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ASX ANNOUNCEMENT

28 September 2023

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2023 Annual Report

Link Administration Holdings Limited (ASX: LNK) (**Link Group**) provides its 2023 Annual Report which can also be found on the Link Group website at https://investors.linkgroup.com/Investors/?page=Annual-Reports.

The release of this announcement was authorised by the Link Group Board.

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LINK Group

2023 ANNUAL REPORT

CONNECTING PEOPLE

with their assets

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A global, digitally enabled business connecting millions of people with their assets – safely, securely and responsibly

From equities, pensions and superannuation to investments, property and other financial assets, we partner with a diversified portfolio of global clients to provide robust, efficient and scalable services, purpose-built solutions and modern technology platforms that deliver world class outcomes and experiences.

We help manage regulatory complexity, improve data management and connect people with their assets, through exceptional user experience that leverages the expertise of our people combined with scalable technology, digital connectivity and data insights.

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FY2023 Highlights

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REVENUE

$1.23BN

FY2022 $1.18BN

RECURRING REVENUE

81.6%

FY2022 84.1%

STATUTORY NPAT LOSS AFTER TAX

$(417.7)M

FY2022 $(67.6)M

OPERATING NPATA EX PEXA[1]

$89.3M

FY2022 $88.2M

OPERATING EBIT[1]

$178.1M

FY2022 $153.9M

OPERATING EBIT MARGIN

14.5%

FY2022 13.1%

NET OPERATING CASH FLOW[1]

$276.9M

FY2022 $205.0M

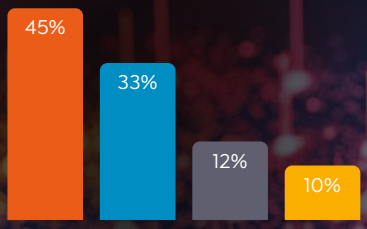
NET DEBT

$681.5M

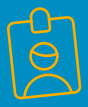
LEVERAGE 2.6X

GUIDANCE 2.0X–3.0X

Revenue by division[2]



- Retirement & Superannuation Solutions
- Corporate Markets
- Fund Solutions
- Banking & Credit Management



17 JURISDICTIONS

OVER

7,200

EMPLOYEES GLOBALLY

1 Operating EBITDA, Operating EBIT, Operating NPATA, ex-PEXA and Net Operating Cash Flow exclude Significant Items. See Appendix 1 for a reconciliation of Non-IFRS measures and definitions for non-IFRS measures. Non-IFRS measures have not been audited or reviewed in accordance with Australian Accounting Standards.

2 Divisional revenue contribution percentage based on Gross Revenue prior to eliminations.

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LINK VOTE+

2023 MAX AWARD

WINNER

FINTECH SOLUTION OF THE YEAR

APPROX

1.6M

MEMBER ACCOUNTS

ADMINISTERED IN THE UK

6,000+

CLIENTS GLOBALLY

CONNECTING OVER

100M

PEOPLE WITH **THEIR ASSETS**

28% **OF NIFTY 50 INDEX** (NSE INDIA)

~41%

OF ALL **SUPERANNUATION** ACCOUNTS IN AUSTRALIA SERVICED[1]

38%

OF ASX 300

SHARE REGISTRY

33%

OF FTSE 350

SHARE REGISTRY

1 APRA Regulated Funds only. As at 30 June 2022.

A Message from the Chair

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Financial performance

Our key results for FY2023 were as follows:

REVENUE OF

$1.23B

OPERATING EBIT OF

$178.1M

FY2022 $96M

OPERATING NPATA
EXCLUDING PEXA OF

$89.3M

STATUTORY NET LOSS
AFTER TAX (NPAT) OF

$(417.7)M

TOTAL DIVIDEND OF

8.5c

PER LINK GROUP SHARE

The strength and stability of our core businesses of Retirement & Superannuation Solutions (RSS) and Corporate Markets (CM) are reflected in our financial performance with 4.5% revenue growth in FY2023 and Operating EBIT up 15.7%, exceeding the top-end of the guidance range by 3.5%. Net Operating Cash Flow conversion for FY2023 was healthy at 101% and above the top-end of guidance range, and we ended FY2023 with net debt of $682 million and a leverage ratio of 2.6x.

Link Group has determined to pay a final dividend of 4 cents per Link Group share, 60% franked. This is in addition to the half year dividend of 4.5 cents per Link Group share which was paid in April 2023.

Link Group now connects over 100 million people across the globe with their financial assets and services over 6,000 clients globally.

RSS has over 11.6 million superannuation and pension members across four jurisdictions, with Australian and New Zealand member numbers up 7.5% year on year. Across Australia, the UK and India, Corporate Markets has processed over A$147 billion in corporate action and dividend distribution payments in FY2023, including replacing over 500,000 cheques for our clients in the UK. Link Fund Solutions (LFS) had over A$312 billion of assets under management and administration as at the end of FY2023, while Banking & Credit Management (BCM) supported over 4,700 customers registered with the First Home Scheme in Ireland.

A more simplified business, returning value to shareholders

As reported in last year's Annual Report, following a long period of negotiations, the proposed agreement to enter into a Scheme Implementation Deed (SID) with Dye & Durham Corporation (Dye & Durham) did not proceed. On 23 September 2022, at the Second Court Hearing, the Court declined to make orders approving the Scheme and dismissed the proceedings.

Link Group's Board of Directors evaluated alternatives for the business to maximise value for shareholders. Over the course of FY2023, we created a simpler, more focused business. I am pleased to report that several key achievements were delivered as part of this simplification.

Firstly, we completed an on market sale and in-specie distribution of Link Group's remaining shareholding in PEXA, providing Link Group shareholders with a direct investment in PEXA, a standalone ASX listed entity which is the operator of Australia's leading digital property settlements platform. The distribution was approved by shareholders in December 2022, and subsequently completed in January 2023. While Link Group has been proud to be part of the success of PEXA, PEXA has operated separately from the operations of Link Group.

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FY2023 was another year full of challenges for Link Group. We are pleased that despite these, the team delivered good financial results from our continuing businesses together with ongoing corporate simplification.
Link Group is approaching the future underpinned by our strong client focus, further technology advancements and retaining leading positions in our key markets.

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The in-specie distribution allowed Link Group shareholders to convert their existing indirect investment in PEXA to a direct investment. Eligible Shareholders received one PEXA share for every 7.52 Link Group shares held at the Record Date, rounded down to the nearest whole PEXA share.

We also announced Link Group's intention to divest the BCM and LFS businesses. In March 2023, we announced that we entered into a Share Purchase Agreement with LC Financial Holdings Limited (LCFH) for the sale of the BCM business for cash consideration of up to €30 million (approximately AU$48 million). I am pleased to advise that the transaction received all required regulatory approvals and completed on 1 September 2023.

On 20 April 2023, we announced that Link Group and Link Fund Solutions Limited (LFSL) reached a conditional agreement for the sale of the LFS business, excluding its Luxembourg and Swiss entities and excluding Woodford related liabilities, on a debt and cash free and normalised working capital adjustments basis, to the Waystone Group for an aggregate consideration value of between £110 million and £140 million (the LFS Sale). Link Group has now received all necessary regulatory approvals for the sale and the transaction remains on track to complete in October 2023.

On 18 August 2023, Link Group also reached a conditional agreement for the sale of Link Fund Solutions (Luxembourg) S.A. and Link Fund Solutions (Switzerland) SA to Altum Group (Lux Sale). This sale is expected to complete in 3Q FY24, subject to receipt of regulatory approval in Luxembourg.

These businesses are better placed to achieve their full potential under different ownership. These divestments will also allow Link Group to dedicate our focus and resources on our two market-leading core businesses, Corporate Markets and RSS. The Board and management team express our appreciation to the BCM and LFS teams and their leaders for reaching these very important milestones.

Other matters

The UK's Financial Conduct Authority (FCA) has been undertaking an investigation into LFSL in respect of LFSL's role as authorised corporate director (ACD) of the LF Woodford Equity Income Fund (now known as the LF Equity Income Fund) (WEIF). As announced on 20 April 2023, Link Group and LFSL reached a conditional agreement (Settlement) with the FCA with regards to this investigation.

The Settlement is conditional on, amongst other things, completion of the LFS Sale and the English High Court sanctioning a scheme of arrangement to put into place the Settlement (the "Scheme"). The FCA has confirmed its intention to support the Scheme and intends to support its approval by WEIF Investors.

Further, as part of the Settlement and conditional on the Scheme, Link Group has agreed to voluntarily contribute to LFSL all of the available consideration to be received from the Waystone Group from the sale of LFS Sale and the Lux Sale, meaning Link Group would receive no net proceeds from the sale of the LFS businesses.

Link Group's Board and Executives with team members from India during a visit to Mumbai in FY2023.

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The Link Group team at the 2023 MAX Awards.

As part of the settlement, Link Group has agreed to contribute GBP2.5 million towards the cost of the Scheme. There is no further contribution required of Link Group towards the Settlement. The Scheme will provide that the payment of amounts to WEIF Investors, in accordance with the Scheme, will be in return for a full and final release from WEIF Investors to LFSL and the wider Group. As noted by the FCA, this contribution by Link Group is a voluntary one. Link Group considers that it has no legal responsibility for any obligations of LFS including losses caused to investors in the WEIF (to the extent they are liabilities of LFS).

Moreover, the FCA investigation into the circumstances leading up to the suspension of the WEIF, has made no adverse findings in relation to and did not raise concerns about Link Group. In addition, the LFS sale is not contingent on the Scheme or the Settlement becoming unconditional.

LFSL issued a Practice Statement Letter on 7 September 2023. The Practice Statement Letter is a very important step forward as it notified WEIF Investors of the formal launch of the Scheme and provides further details about the key terms of the Scheme.

The first court hearing in relation to the Scheme is due to take place on 10 October 2023. If the court gives LFSL permission to call the Scheme meeting, it is currently anticipated that the meeting would take place on 4 December 2023. Subject to the scheme creditors approving the Scheme, it is currently anticipated that the second court hearing would take place on 15 December 2023. We expect that the Effective Date will occur very soon after the Second Court Hearing, if the Court approves the Scheme.

Link Group continues to be confident that, even if the Scheme is not approved and the Settlement is terminated, liabilities relating to the WEIF remain within LFSL and Link Group has no obligation to contribute to any of LFS's WEIF related liabilities.

A sustainable business

In FY2023, we maintained a balanced gender representation across most management levels and the wider organisation, including a 40:40:20 representation at the Executive Leadership Team level.

The Board also remains committed to building a sustainable future for our people, clients, shareholders and community. Over the past three years in particular, we have been on a journey to enhance our strategy by taking a more consistent and focused approach to our global sustainability.

We have set clear short, medium and long-term targets and initiatives that align to the Paris Agreement and several of the UN Sustainable Development Goals (SDGs) that best apply to Link Group, including a target to achieve net zero emissions by FY2030. This year, we are also pleased to issue Link Group's inaugural Task Force on Climate-related Financial Disclosures (TCFD) Statement, as part of our Sustainability Report in this document. This reflects our assessment of climate-related risk and opportunities across the business, which will form the foundation of our ongoing assessment and management of risk in this area going forward.

Looking ahead

After the unsuccessful Dye & Durham takeover offer, we reverted to Link Group's original strategy and accelerated the restructuring of Link Group's portfolio of businesses. The simplification of our businesses better focuses Link Group on our key markets and core offerings.

Thank you to my fellow non-executive directors for their input and counsel during another busy year. On behalf of the Board, I'd also like to thank our CEO, Vivek Bhatia and the Link Group team for remaining firmly focused on servicing our clients and supporting each other. Finally, I thank our clients and shareholders for your continued support.

Michael Carapiet
Chair

Positioning for the Future

Link Group has emerged from FY2023 a more streamlined organisation, resulting in a solid financial performance that reflects the resilient nature of our continuing operations and consistency of our performance.

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Simplifying the business

As the Chair has mentioned, with the Scheme Implementation Deed with Dye & Durham not proceeding in September 2022, we committed to create a simplified and more focused business. I am pleased to report that over FY2023, we have delivered a number of significant milestones as part of this commitment.

During the year, we evolved our operating model with our four global businesses now operating with full responsibility for all aspects of their business. This has provided increased autonomy, transparency and accountability for their individual businesses and financial performance.

As noted by the Chair in his message, other achievements in the year include:

- the in-specie distribution in January 2023 of Link Group's shareholding in PEXA to return value to our shareholders;
- the sale of BCM which completed on 1 September 2023;
- the sale of Fund Solutions (excluding the Luxembourg and Swiss entities), for which all necessary regulatory approvals for the sale have now been received and remains on track to complete in October 2023; and
- the signing of a conditional sale and purchase agreement for the sale of our LFS businesses in Luxembourg and Switzerland, which we expect to complete by the third quarter of FY2024 subject to regulatory approval in Luxembourg.

