

2016 ANNUAL GENERAL MEETING

CHAIRMAN'S ADDRESS

I would like to extend a warm welcome to our shareholders attending.

Since I joined the Board in 2005 we have become a leading Australian financial technology company. We have focused on geographic and product diversification. Successful acquisitions have helped us to enter the wealth industry, the derivatives market, and provided the technology backbone which we have evolved for our institutional business.

We have been particularly successful in the UK through the acquisition of InfoComp, which was a company co-founded by our Managing Director, Robert DeDominicis. This brought GBST the Composer technology and, from an initial beachhead in the UK six years ago, this platform has become the largest part of our business.

Our global growth focus and robust software platforms have enabled us to win many tier 1 clients at home and an increasing list of new clients abroad.

These include many of the world's leading retail wealth and institutional companies that use our software in Australia, Asia, Europe and North America. Our technology systems help our clients trade and manage assets valued in the billions of dollars. They need to be scalable, flexible, and accurate. They are critical to our clients' success.

When I joined GBST overseas sales were a small proportion of our overall business. In subsequent years we decided that our market-leading technologies had great sales potential globally. While we maintained our leadership in Australia, which is a very important market, our overseas revenue has grown significantly and now accounts for 52% of our gross revenue.

Much of that growth is attributable to Robert DeDominicis who as head of our wealth business for eight years trebled that business' revenue in five years from 2011 to 2015.

GBST recently featured in the top 100 Fintech Ranking for 2016 by global market intelligence company IDC's Financial Insights Rankings. We are the only Australian company to make the list.

Software is an exciting industry undergoing change, driven by customer expectations and new regulation. The explosion of digital devices is empowering consumers to expect more from financial service firms. Coupled with regulatory change, this is creating demand for our products and services.

Financial services IT spending will reach almost US\$480bn worldwide in 2016. It is estimated the market is growing at a compound annual growth rate of 4.2%.

The dynamics of the two sectors we serve are different. While the retail wealth industry is expanding, driven by increasing wealth accumulation and retirement savings growth, the capital markets industry is dealing with falling revenues and increasing costs.

GBST has developed its technology to meet the challenges the industry faces by lowering unit costs, and by increasing automation and straight through processing.

We have built a strong reputation in the markets in which we operate and with our ongoing investment in our products we plan to continue to grow and win new business.

Board changes

During the year there were changes to our Board. I would like to acknowledge the pioneering contribution of Dr John Puttick who founded GBST 31 years ago and retired from the Board in December. His vision and entrepreneurship greatly benefited GBST and also the Australian software industry. I also recognise Kim Sundell who served as a director from 2001 to July 2016 and thank him for his commitment to GBST over the past fifteen years.

It is my pleasure to formally welcome Deborah Page who brings a wealth of experience across a range of industries. She joined the Board in July 2016 and she is also a Director of BT Investment Management, Brickworks and Service Stream. Her experience, and that of Christine Bartlett who joined us in June last year, has helped to rejuvenate our Board and we plan to increase our skills and experience further with a new Board appointment in the not too distant future.

Leadership change

Turning to our leadership change, Robert DeDominicis has been in the role of Managing Director and Chief Executive Officer for just under 12 months. The Board appointed him interim CEO on 15 October 2015 and, reflecting the Board's confidence, confirmed his appointment and position of Managing Director on 15 December 2015.

Robert comes from a technology background and led the growth of the wealth business from Australia into international markets. He was responsible for driving the growth of the UK business.

In his new role he has made a number of structural changes and appointments and realigned our growth strategy. Most importantly he has aligned capital allocation to our product strategy which he will address in more detail.

Financial performance

The 2016 financial year was a year of transition as we restructured the business and appointed Robert as Managing Director. It was a challenging year and our results were impacted by temporary delays to clients' projects. We also recognised restructuring and non-operating expenses of \$2.8m in the result, largely in the first half.

Investment in software development is an important part of our business. We have increased our technology expenditure to accelerate our technology development program. This keeps GBST at the forefront of technology, creating advantages for our clients.

While increased investment in technology has a short-term impact on earnings, the positive impact is crucial for the long-term success of our clients and our shareholders. It is this consistent investment which has enabled us to create high-quality, robust platforms that retain clients and drive global growth.

Although our result was impacted by external factors, such as adverse foreign exchange movements, our underlying business is very strong. This is demonstrated by the high proportion of recurring license fee revenue, which provide about two thirds of total revenue supported by long-term contracts.

Earnings per share increased from 3.4 cents per share in the first half to 10.4 cents per share in the second half, demonstrating GBST's positive progress.

