

8 July 2019

**Receipt of further non-binding indicative proposal from FNZ
GBST Board resolves that continued provision of exclusive due diligence to SS&C
remains in the best interest of shareholders**

GBST Holdings Limited (ASX:GBT, "**GBST**") advises that it has received a further revised unsolicited non-binding indicative proposal from Kiwi Holdco CayCo, Ltd as the group holding company of the FNZ Group ("**FNZ**") to acquire 100% ownership of GBST ("**Third FNZ Indicative Proposal**").

The proposal is at an indicative price of A\$3.65 per share and follows two earlier non-binding indicative proposals from FNZ, the first at A\$3.15 per share received on Friday 28 June 2019 ("**First FNZ Indicative Proposal**"), and the second at A\$3.50 per share received on Monday 1 July 2019 ("**Second FNZ Indicative Proposal**").

The First FNZ Indicative Proposal was received in response to an invitation by GBST to various interested parties as part of a confidential tender process run at the time with the intention (as conveyed to all interested parties) that GBST would grant exclusive due diligence access to the successful party. The Second and Third proposals have been unsolicited and received after announcement by GBST that it had granted a limited period of exclusivity to SS&C Technologies, Inc. (Nasdaq:SSNC) or one of its designated subsidiaries ("**SS&C**"), pursuant to the proposal it had received from SS&C on Friday 28 June 2019 as part of the same confidential tender process described above.

The GBST Board, together with its professional advisers, has now given detailed consideration to the Third FNZ Indicative Proposal and has resolved not to proceed with FNZ on that proposal. Details of the GBST Board's decision are set out in this announcement.

GBST's Chairman, Mr Allan Brackin, said: "Having received non-binding indicative and conditional expressions of interest to acquire the company from a range of parties over an extended period of time, the GBST Board moved in late June to conduct a formal tender process to select a party who would be provided with exclusive access to due diligence for a short period, with a view to converting this non-binding interest into a binding offer capable of being put to shareholders. That process was completed with our announcement on Monday 1 July when we announced that SS&C was the party that had secured exclusive due diligence in connection with its proposal to acquire the company.

"Despite receipt of further non-binding proposals from a party who was unsuccessful in the formal tender process, the Board remains of the view that it is in the best interests of GBST and its shareholders to continue to facilitate the receipt of a binding offer from SS&C reflecting the terms of its last proposal and which is capable of being put to shareholders."

FNZ Indicative Proposals received to date

In light of the fact that GBST has now received a series of non-binding, indicative and conditional proposals from FNZ and has resolved not to engage with them, the GBST Board considers it appropriate to set out the following summary of its process and decision considerations in connection with each of the FNZ proposals in order to ensure a fully informed market.

a) Background to the GBST Board's decision in connection with the First FNZ Indicative Proposal

Following the receipt of an unsolicited non-binding indicative proposal of A\$2.50 per share from Bravura Solutions Limited ("**Bravura**") on Friday 12 April 2019 and a second non-binding indicative proposal from Bravura of A\$2.72 per share on Wednesday 19 June 2019, a number of other parties also expressed confidential and non-binding interest in potentially acquiring 100% ownership of GBST at a higher offer price.

GBST subsequently engaged with a number of these parties, including by providing a confidential management presentation to a total of seven parties (including Bravura who was delivered a management presentation and a follow-up Q&A session with the GBST CFO).

In the course of discussions a number of parties declined GBST's invitation to participate in a non-exclusive due diligence process, as they regarded exclusive due diligence access as a key condition of their interest. Specifically, they communicated the view that as some interested parties with which the GBST Board had engaged were direct competitors of GBST, provision of due diligence access to such parties would in their view materially reduce the value of GBST to them.

The GBST Board noted this feedback and formed the view that a limited period of exclusive due diligence access would be required in order to secure the best proposal for shareholders and in order to convert the non-binding, conditional interest that had been expressed into a binding offer that could be put to shareholders. The GBST Board was also conscious of wanting to give equal opportunity to all interested parties but was also aware of the risk that providing due diligence information to direct competitors of GBST, such as Bravura or FNZ, could potentially render the company in a commercially disadvantaged position going forward, should a party choose to withdraw their non-binding proposals after the receipt of commercially sensitive due diligence information ("**Competitor Termination Risk**").