I would like to extend my thanks to the teams across the organisation that have spent an extraordinary amount of time and effort to help us arrive at these milestones, and to the teams that have continued to seamlessly deliver for our clients and support our people throughout this period.

Despite all of the above, we delivered on our market guidance for FY2023.

Focusing on delivery and growth

With the simplification of our business virtually complete, we are excited to be able to dedicate our resources and focus very clearly towards delivery and growth.

We enter FY2024 with two well performing core businesses that continue to deliver pleasing operational and financial performance, with leading market positions and long-term, bluechip clients. This in turn creates greater certainty for our shareholders. Each of these businesses has modern, secure and scalable technology platforms known for their industrial-grade robustness and reliability. This critical digital infrastructure allows us to provide innovative solutions (leveraging Artificial Intelligence and Robotic Process Automation) that enable our clients to enhance the overall member and shareholder experience, while fulfilling the changing landscape of regulatory requirements and expectations of end-users.

Team members from Link Group in Australia.

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In a year that saw significant progress towards our strategy to simplify and deliver, I'm proud of the continued focus of our team in supporting our people, our clients and on shareholder value. We enter FY2024 ready to focus on delivery and growth in our two market-leading core businesses, continued investment in the advanced technology platforms that drive them and ongoing focus on client service.

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HSBC and Link Group signed an agreement in February 2023 for the provision of digital pension administration & value-added services to HSBC's ORSO clients in Hong Kong.

Two core, market leading businesses

We aim to simplify the connectivity between financial market participants and to enhance the engagement experience for end-users. Looking back on FY2023, the expertise of our people combined with our technology, digital connectivity, data analysis and insights, and a client-first approach, has led to renewed contracts and ongoing business growth in FY2023.

Strong member growth in RSS continued with Australian and New Zealand member numbers up 7.5% year on year. On 30 June 2023, we announced that the contract for the provision of services to HESTA will not be renewed. As HESTA plans to transition out by 2Q FY2025, there is no impact on results for RSS in FY2024. Meanwhile, on 16 December 2022 we announced that our agreement with AustralianSuper has been extended by an additional two years to 30 June 2025. Link Group and Rest also agreed to extend their long-standing 30-year partnership by a further five years, commencing May 2023, making it one of the most enduring relationships within the superannuation industry. RSS has also successfully delivered on contract renewals and extensions for other superannuation funds including AMIST, Prime Super and RBF.

On 24 August 2023, we announced a five year partnership with ANZ's Australian Staff Superannuation Scheme that will see Link Group deliver our market leading administration platform, digital solutions, contact centre and financial advice services to more than 30,000 ANZ employees. The transition is expected to complete in calendar 2024.

In addition, RSS's international expansion strategy continues to gain momentum. In the UK, RSS now administers approximately 1.6 million member accounts, up 61% from FY2022. The recent deals and partnerships in the UK, including the acquisition of HS Pensions which was completed on 2 November 2022 and a multi-year partnership with Cushon as announced on 3 July 2023, provide RSS with a solid platform to deliver strong revenue growth in this region over the next five years.

On 7 February 2023, we signed an agreement with HSBC in Hong Kong for the provision of digital pension administration and value-added services to HSBC's Occupational Retirement Scheme Ordinance (ORSO) clients for a period of 10 years. This provided an immediate footprint and entry into the Asian market for RSS, who are now one of the largest service providers in the ORSO market. A local team is also in place to leverage our position in the market, to increase scale and capitalise on other opportunities.

In Corporate Markets, the business delivered strong client wins through the year including Ampol Ltd and hipages Group Holdings Ltd in Australia, 888 Holdings plc and Breedon Group plc in the UK with strong retention levels and higher margin income overall. Weaker capital market activity in Australia and the UK was offset by the business in India, which had another very strong year with revenue growth of 22.2%, driven by buoyant IPO activity.

The integration of the Funds Services team in Australia into our Australian Corporate Markets team is now complete. This successfully extends our offering into a full suite of registry and investment administration services for both listed and unlisted markets.

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Corporate Markets also grew its extensive international footprint by acquiring Better Orange IR & HV AG in Germany in May 2023 to broaden our AGM capabilities in the region. This acquisition joins our existing AGM team in Germany and means that we now provide an unrivalled offering and significantly broadened consulting expertise and capability in Germany.

In June 2023, we announced the acquisition of the Company Secretarial business of Allens Linklaters (Allens). As part of this transaction, Allens and Link Group have also entered into a partnership to provide ongoing company secretarial work to clients of Allens.

This acquisition enables us to expand our product offering to include corporate administration services and provides further opportunities to grow our Company Matters client base in Australia. It is an exciting opportunity to enhance our company secretarial and corporate administration services, expand our presence within Australia and broaden our overall client base.

The Corporate Markets team continue to offer our clients a comprehensive and complementary product offering to support their corporate needs globally. After the successful launch of our shareholder app, LinkVote+ in the UK, we have extended this offering to Australia, leading to LinkVote+ winning FinTech Solution of the Year in Financial Standard's 2023 MAX Awards. The team are now focused on the rollout of new solutions and products in FY2024, such as miraqle in the UK and in India.

Supporting our people to achieve and succeed

There is no doubt that our achievements in FY2023 are due to the extraordinary effort and dedication of the over 7,200 talented people at Link Group. We are committed to providing an inclusive and collaborative environment where differences are valued and each person can realise their potential and contribute to Link Group's collective success.

In FY2023, we continued our campaigns and initiatives to promote inclusive behaviour and recognise our global days of significance. We celebrated a dedicated week for World Pride in February 2023 in which our teams learned about how to be an ally of the LGBTQIA+ community. The International Day for the Elimination of Racial Discrimination was recognised in March 2023 alongside Gender Equity Week which coincided with International Women's Day, in support of gender equality.

At a diversity & inclusion event.

Celebrating International Women's Day in India.

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We understand that providing our people with flexibility in the way they work creates an inclusive work environment and supports employee wellbeing, better enabling them to thrive and work together to contribute to Link Group's success. It also strengthens the sustainability and continuity of our operating businesses enabling us to deliver effective client outcomes.

In FY2023, we embedded our flexible and blended working arrangements, FlexTogether, across our organisation globally. Our employees see our approach to and support of flexible and blended working as a key strength for Link Group, with 84% of our people saying that their leaders support them to work flexibly.

The safety, health and wellbeing of our people is a key priority for Link Group. In FY2023, we offered all employees one day of Wellbeing Leave, to be used to take care of themselves, recharge and reconnect. This was received very positively and has further enhanced feedback that managers care about our people's wellbeing – from 80% in FY2022 to 84% in FY2023.

We introduced Mental Health & Wellbeing Week in October 2022, including workshops, activities and lunches in many of our offices. We also held virtual workshops on topics such as 'Positive Psychology at Work' and 'Feeding your Mental Health' and published articles from our employees sharing their mental health journey and encouraging others to do the same. These activities were reinforced by ongoing access to a range of wellbeing tools and information through the Link Wellness hub, a one stop portal for all our employees' wellness needs, and access to our Employee Assistance Program globally.

Giving back to our communities

Our LinkTogether For Good (LTFG) Strategy guides our delivery of social impact programs for the communities in which we operate. LTFG is focused on improving education for disadvantaged populations and is an opportunity to strengthen our community impact.

In December 2022, we celebrated Giving Back Month across our locations globally, encouraging our employees to participate in a range of events and volunteering opportunities. As part of this, we recognised International Volunteer Day and the UN International Day of Education.

In total, during FY2023, our financial and in-kind charitable contributions from the organisation and our people increased by 45% from FY2022, to over $540,000. This includes over 1,120 volunteer hours undertaken globally. It is truly heartening to see our people coming together to contribute towards the betterment of the communities in which we operate.

Celebrating International Women's Day together in the UK.

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Marking International Women's Day in Australia with our energetic guest speaker Fiori Giovanni.

Supporting local community schools in India.

Fundraising in FY2023 with Ardoch, our national charity partner in Australia.

Looking ahead

RSS and Corporate Markets have delivered revenue growth and margin improvement in FY2023 despite facing challenging operating conditions. Both businesses have strong recurring revenue profiles, good cash flow conversion and hold leading positions in the markets and verticals that we operate in. We are confident that they have the strength, diversity and resilience required to navigate the current operating conditions, as evidenced by their strong performance over the last two years. The underlying quality, capability and capacity of these core businesses remains extremely sound and they are poised to deliver solid revenue and margin growth over the medium term, with targeted, strategic bolt-on acquisitions to augment the organic growth of these businesses.

We continue to focus on delivery and growth, and on refining our business operating model to drive optimal performance and outcomes for Link Group and its stakeholders. We have the right people, skill sets, technology and solutions to be successful, and look forward to FY2024.

I would like to thank every single person at Link Group for their ongoing dedication and commitment. Our people and their ability to work together to deliver for our clients and stakeholders is what makes me extremely proud to lead this business.

I would also like to thank my Executive Leadership Team, and in particular wish to acknowledge the contributions of Sarah Turner and Antoinette Dunne who departed Link Group in the last 12 months. I would also like to acknowledge Karl Midl, CEO of Fund Solutions as he prepares for a new chapter together with his team. Finally, but certainly not least, I would like to take this opportunity to extend my thanks and appreciation to our clients, shareholders and the Link Group Board.

Vivek Bhatia
CEO & Managing Director

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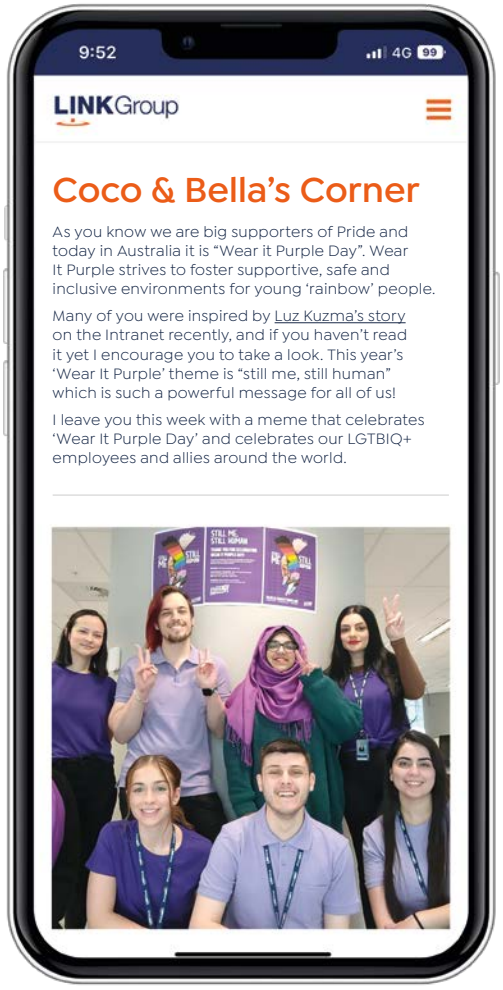
Throughout the year, our CEO and Managing Director issues a weekly update to all our people. Called "The VBlog", a wide range of topics are covered – as seen from the excerpts highlighted on these pages.



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LINKGroup

Coco & Bella's Corner

As you know we are big supporters of Pride and today in Australia it is "Wear it Purple Day". Wear It Purple strives to foster supportive, safe and inclusive environments for young 'rainbow' people.

Many of you were inspired by Luz Kuzma's story on the Intranet recently, and if you haven't read it yet I encourage you to take a look. This year's 'Wear It Purple' theme is "still me, still human" which is such a powerful message for all of us!

I leave you this week with a meme that celebrates 'Wear It Purple Day' and celebrates our LGTBIQ+ employees and allies around the world.