We are confident of the future. The Board maintained a dividend of 5.5 cents for the second half. Full year dividends were 11 cents and a record for the company.

Conclusion

In conclusion, I would like to acknowledge the commitment of my fellow Directors here today.

I also thank Robert DeDominicis and the GBST team for their insight, dedication and hard work.

I welcome the new members of the executive team and acknowledge the dedication of our staff, who have performed well in a challenging environment. They deliver great value for our customers, and ultimately our shareholders.

We are debt free and looking for the best way to invest our capital.

Our opportunities to grow are global. We continue to build our client base in the Europe, Middle East and Africa region, and have new opportunities in Asia and the USA.

We remain focused on our domestic market with a new product strategy and operating model focused on providing the best service to our clients.

We remain positive about the future of the business and its direction.

I would like to thank you, our shareholders for your continued support.

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2016 ANNUAL GENERAL MEETING

MANAGING DIRECTOR'S ADDRESS

Thank you Allan, welcome to all of you here today.

It is good to address you here today in my new role as Chief Executive Officer and Managing Director.

Today, I would like to cover the following:

What have we done over the past 12 months and why?

What does the future hold?

As Allan has said, we are one of Australia's leading software companies, specialising in financial technology. The high quality, flexibility and scalability of our products underpins our product leadership and industry demand. Those products are supported by our experienced team, who provide an unmatched quality of service for our clients.

During the past 12 months, we have focused on making changes to ensure the long term success of the business and establishing a sound foundation for the future.

A transitional year

As Allan has said, financial year 2016 was challenging. The first half was impacted by project delays and deferred spending by clients in the UK, Australia and Asia. We took decisive action to streamline our company.

The benefits of restructure contributed to improvement in the EBITDA result from the first half to the second half, from \$8.5m to \$11.5m, and this would have been \$12.5m and in line with guidance were it not for adverse foreign exchange movements.

Among the highlights of the year, our UK retail wealth business welcomed Alliance Trust Savings, Just Retirement, Novia Global and Retirement Advantage as new clients, and platforms for these businesses have gone 'live'.

Our institutional business now serves the two largest broker-dealers in Hong Kong. Our implementation of Syn~ for Haitong International has been very successful, and strengthened our reputation as a proven technology provider regionally.

Despite a competitive market, our Australian third-party clearing business clients have increased sales and we continue to maintain the leading equities volume market share.

While the UK prepares for Brexit we are confident that, apart from foreign exchange, we have not seen any signs of an impact to our opportunities in the UK market. In fact, it could create new opportunities as companies refocus on improving client services and engagement through digitisation, and increasing automation to reduce costs.

We are benefiting from industry consolidation as several of our UK retail wealth clients have merged or acquired businesses. The inherent value of our business will continue to grow as usage of Composer, and the value of the assets our platform administers, increases.

Our business model is focused on long-term annuity revenue streams, and demand for our products and services remains high.

Following our restructure, we have become a leaner organisation which is well positioned for the future.

New operating model

A major change was our introduction of a new operating model to partner more effectively with our clients in the different regions we operate.

Our platforms support our clients' business models and are deeply embedded in their businesses. As investment markets, wealth administration and private wealth markets are converging, we anticipate that market change will also lead to opportunities.

To capitalise, we have grouped our capabilities into two distinct markets, retail wealth and institutional. This aligns our strengths with our clients' needs, and allows us to differentiate between the services that we provide for national and global organisations.

We have strengthened our management team, adding local regional heads with regional knowledge. This allows a deeper understanding of local markets and increases opportunities to leverage our complete product suite.

Accelerating product development

Another objective of the restructure was to develop and align a long-term product roadmap to the markets we operate.

Our improved cost base has enabled increased investment in technology from approximately 10% to 15% of annual revenue.

We are continuing to invest in our flagship platforms Composer and Syn~. This is an important commitment to our future and our clients. Although, as all GBST R&D is fully expensed, it will reduce our earnings in the short term it is essential to our long term success.

The Composer platform is a market leading wealth administration and registry platform in Australia and the top direct to consumer software platform for the distribution of tax incentivised products in the UK.

This is a fast growing market, demonstrated by the increase in assets under administration on UK platforms from £200 billion at the end of 2013 to £392 billion in March 2016. We believe this growth trend will continue this decade and beyond.

Composer's services for retail and high net worth wealth markets have been significantly enhanced. We have made substantial progress developing our technology and its underlying architecture and now, only one component remains to be enhanced.

