electronic communication of shareholder information)

F CHESS HIN (if you want to add this holding to a specific CHESS holder, write the number here)

X

Please note: that if you supply a CHESS HIN but the name and address details on your Application Form do not correspond exactly with the registration details held at CHESS, your Application will be deemed to be made without the CHESS HIN and any Shares issued as a result of the Offer will be held on the issuer sponsored sub-register.

G Telephone Number where you can be contacted during Business Hours ( ) Contact Name (PRINT)

Cheques or bank drafts should be drawn up according to the instructions given by your Broker.

H Cheque or Bank Draft Number BSB - Account Number

Total Amount **A$** , , .

LODGEMENT INSTRUCTIONS

You must return your application so it is received by your Broker by the deadline set out in their offer to you.
If you have any queries concerning the Offer, please call the Bravura IPO Information Line on 1300 911 275 from 8:30am to 5:30pm (Sydney time), Monday to Friday (Business days only).

BVS BRO001

Your Guide to the Application Form

Please complete all relevant white sections of the Application Form in BLOCK LETTERS, using black or blue ink. These instructions are cross-referenced to each section of the form.

The Shares to which this Application Form relates are Bravura Shares. Further details about the Shares are contained in the Prospectus dated 28 October 2016 issued by Bravura. The Prospectus will expire on 28 November 2017 ("Expiry Date") and no Shares will be issued on the basis of this Prospectus after this Expiry Date. While the Prospectus is current, Bravura will send paper copies of the Prospectus, any supplementary document and the Application Form, free of charge on request.

The Australian Securities and Investments Commission requires that a person who provides access to an electronic application form must provide access, by the same means and at the same time, to the relevant Prospectus. This Application Form is included in the Prospectus.

The Prospectus contains important information about investing in the Shares. You should read the Prospectus before applying for Shares.

A Insert the number of Shares you wish to apply for. The Application must be for a minimum of A$2,000 worth of Shares. You may be issued all of the Shares applied for or a lesser number.

B Insert the relevant amount of Application Monies. To calculate your Application Monies, multiply the number of Shares applied for by the issue price. Amounts should be in Australian dollars. Please make sure the amount of your cheque or bank draft equals this amount.

C Write the full name you wish to appear on the register of Shares. This must be either your own name or the name of a company. Up to three joint Applicants may register. You should refer to the table below for the correct registrable title.

D Enter your Tax File Number ("TFN") or exemption category. Business enterprises may alternatively quote their Australian Business Number (ABN). Where applicable, please enter the TFN or ABN for each joint Applicant. Collection of TFN(s) and ABN(s) is authorised by taxation laws. Quotation of TFN(s) and ABN(s) is not compulsory and will not affect your Application. However, if these are not provided, Bravura will be required to deduct tax at the highest marginal rate of tax (including the Medicare Levy) from payments.

E Please enter your postal address for all correspondence. All communications to you from Bravura and the Share Registry will be mailed to the person(s) and address as shown. For joint Applicants, only one address can be entered.

F If you are already a CHESS participant or sponsored by a CHESS participant, write your Holder Identification Number ("HIN") here. If the name or address recorded on CHESS for this HIN is different to the details given on this form, your Shares will be issued to Bravura's issuer sponsored subregister.

G Please enter your telephone number(s), area code and contact name in case we need to contact you in relation to your Application.

H Please complete the details of your cheque or bank draft in this section. The total amount of your cheque or bank draft should agree with the amount shown in section B.

If you receive a firm allocation of Shares from your Broker make your cheque payable to your Broker in accordance with their instructions.

I/we declare that by lodging this Application Form, I/we represent and warrant that I/we have read and understood the Prospectus to which the Application Form relates.

I/we hereby authorise Bravura to complete and execute any documents necessary to effect allotment of any Shares.

By submitting this Application Form, I/we declare, represent and warrant that this Application is completed and lodged in accordance with the Prospectus and subject to the declarations/statements of this Application Form and declare that all declarations and statements made by me/us (including the declarations/statements on this Application Form) are complete and accurate. I/we agree to be bound by the constitution of Bravura and the terms of the Offer and agree to the issue to me/us of any number of Shares equal to or less than the value indicated in Section A above which may be issued to me/us pursuant to the Prospectus.

CORRECT FORMS OF REGISTRABLE NAMES

Note that ONLY legal entities are allowed to hold Shares. Applications must be in the name(s) of natural persons or companies. At least one full given name and the surname is required for each natural person. The name of the beneficiary or any other non-registrable name may be included by way of an account designation if completed exactly as described in the examples of correct forms below.

Type of Investor	Correct Form of Registration	Incorrect Form of Registration
Individual Use given names in full, not initials	Mrs Katherine Clare Edwards	K C Edwards
Company Use Company's full title, not abbreviations	Liz Biz Pty Ltd	Liz Biz P/L or Liz Biz Co.
Joint Holdings Use full and complete names	Mr Peter Paul Tranche & Ms Mary Orlando Tranche	Peter Paul & Mary Tranche
Trusts Use the trustee(s) personal name(s)	Mrs Alessandra Herbert Smith <Alessandra Smith A/C>	Alessandra Smith Family Trust
Deceased Estates Use the executor(s) personal name(s)	Ms Sophia Garnet Post & Mr Alexander Traverse Post <Est Harold Post A/C>	Estate of late Harold Post or Harold Post Deceased
Minor (a person under the age of 18 years) Use the name of a responsible adult with an appropriate designation	Mrs Sally Hamilton <Henry Hamilton>	Master Henry Hamilton
Partnerships Use the partners' personal names	Mr Frederick Samuel Smith & Mr Samuel Lawrence Smith <Fred Smith & Son A/C>	Fred Smith & Son
Long Names	Mr Hugh Adrian John Smith-Jones	Mr Hugh A J Smith Jones
Clubs/Unincorporated Bodies/Business Names Use office bearer(s) personal name(s)	Mr Alistair Edward Lilley <Vintage Wine Club A/C>	Vintage Wine Club
Superannuation Funds Use the name of the trustee of the fund	XYZ Pty Ltd <Super Fund A/C>	XYZ Pty Ltd Superannuation Fund

Put the name(s) of any joint Applicant(s) and/or account description using < > as indicated above in designated spaces at section C on the Application Form.

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solutions