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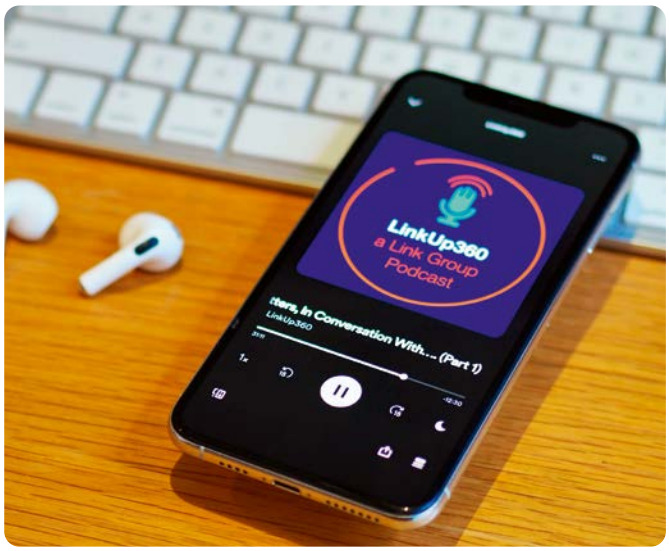
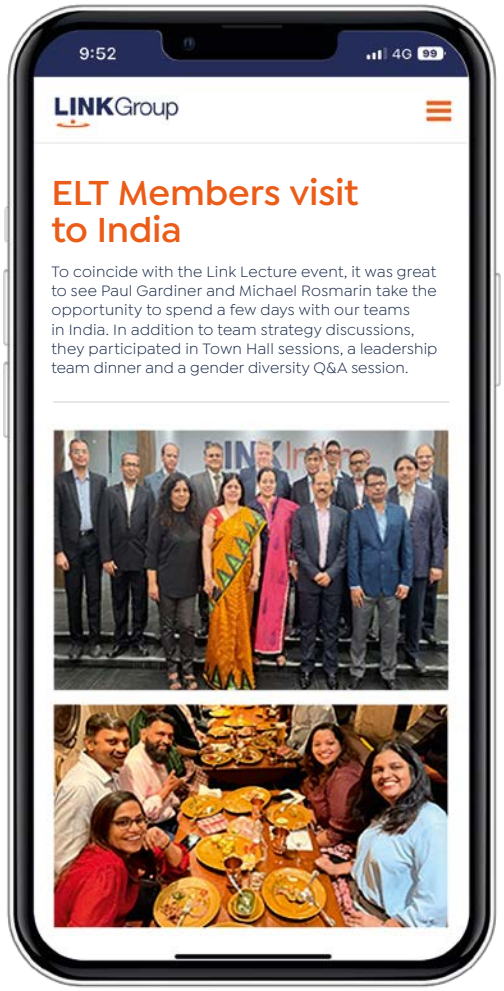
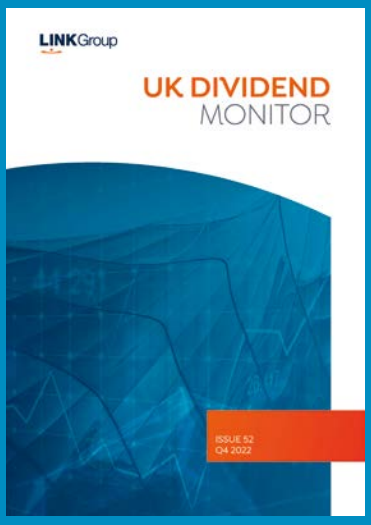
Inaugural Company Matters Podcast Series

Well done to our Corporate Market Company Matters team in the UK who launched their inaugural 'In Conversation With....' podcast series. The series will focus on discussing topical trends and happenings in the company secretariat industry.

I certainly liked the observation that "you get twice the value through your own learning and understanding the learnings of others". To learn more about the role of the company secretary from a Non-Executive Directors perspective, you can listen to the podcast here.







UK Dividend Monitor rings in the big 5-0

Congratulations to the Corporate Markets and Marketing teams in the UK, who hit a big milestone with the launch of the 50th edition our UK Dividend Monitor! First published in the summer of 2009, our Corporate Markets team has produced the UK's most widely followed commentary on trends in UK dividends every quarter for the last 13 years.

Thought leadership is an important part of building our external reputation, and our Dividend Monitor series is a fantastic example of how our high-performing content has cemented our reputation as the authoritative voice on UK dividends.

Well done to everyone who collaborated in producing and launching this report. Response from our clients, the market and the media has been really positive. To date, the report has been featured across more than 30 media outlets including Bloomberg, Financial Times, and Telegraph to name a few!

Retirement & Superannuation Solutions

RSS continues to capitalise on growth opportunities, resulting in another year of consistent, strong performance in FY2023. We remain focused on creating a global technology ecosystem that simplifies experiences, optimises delivery processes and supports our clients' growth ambitions.

Creating efficiencies that simplify

We have continued to make progressive changes to our operating model, realigning functions to ensure operational agility, optimisation of processes and better outcomes for clients, employers and members. These changes were underpinned by a refreshed technology operating model supporting the ongoing capability and technology uplift to deliver for our clients.

Another key focus has been digitisation of high-volume processes and further adoption of automation and artificial intelligence to create greater efficiencies and streamline operations. This resulted in the highest level of straight through processing (STP) across the industry at 78.7%.

A foundation of our simplification agenda is the continued investment in data and insights to extend our institutional capabilities in a unified model of data and analytics services. This enables clients to further simplify their solutions using data driven processes and decisioning techniques, blending data, business rules and predictive analytics to inform smart decisions and better personalisation.

Designing better ways to deliver

With client centricity at heart, we optimised the way our teams work to improve speed to market and uplift delivery of our technology solutions. Supported by a new operating model, this has resulted in higher quality outcomes and an improved end-to-end delivery process.

Privacy and protection are paramount and with the increasing risk of fraud, our Analytical Link Exception Reporting Tool – ALERT – has delivered strong protection outcomes for members. With 11 million accounts, the system examines 450 million data points every day and prevented more than $16 million in fraudulent activity during FY2023.

Enhanced adviser and member online portals were released, with a further three clients enjoying the benefits of a simplified digital experience and another six confirming their adoption. We continue to design ways for members and advisers to engage, introducing automated self-service, a fresh new mobile app and soon to be released employer solution.

REVENUE

$554.1M

FY2022 $511.7M

OPERATING EBIT

$118.0M

FY2022 $105.9M

OPERATING EXPENSES

$392.4M

FY2022 $367.9M

OPERATING EBIT MARGIN

21%

FY2022 21%

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Growing our global footprint

RSS entered the Asian market with the announcement of a 10-year strategic partnership with HSBC, our first client in Hong Kong, to deliver digital administration services to Occupational Retirement Scheme Ordinance (ORSO) clients. With a strong pipeline of prospects, we are confident about our expansion opportunities across Asia.

In the UK, we finalised our partnership with pensions fintech Cushon, now supported by NatWest Group. We are also pleased to report the HS Pensions acquisition is complete and when combined with our Smart Pension partnership, this transaction doubled the size of our business in the UK, where we now administer approximately 1.6 million pension accounts.

In Australia, we saw an 8% increase in accounts under administration securing an additional 700,000 members, demonstrating the quality of service we provide to clients.

We secured a new five year contract with ANZ Staff Super, and contract extensions/renewals with AustralianSuper, Rest, RBF, Prime Super and AMIST. These are a testament to Link Group's capabilities, proven expertise and strong client relationships.

RSS also launched the new PathFinder platform which provides clients with integrated digital services and product solutions to personalise the retirement experience for members. Partnering with industry specialists, we will continue to invest in PathFinder as we drive further change in the retirement sector.

"Automation is a game-changer for the retirement industry. Fintech developments with an emphasis on data, artificial intelligence, mobile applications and robotics are reshaping how everyday Australians prepare for and manage their retirement. Our focus is to drive technology innovation for the retirement market, providing clients with a suite of integrated digital solutions they can use to personalise member experiences"

Dee McGrath
– CEO, Retirement & Superannuation Solutions

Corporate Markets

We are proud that we hold leading positions that are either no. 1 or no. 2 in the markets that we operate in. Our ecosystem of technology-led solutions enriched with industry experience has grown over the past year, delivering greater value to our clients and investors.

Success in FY2023

Our diversified global business model has served us well with continued success in valuable client renewals and wins including Admiral Group in the UK, Commonwealth Bank of Australia and the execution of one of the largest proxy solicitation campaigns for Grok Ventures, also in Australia. This was achieved in the context of global quantitative tightening slowing down the Initial Public Offering (IPO) market and corporate actions activity.

Our DF King team in Hong Kong and the UK jointly delivered China Land Fortune Development's US$4.96bn debt restructuring project. In India, we retained our position as the no. 1 Registrar by Prime Database, the 12th consecutive year we have held this position, having managed 70% of the IPOs in the market. In the UK, we won three of the top five IPOs in the market including DAR Global, which is the largest main market listing in calendar year 2023 to date. In Australia, we are the no. 1 registry provider of Exchange Traded Funds listed on the ASX, securing renewals with long term clients including Betashares. Across Australia, the UK and India, we have processed over A$147bn in corporate action and dividend distribution payments for our clients. This includes issuing electronic dividend payments to replace over 500,000 hard copy cheques for our clients in the UK, to support them in meeting their ESG goals.

Over the last year we benefited from higher margin income on float balances as central banks increased interest rates markedly. This benefit helped to offset inflationary cost pressures in the business and allowed us to continue to invest in our capabilities to ensure we are well positioned to capitalise on a recovery in market activity.

REVENUE

$416.4M

FY2022 $387.0M

OPERATING EBIT

$84.8M

FY2022 $53.2M

OPERATING EXPENSES

$297.7M

FY2022 $296.1M

OPERATING EBIT MARGIN

20%

FY2022 14%

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"We remain committed to sustainable growth which means we are constantly investing in our people, products and technology. These investments are essential in enabling us to leverage our distribution channels, maximise our scale and deliver exceptional products to our valued clients."

Paul Gardiner – CEO, Corporate Markets

Investing in our capabilities to build resilience and support future growth

Our focus is on cultivating the talent of our people to better serve our clients. To that end, we expanded our product and technology teams to drive greater velocity in releasing new products to the market. We invested in a sales capabilities program for over 250 people in our sales and client relationship teams globally to drive further cross sell and grow revenue. We also established a global data and analytics team to enhance operational efficiencies from automation and promote product expansion.

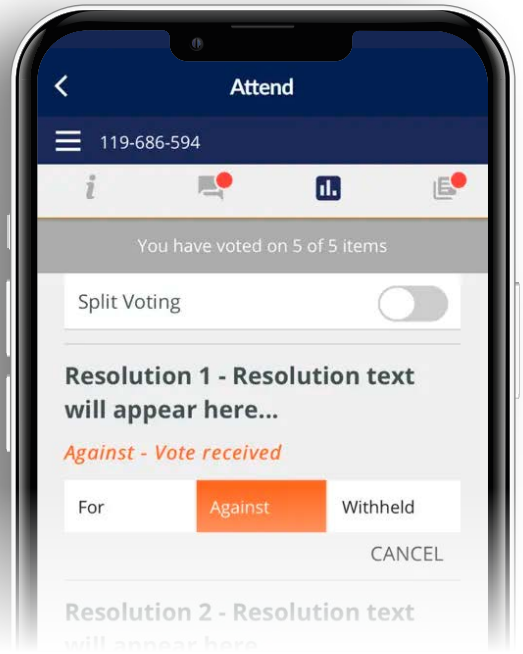
Our 2021 strategy highlighted the intent to grow the business through acquisitions. We were able to progress this growth strategy in FY2023 through the acquisition of an AGM service provider in Germany, Better Orange IR & HV AG, and the company secretarial arm of Allens in Australia. This represented an ongoing commitment to building the resilience of our operating model and strengthening our capabilities within the geographies that we operate. In addition, we integrated Funds Solutions into Corporate Markets in Australia and rebranded to Fund Services, extending our offering into a full suite of registry and investment administration services for both listed and unlisted markets.

LINK VOTE+

Best in class solutions

After the successful launch of our shareholder app, LinkVote+ in the UK, we have extended this offering to Australia, leading to LinkVote+ winning FinTech Solution of the Year in Financial Standard's 2023 MAX Awards.

Building on the success experienced in other regions, our B2B platform, *miraqle* will be launched in India later this year. We also implemented multi-factor authentication in our award winning platform, Link Investor Centre, which serves over two million users. This ensures the safety of client and shareholder data, fostering secure connections between individuals and assets.



Fund Solutions

Link Fund Solutions continues to be one of the leading providers of regulatory and administrative services to investment funds across the key European fund domiciles, with over A$312 billion of assets under management and administration across Ireland, Luxembourg and the UK (as at 30 June 2023).

Our priority throughout the year has been on how we can best support our clients, investment managers and fund investors. Over FY2023, we successfully launched twenty new funds for existing and new clients. We also retained our market leading positions in the core markets in which we operate, including being the largest independent Authorised Corporate Director (ACD) in the UK.

The diversity of our client base has seen us make ongoing investment in existing and new product enhancement and infrastructure, so that we are able to continue supporting our clients' needs as they evolve and grow with industry and regulatory driven change. To help achieve this, we have focused on continual innovation and the use of new technologies to enhance our offering and governance processes. As a result, this year we successfully deployed two new technology platforms which bolster our fund governance and oversight capabilities and enhance our operational resiliency. In addition, we have continued to simplify our operating model and drive greater collaboration across the business and our various teams.

In April, agreements were signed with the Waystone Group for the sale of our Fund Solutions business, subject to regulatory approvals and other contractual conditions. The sale encompasses all UK and Irish Fund Solutions businesses (including our operations in India). The sale of the business and certain assets of Link Fund Solutions Limited (LFSL) to Waystone excludes Woodford-related liabilities. Link Group and LFSL have reached a conditional agreement with the FCA to settle its investigation against LFSL in respect of its role as authorised corporate director of the LF Woodford Equity Income Fund.

Link Group also announced that it has reached a conditional agreement with Altum Holdings (UK) Limited for the sale of Link Fund Solutions (Luxembourg) S.A. and Link Fund Solutions (Switzerland) SA.

The team remains focused on delivering service excellence for our clients and look forward to continuing to grow under new ownership in FY2024.