The GBST Board together with its professional advisers formed the view that it would be in the best interests of shareholders to conduct a formal process by way of a confidential tender process, inviting selected parties (the "**GBST Tender Process Participants**") to submit non-binding indicative proposals in connection with a 100% acquisition of GBST.

The GBST Tender Process Participants were requested to address in their proposals a range of key criteria including:

- offer price to acquire 100% of GBST via a board recommended scheme of arrangement;
- a list of both confirmatory and commercially sensitive due diligence items required as part of a two phase due diligence process; and
- importantly, the quantum and terms of an exclusivity deposit fee that would be payable in the event that the party who was provided with due diligence information subsequently withdrew its non-binding proposal other than due to a higher competing offer. This feature was seen as an important risk mitigant to the Competitor Termination Risk described above.

An identical draft of a Process and Exclusivity Deed in a form acceptable to GBST was also provided to each invited party.

The GBST Tender Process Participants were informed that the GBST Board would consider proposals received and on the basis of those proposals would provide one party with a limited period of exclusive due diligence access in accordance with the terms of the Process and Exclusivity Deed, in order to enable that party to convert its non-binding proposal to a binding proposal.

The above criteria were communicated in writing to interested parties on Wednesday 26 June 2019, with parties originally invited to submit non-binding indicative proposals by 4.15pm on Wednesday 3 July (Sydney time). Bravura, FNZ and SS&C were among the parties notified of this process.

On Thursday 27 June 2019, Bravura subsequently announced that it had confirmed to the Board of GBST that it was prepared to provide a further revised non-binding indicative conditional proposal of A\$3.00 per share for the acquisition of GBST ("**Updated Bravura Proposal**"), contemporaneously with the execution of a satisfactory Process and Exclusivity Deed. Bravura also indicated that its proposal to acquire GBST would be withdrawn unless a Process and Exclusivity Deed was executed prior to 4pm on Friday 28 June 2019. Given this development, the GBST Tender Process Participants were contacted and encouraged to submit their proposals prior to 4pm on Friday 28 June 2019.

In response to this notification, GBST subsequently received on Friday 28 June 2019:

- a non-binding indicative proposal from SS&C at a price of A\$3.25 cash per share ("**First SS&C Indicative Proposal**") accompanied by a mark-up of the draft Process and Exclusivity Deed; and
- the First FNZ Indicative Proposal, being a non-binding indicative proposal from FNZ at a price of A\$3.15 cash per share accompanied by a mark-up of the draft Process and Exclusivity Deed.

Following receipt of both proposals, GBST announced at 4:19pm on Friday 28 June 2019 that the Board had decided not to enter into a Process and Exclusivity Deed with Bravura given it had "now received other non-binding confidential competing proposals to acquire 100% of the ordinary shares of GBST via cash offers at a price higher than A\$3.00 per share".

The GBST Board, together with its professional advisors, subsequently conducted a detailed review of both the First SS&C Indicative Proposal and the First FNZ Indicative Proposal and determined that the proposal received from SS&C was superior to that of FNZ having regard to a range of factors including:

- offer price to acquire 100% of GBST;
- scope of due diligence requested in both Phase 1 and Phase 2;
- the potential impact on GBST's commercial position should either party be provided with access to due diligence and subsequently withdraw their non-binding indicative offers;
- terms and quantum of the exclusivity break fee; and
- other provisions of the marked-up Process and Exclusivity Deeds.

On the morning of Monday 1 July 2019, GBST announced that it had entered into a Process and Exclusivity Deed with SS&C in connection with the proposal that it had submitted and would be providing SS&C with a limited period of exclusive due diligence in accordance with the terms of that deed to facilitate further negotiations between the parties in relation to the proposed entry into a Scheme Implementation Agreement to give effect to the proposal.

b) Background to the GBST's Board's decision in connection with the Second FNZ Indicative Proposal

On the afternoon of Monday 1 July 2019, following announcement by GBST that it had resolved to provide SS&C with exclusive due diligence in connection with the First SS&C Indicative Proposal, the company received the Second FNZ Indicative Proposal on an unsolicited basis.