The immediate investment in Composer is focused on building a more powerful software platform. This includes all the underlying source code to be based on Java, which is in the final stages of development only months away from completion.

This follows introduction of multiple database support including Microsoft SQL Server which was a highly complex project delivered on time and on budget.

We are using the latest web services technology, ahead of our competition. It will enable our clients greater flexibility and control of their digital experience.

We have taken care to minimise possible impacts through a high degree of engagement with our clients. We have received positive feedback about our approach and the enhanced services Composer will provide.

While currently we operate different versions of Composer in different regions, we will merge our regional products into one. Our future direction includes increased scalability to support more than 3m accounts, greater use of cloud deployment, and multi-region support.

One example of demand for cloud deployment is our recently announced new client for our Composer platform. This South African-owned firm is one of the fastest-growing in its markets. It will launch an innovative proposition from our platform, offering customers a unique digital experience through a Software as a Service deployment.

Entering the BPO market

We are also expanding our services in the business process outsourcing market. We are entering into a long term relationship using Composer's flexibility to provide wealth administration and registry capability. This will be focused at the \$2.4 trillion Australian funds management industry and other international markets.

Our first client will be a global 100 asset manager, which will benefit from real-time reporting and integration with administrators through a new fund gateway to third parties such as the ASX's mFunds.

GBST becomes the UK platforms market leader

Furthermore, our UK client Aegon has announced the acquisition of Cofunds, which has £80bn assets under management, and BlackRock's defined contribution and administration business.

This will mean that GBST will support the largest platform provider in the UK market. Aegon expects to generate £60 million of annualised cost synergies by moving the Cofunds business onto our state-of-the-art technology, and by delivering efficiencies as a result of removing duplication across the businesses.

Institutional market progress

Turning to our institutional platform, investment into our Syn~ platform is reaching a milestone with new clients in all regions using its unique features. Syn~ is a multi-country clearing platform which provides our clients greater efficiency and flexible pricing models for post-trade processing.

The coming 12 months will bring important milestones for our Asia Pacific and North American clients which are deploying new Syn~ capability.

This includes a multinational banking and financial services company which uses Syn~ in Asia-Pacific and Japan. Haitong International's Syn~ platform has been very successful, and we entered the second phase of a 12-year agreement with CLSA.

In the US, our first deployment of Syn~ for broker-dealer Raymond James has automated its middle office. Its success led to a second phase adding international post-trade processing and other capabilities, which is continuing.

In Australia, we are nearing completion of our first project to transition a global wealth group from our product Shares to Syn~, and have agreed with our client to complete this program in the first quarter of 2017.

When completed, this will be a landmark in the development of Syn~, with potential to be the forerunner of a complete Australasia and Asia back and middle-office solution.

We are transforming our products through a common technology stack which will unify our products. The launch of Catalyst, which integrates our products for risk, reporting and front office will bring together the best features of these products under one 'roof'. Over the long term, our road map will focus on enhancing product capabilities and at the same time reduce maintenance and support costs by eliminating duplication.

In the short term, we will integrate Composer and components of Syn~, enabling our clients to easily access our full suite of technologies.

Our people

While our markets are experiencing a period of change, it is the quality of our people that differentiates our company.

Their deep experience and knowledge in many fields and specialisations help us to stand out. Our sales and implementation teams have a proud record of delivering on time and on budget. That requires a very high level of expertise, committed project management, familiarity with local markets and regulations, and technical excellence.

We have people who are passionate about what they do, which enables us to innovate and provide a great customer experience. It is fortunate that we have a great team across our business.

Closing

In closing, I would like to thank you for investing and supporting our company.

This is an exciting time for GBST.

We are focused on global growth and have established a strong strategic position in our key markets. The quality of our products continues to improve as we invest in them. Market convergence and consumer expectations for technology services are driving change, and our clients are enthusiastic about our progress.

In Australia, we will continue to grow our retail wealth business. While the market remains competitive, we maintain product and market leadership advantage in third-party clearing and, through GBST Catalyst, will soon provide an enhanced product suite for front, middle and back offices.

In Asia, we have made good progress in the institutional market, with long-term commitments to continue projects. Having established a positive reputation for our software and service, we expect this market will grow steadily for GBST.

In Europe, the Middle East and Africa, our most important market is the UK where, despite market uncertainty, we have a growing client base and a healthy pipeline.

In the US, we have achieved positive results and have recently developed a promising pipeline of potential new business.

Our strategy is in place and we are committed to building a global business. Continuing investment in our software has positioned us at the forefront of financial technology.

Thank you for your support.

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