"Fund Solutions has maintained its market leading positions and seen significant investment over the past few years, which has allowed us to build our expertise further and led to us becoming a world-class provider of Fund Governance and administration services. We know that the business and our people will only continue to thrive and grow as we enter new ownership and looks forward to this next chapter."

Karl Midl – CEO, Link Fund Solutions

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Banking & Credit Management

The macro-economic environment continued to present challenges for BCM. Increases in inflation and interest rates across all jurisdictions, and continued reduced activity levels in the wholesale loan market contributed to a lower than budgeted financial performance for FY2023.

BCM was subject to a series of potential divestment transactions from Link Group, culminating in an agreed sale to LC Financial Holdings Limited which was completed on 1 September 2023. We are proud of the team for continuing to deliver a solid performance and ongoing support for our clients against this backdrop.

Highlights

In Ireland, we were appointed as servicer on a €0.8bn loan portfolio acquired by our client from AIB Bank. The First Home Scheme – a Government sponsored shared equity scheme to support first home buyers – now has over 4,700 customers registered with the scheme since its launch in July 2022. Through our market leading origination services proposition, we were selected by Avant Money to support their direct mortgage lending proposition, and continue to support Avant Money and Dilosk as they grow and innovate in a challenging environment. Through our focused efforts on long term mortgage arrears, we helped customers resolve financial difficulties in non-performing loan portfolios, with over 7,700 accounts redeemed or resolved in the year.

In Italy, the complex work-out activity we undertake on non-performing loans, together with real estate (REOCO) asset management remain in demand. We launched two new co-investment initiatives, acquiring two secured non-performing loan portfolios in partnership with a group of leading institutional investors. In the Netherlands, the mortgage market reduced in volume by 50%, due to increases in interest rates and cost of living. We continue to support our originating clients, by delivering efficient servicing for their growing portfolios. However, the reduction in mortgage market activity has led to a marked revenue reduction, much of which is derived from processing mortgage applications and assisting lenders with underwriting new loans. We have realigned our cost base to mitigate against this, while balancing our operational and servicing needs.

In the UK, we have continued to grow our assets under management and the business has performed in line with expectations, despite both the housing market and mortgage refinance market reducing substantially in volume. The business has been especially busy implementing the Financial Conduct Authority's "Consumer Duty" regulations, which impact the majority of our servicing clients and our Ipswich based business.

"I'm pleased with the performance of our team for managing through a period of significant change, economic issues, challenging environment and multiple corporate transactions. We remain optimistic about the future performance in our chosen markets and service lines. I'm incredibly proud of our people and their dedication during FY2023 and thank all of them and our clients for their ongoing support, and look forward to the future together."

Antoinette Dunne – CEO, BCM

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Board of Directors

Michael Carapiet

Independent Chairman and Non-Executive Director

Michael Carapiet was appointed as a Director and Chair of the Company in 2015. He is an ex-officio member of all Board Committees. Michael is Chair of Smartgroup Corporation Limited. He was previously Chair of Insurance & Care NSW (icare), Chair of SAS Trustee Corporation and a Director of Southern Cross Media Group Limited. Michael has also served on Commonwealth Government boards including Infrastructure Australia, Clean Energy Finance Corporation and Export Finance Insurance Corporation. Michael has over 30 years of experience in banking and financial services and holds a Master of Business Administration from Macquarie University, Sydney.

Vivek Bhatia

CEO and Managing Director

Vivek Bhatia joined Link Group in 2020 as CEO and Managing Director. Vivek serves on the Board of Property Exchange Australia Limited (PEXA) as a Non-Executive Director. Vivek has over two decades of experience in financial services, government and management consulting. He is an experienced chief executive, having led a number of complex businesses throughout his career. Vivek joined Link Group from QBE Insurance Group where from 2018 he was Chief Executive Officer of the ASX-listed general insurance and reinsurance company's Australia Pacific division. Vivek joined QBE from Insurance and Care NSW where he was Chief Executive Officer and Managing Director. Prior to this, he co-led the Asia-Pacific Restructuring and Transformation practice at McKinsey & Company and also previously held senior executive roles at Wesfarmers Insurance, including responsibility for leading the Australian underwriting businesses of Lumley, WFI and Coles Insurance as CEO of Wesfarmers General Insurance Ltd. Vivek holds an undergraduate degree in engineering, a post graduate in business administration and is a Chartered Financial Analyst (ICFAI).

Glen Boreham, AM

Independent Non-Executive Director

Glen Boreham was appointed a Non-Executive Director of the Company in 2015. He is Chair of the Technology & Transformation Committee and a member of the Human Resources and Remuneration Committee. Glen is a Director of Cochlear Limited and Southern Cross Media Group Limited and Strategic Advisor to IXUP. Previously, Glen was the Managing Director of IBM Australia and New Zealand. He has also previously served as Chair of Screen Australia, Advance and the Industry Advisory Board for the University of Technology, Sydney, as well as Deputy Chair of the Australian Information Industry Association and a Director of the Australian Chamber Orchestra. Glen holds a Bachelor of Economics from the University of Sydney and an Honorary Doctorate from the University of Technology Sydney. In January 2012, Glen was awarded a Member of the Order of Australia for services to business and the arts.

Andrew (Andy) Green, CBE

Independent Non-Executive Director

Andy Green was appointed a Non-Executive Director of the Company in 2018. He is Chair of the Risk Committee and a member of the Technology & Transformation Committee. Andy is Chair of Simon Midco Ltd the holding company of Lowell Group, Chair of Gentrack Group Ltd and Senior Independent Director of Airtel Africa plc. He is a Commissioner at the UK's National Infrastructure Commission, Chair of WaterAid UK and a trustee of WWF UK. Andy's earlier career at BT Group (formerly British Telecom) spanned more than 20 years, including as CEO of Global Services. He also previously served as Group Chief Executive of IT and management consultancy company Logica plc, and as Senior Independent Director at ARM Holdings plc. Andy holds a Bachelor of Science in Chemical Engineering with first class honours from Leeds University.

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Peeyush Gupta, AM

Independent Non-Executive Director

Peeyush Gupta was appointed a Non-Executive Director of the Company in 2016. He is a member of the Risk Committee and a member of the Audit Committee. Peeyush is currently the Chair of Charter Hall Direct Property Management Limited and Long Wale REIT and a Non-Executive Director of National Australia Bank, SBS, Northern Territory Aboriginal Investment Corporation, NSW Cancer Council and Quintessence Labs Pty Ltd. With over 30 years of experience in the wealth management industry, Peeyush was previously co-founder and the inaugural CEO of IPAC Securities Limited, a wealth management firm spanning financial advice and institutional portfolio management. He has extensive corporate governance experience, having served as a Director on listed corporate, not-for-profit, trustee and responsible entity boards since the 1990s. Peeyush holds a Masters of Business Administration (Finance) from the Australian Graduate School of Management and has completed the Advanced Management Program at Harvard Business School. He is a Fellow of the Australian Institute of Company Directors. In January 2019, Peeyush was awarded a Member of the Order of Australia for significant service to business, and to the community, through his governance and philanthropic roles.

Anne McDonald

Independent Non-Executive Director

Anne McDonald was appointed a Non-Executive Director of the Company in 2016. She is a member of the Audit Committee and Chair of the Human Resources and Remuneration Committee. Anne is a Non-Executive Director of Smartgroup Corporation Limited, St Vincent's Health Australia Limited and Transport Asset Holding Entity of New South Wales. Anne was previously a non-executive director of GPT Group, Spark Infrastructure Group and Chair of Water NSW and Specialty Fashion Group. Previously a partner at Ernst & Young for 15 years, Anne has over 35 years of business experience in finance, accounting, auditing, risk management and governance. She is an experienced director and has pursued a fulltime career as a Non-Executive Director since 2006. Anne is a Chartered Accountant, a graduate of the Australian Institute of Company Directors and holds a Bachelor of Economics from the University of Sydney.

Sally Pitkin, AO

Independent Non-Executive Director

Sally Pitkin was appointed a Non-Executive Director of the Company in 2015. She is a member of the Human Resources and Remuneration Committee and a member of the Risk Committee. Sally is Chair of Super Retail Group Limited and was previously a Non-Executive Director of The Star Entertainment Group Limited. Formerly a senior corporate partner at a national legal firm, Sally has extensive corporate and banking law experience. She holds a PhD in Governance from The University of Queensland and a Master and Bachelor of Laws from the Queensland University of Technology and is a Fellow of the Australian Institute of Company Directors.

Fiona Trafford-Walker

Independent Non-Executive Director

Fiona Trafford-Walker was appointed a Non-Executive Director of the Company in 2015. She is Chair of the Audit Committee and a member of the Technology & Transformation Committee. Fiona is a Director of Perpetual Limited, FleetPartners Group Limited, Prospa Group Ltd, and chairs the Audit and Risk committees at Prospa and FleetPartners. Fiona is also a Director of Victorian Funds Management Corporation. Fiona was previously an Investment Director at Frontier Advisors (Frontier). She was the inaugural Managing Director at Frontier and held that role for 11 years until 2011 when she became the Director of Consulting until 2017. Fiona played a critical role in growing Frontier and has over 28 years of experience in advising institutional investors on investment and governance-related issues. Fiona holds a Master of Finance from RMIT University and a Bachelor of Economics (with Honours) from James Cook University. Fiona is also a Graduate of the Australian Institute of Company Directors.

Executive Team

Vivek Bhatia

CEO & Managing Director, Link Group

Vivek Bhatia joined Link Group in 2020 as CEO and Managing Director, with over two decades of experience in financial services, government and management consulting. Prior to joining Link, Vivek held CEO roles at QBE Insurance Group's Australia Pacific division, icare and Wesfarmers General Insurance Ltd. He has also been a leader of the Restructuring and Transformation practice at McKinsey & Company across Asia Pacific. Vivek serves as a Non-Executive Director on the Board of PEXA, which operates Australia's leading digital property settlement platform. Vivek holds an undergraduate degree in engineering, a post graduate in business administration and is a Chartered Financial Analyst (ICFAI).

Andrew MacLachlan

Chief Financial Officer

Andrew MacLachlan was appointed Chief Financial Officer on 1 January 2019. Andrew joined Link Group in 2009 and was Deputy Chief Financial Officer from 2013 to 2018. Andrew has over 30 years' experience in Finance and Accounting. His previous roles include Chief Financial Officer at Fero Group Pty Limited, Chief Financial Officer at Evans and Tate Limited and various roles at Singtel Optus and KPMG. Andrew is a member of Chartered Accountants Australia and New Zealand and holds a Bachelor of Economics (Accounting and Finance) from Macquarie University.

Michael Rosmarin

Chief People & Group Services Officer

Michael Rosmarin was appointed Chief People & Group Services Officer in May 2021. Michael joined Link Group in early 2019 and was Chief Human Resources & Brand Officer until his promotion. Prior to joining Link Group, Michael was Chief Operating Officer at Stockland. Michael has over 30 years' experience in human resources and operational roles in Australia and Asia and has held executive human resources positions for Stockland, Westpac Banking Corporation and Goldman Sachs. Michael is a Fellow Certified HR Practitioner (FCHRP), Chair and National President of the Australian Human Resources Institute (AHRI) and is a graduate of the Australian Institute of Company Directors Course (GAICD). Michael holds a Bachelor of Arts degree in Psychology and a Master of Commerce degree from the University of NSW.

Sarah Turner

General Counsel and Company Secretary

Sarah Turner joined Link Group in February 2021 as General Counsel and Company Secretary. Sarah has over 20 years' experience in global leadership, company secretarial and legal services in Australia and the UK in industries including healthcare and technology as well as in private legal practice. Prior to Link Group, Sarah was most recently General Counsel & Company Secretary at REA Group Ltd, a global digital media company operating leading property websites in Australia, Asia and the US. Sarah was a member of the REA Executive Leadership Team and managed the global legal team. Sarah holds a Bachelor of Laws (Hons), a Bachelor of Arts, a Graduate Diploma in Applied Corporate Governance and is a graduate of the AICD Company Directors Course (GAICD) and a Fellow of the Governance Institute of Australia (FGIA, FCG). Sarah left Link Group on 30 June 2023.

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Nicole Pelchen

Chief Technology Officer

Nicole Pelchen was appointed Chief Technology Officer on 4 October 2021. Nicole has over 25 years' experience in the technology and banking industries. Nicole was most recently Chief Information Officer, Retail and Commercial at ANZ, where she was responsible for technology including digital, data and automation programs, leading teams across Australia, China and India. Prior to ANZ, Nicole held various leading technology, transformation, IT operations, digital and strategy roles. For a large part of her career, she worked at IBM in Australia and Europe, where she partnered with clients across several sectors including the public sector, financial services, telecommunications, resources and consumer goods across multiple geographic regions. Nicole holds a Bachelor of Applied Science and is a graduate of the AICD Company Directors Course (GAICD).