This proposal was substantially on the same terms as the First FNZ Indicative Proposal other than a change to the non-binding indicative offer price, which had been increased to A\$3.50 per share, as well as the proposed exclusivity period, which had been expedited from four weeks to three weeks from the time information is substantially provided to FNZ

Pursuant to the provisions of the Process and Exclusivity Deed entered into between SS&C and GBST, SS&C was informed of the receipt of FNZ's competing offer. SS&C subsequently responded with an updated non-binding indicative proposal dated Tuesday 2 July 2019 (the "**Updated Indicative Proposal**"), on the same terms as the First SS&C Indicative Proposal other than a change to the non-binding indicative offer price which had been increased to A\$3.60 per share, and the exclusivity period which had been expedited from four weeks to three weeks from the time information is substantially provided to SS&C.

On Wednesday 3 July 2019, GBST announced the terms of the Updated Indicative Proposal from SS&C and that it remained in the best interests of shareholders to allow SS&C to undertake due diligence and to engage further with SS&C in order to determine if a transaction capable of Board recommendation could be developed and put to shareholders.

c) GBST Board's decision in connection with the Third FNZ Indicative Proposal

On the evening of Friday 5 July 2019, the GBST Board received the Third FNZ Indicative Proposal on an unsolicited basis. The proposal is on substantially the same terms as the Second FNZ Indicative Proposal other than the non-binding indicative offer price which has been increased to A\$3.65 per share.

The GBST Board, together with its professional advisers, has conducted a detailed review of the Third FNZ Proposal. Although the Third FNZ Indicative Proposal is A\$0.05 per share higher in price than the Updated Indicative Proposal from SS&C, the Board has concluded that SS&C's proposal continues to be superior to the Third FNZ Indicative Proposal having regard to a range of other criteria including:

- scope of due diligence requested in both Phase 1 and Phase 2;
- the potential impact on GBST's commercial position should the party be provided with access to due diligence and subsequently withdraw its non-binding offers;
- terms and quantum of the exclusivity break fee; and
- other provisions of FNZ's proposed Process and Exclusivity Deed.

The GBST Board also noted that, while it considers that it has taken adequate precautions to protect the value of its business by the staged approach to the due diligence process (as announced on Monday 1 July 2019), FNZ had previously expressed the view to GBST that provision of any due diligence access to another party would materially reduce the value of GBST from FNZ's perspective. The Board therefore had some concerns as to whether FNZ's revised non-binding proposal (which involved a A\$0.50 per share increase from A\$3.15 to A\$3.65 per share in the short period of 1 week) could be converted into a binding proposal, given that FNZ is aware that due diligence access had already commenced for SS&C.

The Board notes that while it is always open for any party to put forward a proposal for GBST, it sees limited benefit for shareholders in receiving further non-binding, indicative, conditional and incomplete proposals, or in engaging in an indefinite back and forth process of revised non-binding indicative proposals that provide no greater level of certainty for GBST shareholders. The Board remains focussed on securing a binding proposal to put to shareholders, which was the objective of the process described above.

Continued intention to recommend SS&C's non-binding indicative proposal to shareholders

The GBST Board has resolved that it remains in the best interests of shareholders to continue to allow SS&C to undertake due diligence and to engage further with SS&C in order to determine if a transaction capable of Board recommendation could be developed and presented to shareholders.

As previously announced, if following completion of SS&C's due diligence activities the parties enter into a binding scheme implementation agreement on terms consistent with the Updated Indicative Proposal, then the GBST Board intends to unanimously recommend the Updated Indicative Proposal from SS&C to shareholders in the absence of a superior proposal and subject to an independent expert concluding (and continuing to conclude) that the Updated Indicative Proposal is in the best interests of GBST shareholders.

The Board of GBST reiterates that there is no certainty that the Updated Indicative Proposal will result in an agreed transaction and will continue to keep the market informed of any material developments in accordance with its continuous disclosure obligations. GBST shareholders are advised to take no action in response to the Updated Indicative Proposal at this stage.

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About GBST

GBST is a specialist financial technology company which provides administration and transaction processing software for retail wealth management organisations and global and regional investment banks. Founded in 1983, the company operates in Australia, Asia, Europe and North America. GBST is listed on the Australian Securities Exchange under ASX ticker code GBT.

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