Dee McGrath

Chief Executive Officer, Retirement & Superannuation Solutions

Dee McGrath joined Link Group as Chief Executive Officer of Retirement & Superannuation Solutions in May 2019. Dee has over 20 years' experience in the financial services and technology industry. Dee's previous senior appointments include National Australia Bank, Visa and HP, and prior to joining Link Group was Managing Partner, Global Business Services at IBM. Dee was a Member of the Board of IBM Australia, Bluewolf Australia and Oniqua Holdings. Dee's qualifications include business studies, economics and strategic planning and is currently a member of Chief Executive Women.

Paul Gardiner

Chief Executive Officer, Corporate Markets

Paul Gardiner was appointed Chief Executive Officer of Corporate Markets in May 2021. Paul joined Link Group in 2006 when Orient Capital was acquired by Link Group from ASX Limited. His previous roles include Chief Technology & Operations Officer, and CEO of both Corporate Markets and Technology & Innovation. Paul has over 20 years' experience in financial services, technology, operations, and data analytics, having joined Orient Capital in 2001. Paul holds a Bachelor of Commerce and a Higher Diploma in Marketing Practice from the National University of Ireland, Galway and a Masters of Business Studies (Management Information Systems) from University College, Dublin.

Antoinette Dunne

Chief Executive Officer, Banking & Credit Management

Antoinette Dunne was appointed Chief Executive Officer of Banking & Credit Management on 1 June 2021. Antoinette joined Link Group in November 2017 when Capita Asset Services was acquired by Link Group. She was CEO and Executive Director of the BCMGlobal Irish and Italian businesses and has over 30 years' experience in financial services working in Ireland, UK and Australia. Prior to joining Capita, Antoinette ran her own financial services consultancy business, was Head of Halifax Retail Bank in Ireland and Head of Bank of Scotland Mortgage, Asset Finance and Consumer Lending Businesses in Ireland. Antoinette is a Chartered Director (CDir) and a Fellow Member of Association of Chartered Certified Accountants (FCCA). Antoinette left Link Group on 1 September 2023 as part of the sale of the Banking & Credit Management business to LCH Financial.

Karl Midl

Chief Executive Officer, Fund Solutions

Karl Midl was appointed Chief Executive Officer, Fund Solutions in February 2022. Karl joined Link Group in November 2017 when Capita Asset Services was acquired by Link Group from Capita PLC, and has over 25 years' operational and client facing experience in the financial services industry. Karl joined the Fund Solutions business in 1995 and has held a number of executive roles including Operations Director, Programme Director and Director of Relationship Management, Product and Change Management. In 2019 he was promoted to the role of Managing Director, Link Fund Solutions (UK). Karl has represented Link Group on a number of industry committees and forums and is currently a member of The Investment Association's Investment Funds Committee. He is also a member of the Chartered Institute for Securities & Investment.

Sustainability Report

At Link Group, we seek to address the sustainability priorities that matter most to us and our stakeholders, driving sustainable value for our clients, communities and the planet. Our identification and proactive management of current and emerging environmental, social and governance (ESG) trends enables us to fulfil our purpose of connecting millions of people with their assets – safely, securely and responsibly.

About this report

This sustainability report provides stakeholders with information on Link Group's sustainability performance across our operations, supply chains and key stakeholder groups.

This report is structured in four sections. The first outlines Link Group's approach to sustainability, including our approach to identifying and reporting on material issues, ESG governance and risk management.

Sections two to four provide an overview of the initiatives underway across each of the three pillars of our sustainability strategy, which are outlined in the next section of this report.

This sustainability report has been prepared based on global sustainability frameworks, standards and initiatives, including the Global Reporting Initiative (GRI) Universal Standards 2021: Core Option, Sustainable Accounting Standards Board (SASB) and the Task Force on Climate-related Financial Disclosures (TCFD).

Link Group's FY2023 sustainability disclosures have been selected based on those that are most material to our business and our stakeholders, in accordance with the materiality and stakeholder engagement approach detailed in this report.

This sustainability report covers all Link Group operations in 17 countries which, unless otherwise stated, we have had control for the financial year commencing on 1 July 2022 and ending 30 June 2023. Please refer to the Annual Report for all major changes that occurred during the year.

Link Group uses an internal sustainability data verification process to verify the integrity of disclosures in this sustainability report. This data verification process is integrated with Link Group's sustainability data management system (DMS), which consolidates all sustainability data for disclosure purposes across the 17 countries of operation and allows for a consistent global approach to recording, monitoring and reporting. This includes recording and reporting disclosures to the Greenhouse Gas (GHG) Protocol Corporate Accounting and Reporting Standards. Data from our DMS is then validated by the business and Sustainability Manager.

Where appropriate we may include references to events that have occurred since the end of the financial reporting period, but prior to publication.

This sustainability report is approved by the Link Group Board. No external assurance was sought for our sustainability disclosures within this report.

Our sustainability commitment

We strive to act responsibly, support our clients, contribute to employee wellbeing, diversity and inclusion, and deliver mutual business and social benefits in the communities we operate in.

1 https://ghgprotocol.org/sites/default/standards/ghg-protocol-revised.pdf.

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Our approach to sustainability

We are committed to being a responsible business – helping to build a more sustainable future for our people, clients, suppliers, investors and society. Our sustainability strategy underpins this commitment and is comprised of three pillars that incorporate ESG focus areas considered to be material to our business and our stakeholders.

Sustainability strategy

A responsible business

A focus on our strong governance foundation, including our business ethics and respect for human rights. This also includes acting responsibly in our general operations, information security, privacy, business continuity and supplier management. We are also committed to minimising the impact our operations have on the environment to help build a sustainable future.

SDG Alignment

8 Sustainable economic growth will require societies to create the conditions that allow people to have quality jobs.

Aligning and building our capability

Continued investment in our people and our systems to deliver global client solutions. This includes supporting employee wellbeing, development, engagement, career progression, collaboration, diversity, equity and inclusion.

SDG Alignment

5 Gender equality is not only a fundamental human right, but a necessary foundation for a peaceful, prosperous and sustainable world.

8 Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all.

Sustainable growth

Demonstrating how we build a sustainable future by creating innovative solutions for our clients. We invest in technology and platforms to deliver superior technology-enabled solutions, identifying ways to reduce our emissions and contribute positively to the communities we operate in through our community engagement strategy LinkTogether For Good.

SDG Alignment

4 Obtaining a quality education is the foundation to improving people's lives and sustainable development.

13 Climate change is a global challenge that affects everyone, everywhere.

Our strategy seeks to align with the Paris Agreement and four of the UN Sustainable Development Goals (SDGs). Our sustainability strategy builds on our progress to date and sets clear targets and initiatives under each pillar to 2030, including short, medium and long-term targets. As part of our sustainability strategy, we continue to look for innovations that can drive progress, using the UN SDGs as a framework to guide implementation and measure our contribution to progressing these important goals.

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ESG performance snapshot

The snapshot below captures key points of progress against our sustainability strategy for FY2023. We remain on track for delivery of our set targets and have developed a 2030 plan to achieve them.

A Responsible Business

FY2023 absolute Scope 2 **emissions down**

↓11%

from FY2022 levels

37%

of our people are covered by collective bargaining agreements globally (excludes temporary and contract employees)

Australian Sustainable Finance Institute

Link Group is a founding member of the Australian Sustainable Finance Institute (ASFI).

Aligning and Building our Capability

44%

of senior executive roles and

42%

of all management roles are held by women, exceeding our global FY2023 target of 40%

83%

of employees believe people from all backgrounds have **equal opportunities to succeed at Link Group**

Sustainable Growth

In FY2023 we contributed more than

$540,000

in cash and in-kind support to our LinkTogether For Good charity partners

71%

of our office space globally is **sustainably rated**[1]

Total annual emissions have decreased by

24%

or

2332

tCO_2e from FY19 baseline

1 Definition of sustainably rated buildings refers to LEED-certified to gold or above, BREEAM-certified excellent or above, or NABERS Level 5 or above. The UK buildings we occupy are compliant with the Energy Savings Opportunity Scheme (ESOS).

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Materiality and stakeholder engagement

Link Group's approach to understanding its material sustainability impacts considers a breadth of inputs each year. We consider the environmental, social and economic risks considered significant for our industry under the SASB Materiality Map.[1] We subsequently engage the business and take into account macro factors, regulatory requirements and feedback from external stakeholders, and develop a set of material topics relevant to Link Group. These are reviewed annually by the sustainability team at Link Group, in consultation with business representatives, to ensure that all topics are still considered relevant.

Link Group's material topics[2]

- market transformation
- digital disruption
- privacy
- data safety and cyber security
- energy consumption
- responsible supply chain management
- our people's health and safety
- employee development and wellbeing
- diversity
- inclusion and gender equity
- human rights
- conduct and ethics
- community relations

Method of stakeholder engagement

Stakeholder engagement is a critical activity and enables us to stay abreast of and responsive to sustainability issues of significance. At Link Group, stakeholder engagement blends direct (e.g. engagement with clients, regulators and our people) and indirect (e.g. industry events, informal internal sessions) engagement to provide a breadth of insights. Link Group's stakeholders include:

- Employees/potential employees
- Shareholders and investment community
- Clients and their customers
- Suppliers
- Communities
- Industry
- Regulators

Internally, we engage with our people through surveys, regular emails, and town hall updates to understand how we are performing, and where we can improve to enhance the experience of our people. Monitored email boxes and anonymous communication channels are also available for our people to provide feedback on a range of topics, at any time.

Externally, we engage our stakeholders in several ways, including, but not limited to:

- Client and supplier surveys
- Interactions with key regulatory, government and industry bodies
- Regular participation in key industry meetings, conferences and forums
- Regular client meetings on performance and to identify issues and future needs
- Direct communication with our clients' own customers

1 https://www.sasb.org/standards/materiality-map/

2 The internal boundary for all material topics is Link Group, which includes all our controlled entities. The external boundary for all material topics includes our external impacts particularly the needs of our external stakeholders.

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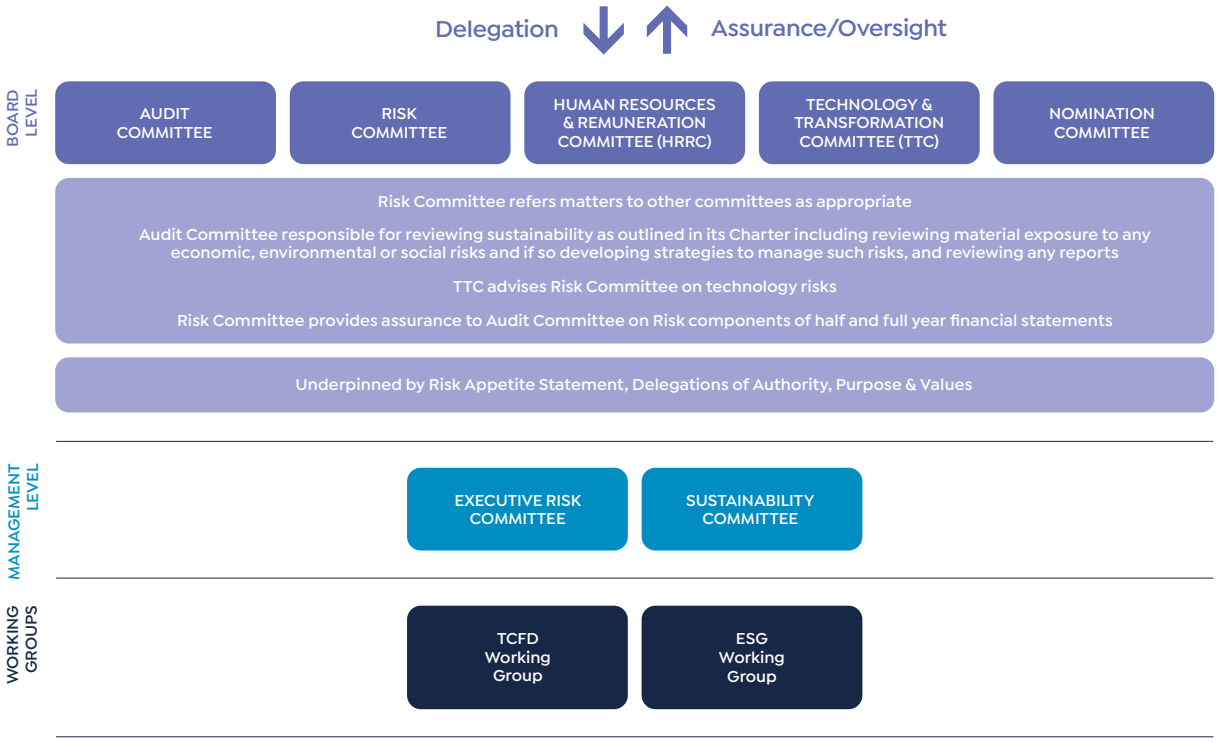
Governance of sustainability risks

Link Group's approach to corporate governance is based on our three core values that guide how we operate as an organisation in interacting with each other, conducting business and serving our clients and their customers. The framework is described in further detail in the Corporate Governance Statement, which can be found on the Link Group website, including the role of the Board and each of the Board Committees.

Link Group's Audit Committee is responsible for our sustainability strategy, as outlined in the Committee's Charter, with roles including:

- Reviewing whether the Company has any material exposure to any economic, environmental, social risks and if so, developing strategies to manage such risks
- Reviewing the annual sustainability report, sustainability strategy and progress towards meeting overall sustainability targets

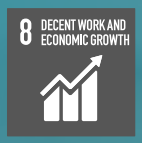
Link Group board



Link Group's Sustainability Manager reports to the General Manager, Sustainability & Stakeholder Communications (a member of the Senior Leadership Team), who reports to the Chief People & Group Services Officer (a member of the Executive Leadership Team, who reports to the CEO & Managing Director).

PILLAR 1

A responsible business



SDG ALIGNMENT

Link Group's approach to sustainable value creation for our shareholders and key stakeholders is underpinned by strong corporate governance and a culture of ethics. This drives our daily operations, enabling us to continually identify and address matters of significance and improve our services for our clients, their customers and the communities in which we operate.

We are committed to acting with responsibility and integrity across our operations and supply chains, and to complying with the ASX Corporate Governance Council's Principles and Recommendations (Fourth Edition). For more information on our corporate governance practices, please see our 2023 Corporate Governance Statement and related key governance documents, at https://linkgroup.com/about-us.html.

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Contribution to UN SDG 8

Link Group respects and promotes human rights and effective management of issues relating to modern slavery and human rights risks. We also seek to operate our business in a responsible and sustainable manner with regards to the impact our operations have on the environment, to help build a sustainable future.

SDG Target 8.4

Improve progressively, through 2030, global resource efficiency in consumption and production and endeavour to decouple economic growth from environmental degradation, in accordance with the 10-year framework of programs on sustainable consumption and production, with developed countries taking the lead.

Our contribution

FY2023 absolute Scope 2 emissions down

↓11%

from FY2022 levels

FY2023 energy intensity 0.97 tCO_2e per FTE, decreasing 4% from FY2022 levels

SDG Target 8.8

Protect labour rights and promote safe and secure working environments for all workers, including migrant workers, in particular women migrants, and those in precarious employment.

Our contribution

37%

of our people covered by collective bargaining agreements globally (excludes temporary and contract employees)

Our Targets

Absolute Scope 2 Emissions

↓10%

from FY2019 levels of 6,378 tCO_2e by FY2023. Achieved in FY2022.

Absolute Scope 2 Emissions

↓30%

from FY2019 levels of 6,378 tCO_2e by FY2025. Achieved in FY2023.

Scope 2 Emissions

net zero

by FY2025

Absolute Scope 2 Emissions

↓50%

by FY2030

Reduce Emissions Intensity (tCO_2e) per FTE

↓50%

from FY2019 1.43 tCO_2e baseline by FY2030

net zero

Emissions by FY2030

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Our global total emissions and electricity consumption by country

	COUNTRY	FY2019 Baseline	FY2021	FY2022	FY2023
MWh	Australia	4,479.64	3,607.11	3,128.46	2,835.96
	United Kingdom	2,769.73	2,595.63	1,062.55	1011.29
	India	899.99	1,469.28	2,027.15	2,309.13
	Ireland	786.65	567.61	436.03	321.46
	Netherlands	97.35	406.61	421.87	424.04
	New Zealand	140.94	120.92	132.70	142.39
	South Africa	277.83	91.08	–	–
	Germany	131.99	116.28	77.18	26.48
	Philippines	103.88	66.30	–	–
	Italy	33.00	48.84	38.03	43.43
	Luxembourg	268.17	36.39	36.39	36.39
	China	16.53	16.99	19.86	23.33
	Jersey	399.41	–	–	–
	Hungary	136.44	–	–	–
	Switzerland	75.27	–	–	–
	United Arab Emirates	4.51	–	–	–
	Grand Total scope 2 MWh	**10,621.34**	**9,143.03**	**7,380.20**	**7,173.89**
tCO_2e	Scope 1	89.91	13.36	0.96	0
	Scope 2	6,378.01	5,385.42	4,859.04	4,301.60
	Scope 3[1]	3,118.02	186.26	2357.43	2,901.44
	Total Emissions[1]	**9,585.95**	**5,585.05**	**7,217.43**	**7,203.04**
	FTE (excluding contractor/temp)	6,709	7,068	7,169	7424
	Emissions/FTE[1]	1.43	0.79	1.01	0.97

1 Link Group's Scope 3 emissions boundary was expanded in FY2023 to include data centre operations and cloud providers. FY2022 data has been adjusted to reflect the same boundary and allow for more accurate year-on-year performance comparisons.

Risk management, information security and data privacy

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As custodians of data for thousands of market participants globally and the Personal Identifiable Information (PII) that we hold on their behalf, Link Group has a duty and responsibility to protect this information and prevent its misuse. Managing and protecting data is critical to maintaining the trust and confidence of our stakeholders and in safely connecting people with their financial assets across the world.

We have robust controls in place that are designed to embed a culture of vigilance and awareness of information and data security, including:

- privacy, cybersecurity, and data protection risk assessments
- threat modelling and scenario-based testing
- a systematic information security management system (ISMS) independently reviewed and audited on an annual basis
- restricted access controls for core systems and functions
- organisation-wide clean desk policy
- regular training on privacy, information security and data protection including phishing simulations
- information security and privacy policies and a code of conduct that outline potential disciplinary action for policy breaches

These measures reinforce privacy and data protection as a key part of our culture.

Best practice standards and principles

In addition to our internal controls and processes, Link Group seeks to align to best practice international standards for risk management and various international and regional standards for information security and cybersecurity.

Our Enterprise Risk Management Framework sets the strategic approach for risk management by defining standards, objectives, and responsibilities for all and is aligned to international risk management guidelines (ISO 31000:2018) and provides a consistent approach for identifying, analysing, evaluating, treating, monitoring and reporting risks at all levels of the organisation.

Our information security management system also aligns to global and regional standards and principles to create a robust and mature framework for information security management. We continue to align to a number of recognised industry standards such as ISO 27001:2013 and the National Institute of Standards and Technology (NIST) cybersecurity resilience framework.

We are pleased that we have continued to maintain over 94% coverage of our business for ISO27001:2013 certification, having met our data and information security target in FY2022, ahead of our targeted timeframe. There are several other global standards and principles we also continue to align to, including relevant Privacy Act and Data Protection laws, GDPR, CIS Top 20, Mitre Att&ck Framework, and OWASP Top 10.

Further, in the regions below there are specific standards that we are aligned to:

- Australia: ASAE 3402/GS007, APRA Prudential Standard CPS234, the Security of the *Critical Infrastructure Act 2018* (Cth) (SoCI Act) and ASD Essential 8; and
- UK/Ireland: ISAE 3402, ISAE 3000, AAF01/06, and NSCS Cyber Essentials.

More information on our governance and risk management approach can be found in our Risk Committee Charter and Enterprise Risk Management Framework.

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Over
6,800+
people[1] in our global business are covered under our ISO 27001:2013 certification scope

This equates to over
94%
global coverage

Meeting our FY2023 goal of
80%
ahead of our target timeframe

Approach to tax

In accordance with Link Group's Tax Risk Governance Policy, we continue to adopt a conservative approach to taxation, as outlined below.

Managing tax risks

We seek to comply with and transparently disclose all our tax obligations, by focusing on accurate compliance reporting and engaging with tax authorities. We seek to gain clarity within the law and evaluate potential tax outcomes of transactions within our low tax-risk appetite.

Tax planning

We do not sanction or support any activities which seek to aggressively structure tax affairs. Our approach is to implement efficient strategies to support the business and reflect the commercial and economic activity, in accordance with our low-risk appetite.

Transparency

We seek to transparently disclose our tax obligations and payments made in Australia and overseas.

Relationships with tax authorities

We maintain open, transparent, and positive working relationships with tax authorities and regulators globally.

International related party dealings (IRPD)

We acknowledge our responsibility to comply with transfer pricing and have implemented policy, processes and regular IRPD reporting.

Breakdown of tax paid ($'000)

Unaudited breakdown of tax payments for year ended 30 June 2023	Corporate income tax $'000	Employer payroll tax[1] $'000	Total tax payment borne $'000	Goods & services /value added tax $'000	Employee payroll tax[2] $'000	Other tax $'000
Australia and New Zealand	6,989	18,993	25,982	43,370	79,652	–
United Kingdom and Channel Islands	(2,735)	13,995	11,260	14,806	25,065	–
Other Countries	9,153	6,061	15,214	12,129	23,764	39

1 Employer payroll taxes are calculated with respect to employee payroll headcount or similar and the liability is levied to Link Group. For example, payroll tax paid to Australian states, Fringe Benefits Tax in Australia, or National Insurance Contributions in the United Kingdom.

2 Employee payroll taxes refers to monies withheld from employee's wages that are considered individual personal taxation, often referred to as Pay As You Go (PAYG) or Pay As You Earn (PAYE).

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Building a more sustainable supply chain

Link Group adopts a responsible, ethical and sustainable approach to the procurement of goods and services within its supply chain.

We seek to manage our environmental, social and economic impacts by:

- Improving our relationships with our suppliers and clients
- Working with organisations in our supply chain to improve their sustainability practices
- Improving transparency within our supply chain by adopting a continuous improvement approach year on year

This year we have taken initial steps to better understand the environmental impacts of our supply chain through a third-party provider, which maps our supply chain and calculates indicative greenhouse gas emissions. As part of this, we have identified our outsourced data centres and cloud providers as key scope 3 emission sources and have engaged these suppliers to provide emissions data and expand our scope 3 measurement.

As part of our focus on continuous improvement, in FY2023 we undertook the following activities to reduce the risk of modern slavery in our supply chain.

- Reviewed the Human Rights and Sustainability policies to ensure continued compliance with regulation and the appropriate management of Link Group's social risks Continued to incorporate the "Standards for Suppliers" into key supplier contracts to address modern slavery and human rights requirements during the contract renewal process
- Strengthened the supplier governance program through a global alignment of supplier management and materiality assessments
- Undertook a third-party assessment of the investment portfolios for which Link Group's Fund Solutions businesses act as manager
- Continued to provide modern slavery awareness training and educate employees on Link Group's commitment to respecting human rights through Modern Slavery training and understanding of the Human Rights Policy, which came into force in August 2020
- Engaged the procurement team and business leaders in India to improve governance processes and due diligence for suppliers identified as higher risk and to investigate ways to improve engagement. This past year we focused on improving engagement with our suppliers in India who operate in the recruitment industry and anticipate this focus to continue in FY2024.

Link Group is subject to both the UK and Australian Modern Slavery legislation and will soon release a 2023 Group Modern Slavery Statement to fulfil our reporting obligations, which captures Link Group's progress towards identifying and addressing modern slavery risks within our business and supply chain. The statement explores our approach to identifying modern slavery risks through our third-party provider, and addresses employee training conducted on our human rights policy and procedures. Our 2022 Modern Slavery Statement is available on our website.

Conduct, ethics and respect for all employees

Our Code of Conduct and Ethics (Code) outlines our values and defines how we interact internally and engage with the clients, customers and communities in which we operate. Central to the Code is Link Group's 'Speak Up' framework, which encourages employees to raise concerns, report misconduct or illegal activity and our grievance procedure facilitates the appropriate investigation and resolution of complains.

We support the rights of employees to bargain collectively and maintain productive engagement with trade unions. 37% of Link Group's employees are covered by collective agreements globally.

PILLAR 2

Aligning and building our capability

SDG ALIGNMENT

Link Group's people are its most valuable asset. We strive to provide our people with an inclusive, safe and respectful workplace that values difference and supports each person to reach their potential. At Link Group we celebrate diversity, equity and inclusion and recognise their importance in developing the breadth of perspective and experience that we require for our people and business to succeed.

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SDG Target 5.1

End all forms of discrimination against women and girls everywhere.

Our contribution

Parental leave

Utilised

238 women

73 men

Parental leave retention rate

89%

Voluntary departures 12-month rolling turnover rate

24%

SDG Target 5.5

Ensure women's full and effective participation and equal opportunities for leadership at all levels of decision-making in political, economic, and public life.

Our contribution

44%

of senior executives are women

32%

of senior leaders are women, up from 23% in FY2021

100%

of employee gender balance targets met for FY2023

SDG Target 8.5

Achieve full and productive employment and decent work for all women and men, including for young people and persons with disabilities, and equal pay for work of equal value.

Our contribution

64%

of employees agree Link Group is a great place to work

Employee engagement has increased

↑9%

since 2021

83%

of employees believe people from all backgrounds have equal opportunities to succeed at Link Group

Staff completed over

66,000

hours of training globally in FY2023

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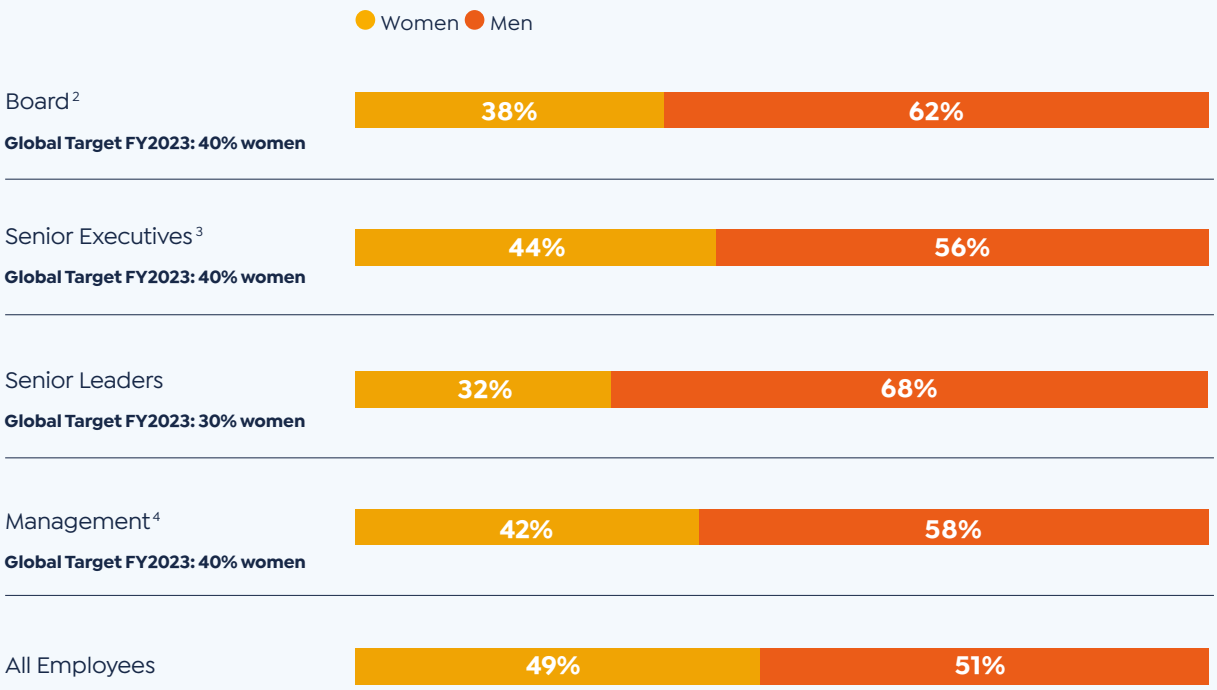
Link Group Level[1] — Actual FY2023 Gender Equity Balance

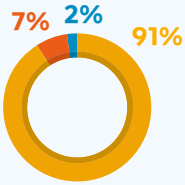


Link Group has adopted the 40:40:20 approach and has achieved/maintained this except at Senior Leader and Board level.

Total Workforce[5]

7,578[6]

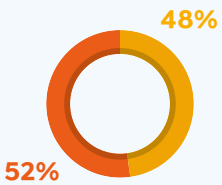
7,424 FTE

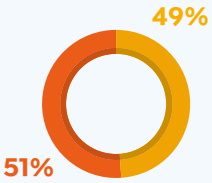


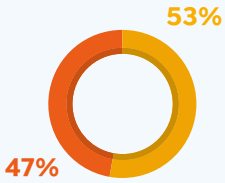
- Permanent
- Fixed-term, casual or parental leave
- Not directly employed by Link Group

Total Employees[7]

49% Women **51%** Men







1 As at 30 June 2023 includes 14 countries where Link Group operates globally.
2 Board includes the Managing Director.
3 Senior Executives includes the Managing Director and members of the executive leadership team globally as at 30 June 2023.
4 Employees in senior leader roles (global) and people management roles globally excluding Germany and Link Intime in India.
5 Total workforce comprises permanent + fixed term 96.5%, temp + contractor 1.9%, parental leave 1.3%, casual 0.4%.
6 Workforce headcount and FTE figures exclude contractors and temporary staff.
7 Total employees excludes external contractors and temporary staff.

Inclusive and equitable workforce

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Diversity and inclusion

At Link Group we recognise and respect the importance of diversity and inclusion as an integral part of how we operate. As a global organisation we:

- Are committed to creating an inclusive and collaborative environment where difference is valued and each person can realise their potential and contribute to Link Group's success
- Recognise that embracing and supporting individual differences brings the breadth of perspective and depth of experience critical to our success
- Strive to be an organisation where our people are reflective of the make-up of the companies we serve as well as their customers throughout the world.

Achieve gender balance and equity

In FY2023 we continued to meet our 40:40:20 targets for gender representation across the executive and people manager levels, as well as across the wider organisation. We recognise that we still have some work to do at the Senior Leader and Board level to meet our goal.

Our targeted recruitment approach for senior leader vacancies has seen us improve our female representation for senior leaders from 23% at the end of FY2021, to 32% at the end of FY2023. We remain committed to achieving gender balance and equity across all levels of management and the wider organisation and will continue to strive to meet 40:40:20 representation across all levels.

Inclusive behaviour and awareness

In FY2023 we continued our campaigns and initiatives to promote inclusive behaviour and recognise our global days of significance. We celebrated a dedicated week for World Pride in February where teams learned about allyship through information sessions and personal stories from our own people, about their journey as part of the LGBTQIA+ community.

We also held Gender Equity Week in March 2023, coinciding with International Women's Day. We hosted guest speakers, engagement events and shared personal stories from our people about gender equity. The International Day for the Elimination of Racial Discrimination was also recognised in the same month.

Other initiatives included our Fund Solutions team running an inclusion training workshop, focusing on inclusive behaviours at all stages of the employee lifecycle and our India Hub launching 'Her Story' – a series of sessions throughout the year to showcase female leaders from across the group who shared their career story and how Link Group is supporting gender equity and inclusiveness.

Wellbeing

The safety, health and wellbeing of our people is a key priority for Link Group. In FY2023, we offered all employees one day of wellbeing leave. This was received positively and has been a contributing factor to an increased employee engagement survey score, with 84% of employees in FY2023 agreeing that managers care about their wellbeing, up from 80% in FY2022.

Mental Health & Wellbeing Week was held in October 2022, which included workshops, activities and connection lunches in many of our offices. We also held virtual workshops on topics such as 'Positive Psychology at Work' and 'Feeding your Mental Health', and published articles from our employees who shared their mental health journey, encouraging others to do the same. These activities were reinforced by ongoing access to a range of wellbeing tools and information through Link Wellness, a one stop portal for all our employees' health and wellbeing needs, and access to our Employee Assistance Program (EAP) providers globally.

Top viewed pages

- Mental wellbeing toolkit
- Physical wellbeing toolkit
- Thrive EAP Australia and New Zealand
- Financial wellbeing toolkit
- EAP Care First UK

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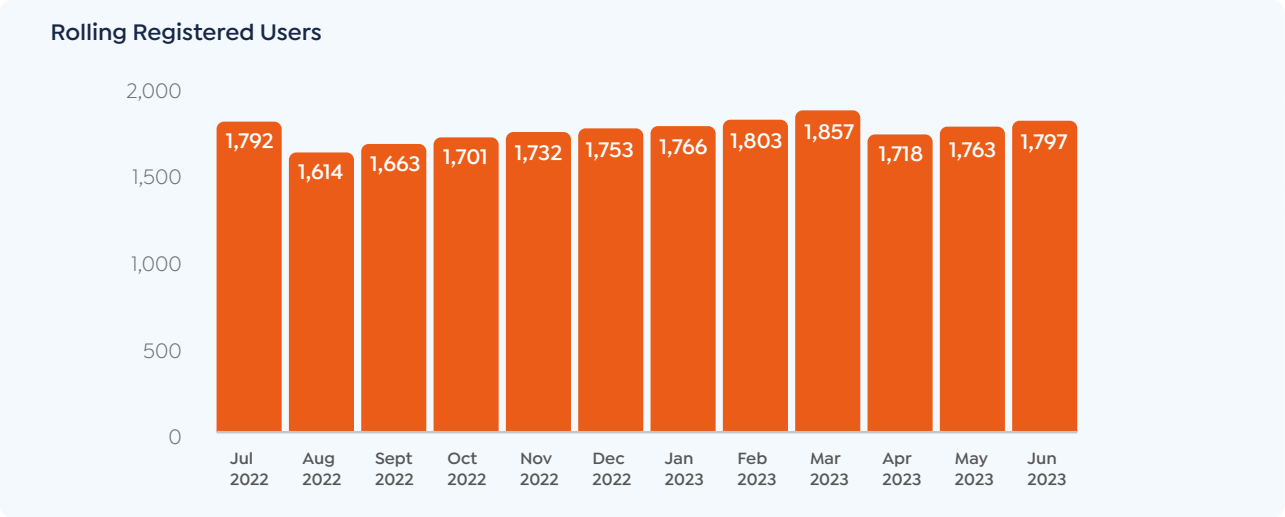
The figure below captures the rolling number of Link Wellness users over FY2023.



In FY2023 we also commenced a psycho-social hazards review, including our roll out of psycho-social hazard training for HR employees.

Listening to our people

Listening to our people and improving the employee experience is a high priority for our leadership teams. In April 2023 we conducted our second global Link Listens employee engagement survey. The survey gathered over 12,000 comments on how our people felt about their employee experience, providing us with valuable insights.

Pleasingly, employee engagement improved by 9%, compared to our Link Listens survey in 2021, which tells us that our people are feeling more enthusiastic, committed and connected to Link Group. In addition, factors that contribute to engagement such as collaboration, innovation and feedback all saw increases from the 2021 survey. In line with our employee listening strategy, our leaders will be taking targeted action to improve the areas of opportunity as identified from the survey over the course of FY2024. We intend to run our Link Listens survey again in FY2024.

This year we announced that we would transition from a monthly to fortnightly pay cycle in Australia, effective 1 July 2023. We made this change in direct response to employee feedback that it would better support their overall financial wellbeing. The transition to the new pay cycle was supported by a series of well-attended webinars facilitated by finance experts, providing advice about budgeting and managing finances.

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Investing in our people and systems

Our continued investment in people and systems gives us the tools, knowledge, and capability to develop global innovative client solutions. In FY2023, we have been investing in insights that provide us the ability to assess current and future skill gaps using skill trends and competitive benchmarking. This data is real-time and is used to produce market data for particular roles and skills, build talent pools, strengthen our employment branding efforts, and inform retention and headcount planning. The use of these insights allows us to have a clear and aggregated picture of the talent marketplace, enabling strategic and data-driven decisions during the process of talent acquisition in the current market.

We recognise that investing in learning and development is critical to improve employee performance, increase productivity, and attract and retain top talent. In the past year, we supported the development of our employees with easily accessible learning content on Link Academy, our Learning Management System. Link Academy leverages partnerships with global learning providers as well as custom content built in-house, to deliver over 2,000 online learning solutions across leadership and business skills, technical and operational training, as well as our required learning modules for all employees.

Corporate Markets and Link Fund Solutions also ran a frontline leadership program to equip new leaders with the knowledge, skills and capabilities required for effective, results-focused leadership. We also introduced a new leader toolkit with practical tools and resources to help build leadership capability and support them in performing their role.

In addition, our India Hub conducted a training needs analysis and identified six key skills as priorities for development. Over 50 days of training, more than 400 participants undertook short skills courses focused on these priorities. The training saw a positive rating of 99% from the employees who attended.

Blended working

A key focus of Link Group is providing our people with flexibility in the way they work. This creates an inclusive work environment and supports employee wellbeing, better enabling our people to thrive and work together and contribute to Link Group's overall success. It also strengthens the sustainability and continuity of our operating businesses, enabling us to deliver effective client outcomes. In FY2023 we further embedded our flexible and blended working initiative, FlexTogether, across our organisation globally. Our employees see our flexible approach to blended working as a key strength for Link Group, with 90% of employees believing they can do their work as effectively remotely as in the office and 85% of employees saying that their leaders support them to work flexibly.

PILLAR 3

Sustainable growth

SDG ALIGNMENT

Link Group's commitment to innovation ensures we offer our clients market leading services in an ever-evolving space. The creation of new solutions also recognises and manages our environmental and social risks and opportunities. This includes identifying ways to better manage our environmental impacts, as well as opportunities to maximise the social benefit we deliver through our community engagement strategy, LinkTogether For Good. Link Group's sustainability strategy seeks to align to the Paris Agreement, a legally binding international treaty on climate change, and we have a target of net zero carbon emissions by FY2030.

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Environmental performance

Link Group produces mainly intangible, technology-based products and services requiring limited use of resources. Over 71% of the premises we occupy are certified either nationally or internationally as sustainable buildings.[1] We continue to identify ways to understand and reduce our emissions, including procuring goods and services in a sustainable manner that minimises the impact on our surrounding community and environment. We have set a net zero emissions target for FY2030 and short, medium and long-term targets to continue to reduce our Scope 2 absolute emissions.

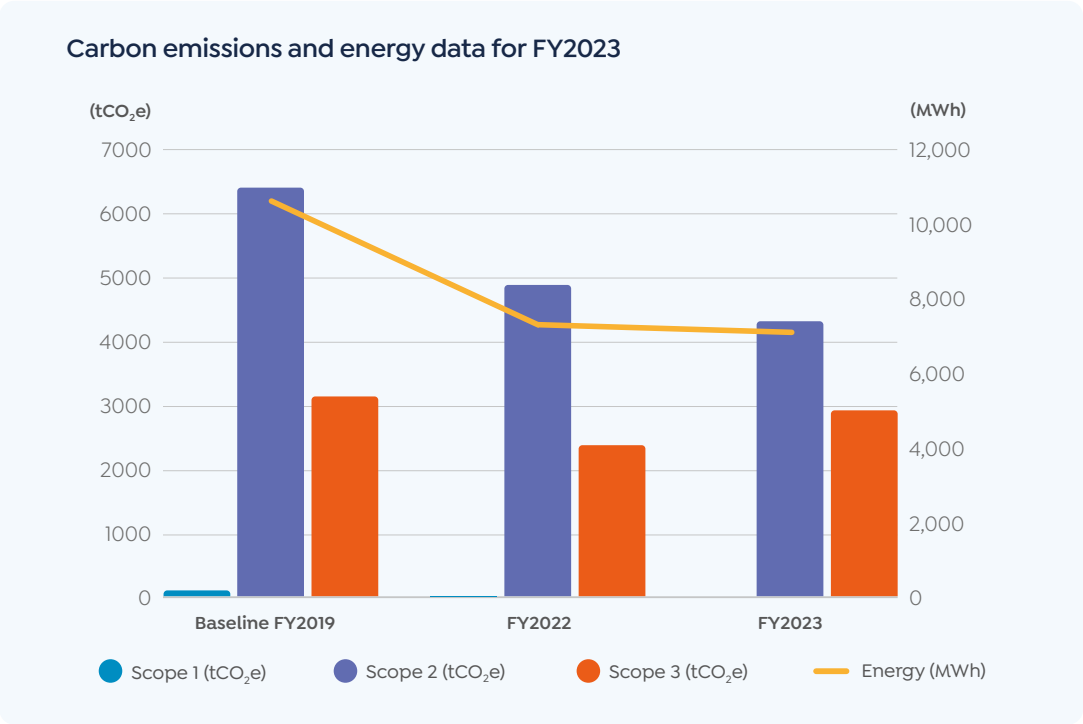
To track progress against our targets we measure and report on:

- **Scope 1:** Onsite gas heating for buildings at tenanted corporate office locations.[2] As of FY2023, Link Group no longer has any Scope 1 emissions.
- **Scope 2:** Electricity consumed onsite at tenanted corporate office locations; and
- **Scope 3:** Limited other indirect emissions that occur in Link Group's value chain. In FY2022 this only included business travel, but in FY2023 we have expanded our boundary to include data centre operations and cloud providers. This has significantly increased our reported Scope 3 emissions, but more accurately reflects our environmental impact. We plan to further increase the boundaries of our Scope 3 emissions calculations from FY2024.

While we are not externally certified to an environmental management system, we have responsible energy consumption and environmental practices in place. Our direct environmental impacts relate to the resources we consume in our offices. At this stage our indirect impacts relate only to our outsourced data centres and cloud providers, external paper consumption (managed on behalf of our clients), our supply chain and business travel.

In FY2023 we continued to work with organisations in our value chain to measure the environmental impacts of our supply chain, for example, relating to external paper consumption.3

This year we undertook our inaugural Taskforce for Climate-Related Financial Disclosures (TCFD) assessment and have published our most material physical and transition climate risks and opportunities as part of this Annual Report. We will continue to monitor these risks throughout the year, aiming to minimise our impact through reducing resource use and enhanced environmental management practices.



1 Definition of sustainably rated buildings refers to LEED-certified to gold or above, BREEAM certified excellent or above or NABERS Level 5 or above. The UK buildings we occupy are compliant with the Energy Savings Opportunity Scheme (ESOS). Phase 3 of the scheme was completed in 2023.

2 Scope 1 (direct) emissions combusted on-site within office buildings (natural gas).

3 Managed on behalf of our clients that is required under certain regulation in the jurisdictions of operation.

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Contribution to UN SDG Goal 13

We continue to support our long-term sustainability by understanding and addressing the material financial impacts of climate-related risks and opportunities. In FY2023 we have achieved the following reductions in energy consumption as set out in FY2023 highlights below.

Emissions from energy use and travel

Link Group's offices exclusively consume grid electricity. From FY2023 gas is no longer used to heat any of our offices.

In FY2023, our total emissions were 7,203 tonnes of CO_2e, a decrease of 0.2% from adjusted FY2022 figures. While our Scope 2 emissions decreased by 11%, our Scope 3 emissions increased, largely due to a resumption of air travel following the COVID-19 pandemic. As a result our overall emissions remained flat.

FY2023 air travel figures have, however, reduced from pre-pandemic levels, with a 49% decrease since FY2019. This indicates a significant longer-term shift in our organisational approach to business travel, and we will continue to encourage the use of virtual meeting technology to minimise flight-related emissions.

Our office leasing strategy seeks energy efficient buildings that allow us to reduce our energy consumption and emissions. This strategy strengthens our ability to reduce our Scope 2 emissions. As part of the strategy, we also work closely with our Scope 2 suppliers to utilise green energy where possible.

SDG Goal 13 target 13.1:

Strengthen resilience and adaptive capacity to climate related hazards and natural disasters in all countries.

FY2023 performance

Emissions

Absolute Scope 2 emissions decreased

↓32%

from FY2019

Total emissions of tCO_2e 7,203, a decrease of

↓0.2%

from 7,217 in FY2022

Emissions intensity (tCO_2e per FTE)

0.97

a decrease of 4% from FY2022

Travel

Total distance flown

6.936M km

FY2022: 2.256M km

Emissions in tCO_2e from air travel

1,522

FY2022: 491.21

Rail travel total distance travelled

958,768km

FY2022: 651,441km

Office space

Proportion of sustainably rated office space globally

71%

Global energy consumption decreased on FY2022

↓3%

Internal paper consumption increased

↑28%

from FY2022

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During FY2023 we moved to a new office in Dublin, Ireland, consistent with our hub and energy efficient leasing strategy.

Our FY2023 Scope 2 emissions were 4,302 tonnes of CO_2e, down 11% from FY2022. We consumed a total of 7,174 MWh of energy across Scope 2, a 3% decrease from FY2022, which can be attributed to our continued focus on our office leasing strategy and procuring green energy where possible. This reduction has also been influenced by Link Group consolidating occupied space in certain offices, such as Parramatta and Melbourne.

FY2023 Scope 3 emissions increased by over 400% compared to FY2022 due to the expansion of our Scope 3 boundary to include data centre operations and cloud providers, which gives us greater transparency and understanding of our Scope 3 emissions. Adjusting FY2022 figures to reflect the expanded boundary, the real increase is 23%, largely resulting from increases in post-COVID flight-related emissions, as noted above. Data centre and cloud provider emissions were lower in FY2023 than in FY2022, however, which is a positive trend we hope to see continue in FY2024.

Resource efficiency

Resource efficiency is a key priority at Link Group, as we seek to remove, reduce, reuse and where necessary recycle products and any waste in our operations, including e-waste.

In FY2023, we recycled and reused 12.84 tonnes of e-waste, a reduction of 46% from FY2022. Our internal paper consumption was 48.92 tonnes and increased by 27.76% compared to FY2022. The environmental impact of our paper consumption continues to be addressed through an ongoing commitment to use certified sustainable paper stock. Approximately 31% of our internal paper consumption is certified sustainable and 30% of our total internal paper consumption is certified carbon neutral. In FY2023 we recycled 111.18 tonnes of paper.

A total of 836 tonnes of paper was consumed externally on behalf of our clients, a decrease of 15.9% from FY2022. We continue to encourage our clients to adopt improved sustainable approaches to communicating with their customers either electronically or through an ongoing commitment to use certified sustainable or recycled paper stock. In FY2023 54% of our external paper consumption was certified sustainable, a decrease of 8% from FY2022.

Expanding our recycling efforts in Sydney

Our property team have assisted building managers in our World Square office in Sydney, Australia with the rollout of waste stream bins and information to extend recyclable items in the office. This has provided our team with the ability to place items previously destined for landfill in recycling, reuse and repurposing waste streams.

With the bins collected, the following waste management processes are undertaken: Glass is recycled back into glass, aluminium is smelted back into aluminium, paper and cardboard are baled and turned back into paper and cardboard, organics are turned into compost/fertiliser, plastics (clean) are baled and prepared for overseas export where they are recycled back into useable products such as insulation. Many non-recyclables are converted into Processed Engineered Fuel (PEF), a ready to-use fossil fuel substitute, used in kilns, power stations and other industries.

Link Group is actively seeking other opportunities with building managers and suppliers to embed similar waste and resource management approaches throughout our other offices.

In FY2023, we held Sustainability Week to reinforce our commitment to being a responsible and sustainable business, and the roles that our people can play in supporting this. We conducted a range of events including our Eco-Warrior Sustainability Challenge, where employees shared insights and ideas on how they live sustainably, and we also observed Earth Day on 22 April 2023.

Community engagement

Our LinkTogether For Good (LTFG) Strategy guides our delivery of social impact programs for the communities in which we operate. LTFG is focused on improving education for disadvantaged populations and is an opportunity to strengthen our community impact.

Contribution to UN SDG Goal 4

Through LTFG we continue to give back to our communities in three ways:

1. Supporting our LTFG community partners to improve access to education for the disadvantaged and vulnerable in the communities in which we operate. We believe that education is crucial to building a sustainable future, and LTFG creates opportunities for our employees to positively engage with the community in a meaningful way.

2. Employee giving, supporting our people to donate financially and in-kind toward charitable causes and/or by utilising their volunteer leave to give back to their communities in a more meaningful way.

3. Supporting emergency relief for extreme weather events such as bushfires or floods

We celebrated Giving Back Month across our locations globally, encouraging our employees to participate in a range of events and volunteering opportunities. It commenced on International Volunteer Day in December 2022 and culminated on the UN International Day of Education in January 2023.

In FY2023 our total charitable contribution (financial and in-kind) was more than $540,000, an increase of 45% from FY2022.

TOTAL
CHARITABLE CONTRIBUTION
$540,000+

1,120+
VOLUNTEER
LEAVE HOURS

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Our community partners

Young Enterprise (YE)

reaches over 220,000 young people aged 5-18+ across the UK every year. Their financial capability and entrepreneurship education programmes help young people learn the vital skills needed to earn and look after their money.

Ardoch

is a children's education charity focused on improving educational outcomes for children and young people in disadvantaged communities. Their vision is to become Australia's most impactful education partner supporting children in disadvantaged communities.

basis.point

aims to help make a sustainable and tangible difference to the lives of those living in poverty, particularly young people, by supporting charities which focus on education.

Ireland UK

India

Australia

Bharatiya Vidya Bhavan

operates through local centres, called Kendras (the Sanskrit word for centres), which are spread across India. The institution provides national standard level of education to primary and secondary students including remote village areas, where it provides quality education to economically challenged families.

SPRJ Kanyashala Trust

aims to provide every available opportunity to promote education of underprivileged girls and thereby enrich their lives and empower them.

South Indian Education Society (SIES)

strives to respond to a continuously changing educational landscape with its high standards of academic, professional and societal performance, helping to shape young minds in their formative years to become confident citizens.

Nasscom Foundation

strives to unleash the power of technology by providing access and opportunity to those in need. Our support has helped to provide training and employment opportunities for graduates from marginalised communities.

Since launching LTFG in FY2021 we have raised over $860,000 towards improving educational outcomes.

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Climate Statement

1. Introduction

At Link Group, we recognise that climate change poses a risk not only to our own business operations, but right across our value chain. It also presents an opportunity to better embed climate considerations into our products and services, and into how we operate our business.

This inaugural Climate Statement, aligned to the Task Force on Climate-Related Financial Disclosure (TCFD) Recommendations, reflects our commitment to being a responsible business and to transparently communicating the impacts of climate change on Link Group. It outlines our understanding of potential climate-related impacts on Link Group and ways we can mitigate against them.

We have made good progress on reducing our Scope 1 and 2 greenhouse gas emissions and are well placed to continue this progress as we identify further emissions reduction opportunities within our Scope 3 footprint.

In FY2023, we took the important step to identify the climate-related risks and opportunities for Link Group and assess these against three climate scenarios. The outcomes of this initiative, together with strong collaboration with our clients, suppliers and other stakeholders will support us in achieving our net zero aspirations and the continued sustainability of our organisation.

2. Governance

Strong corporate governance is critical to delivering sustainable value for our shareholders and broader stakeholders. While our Board of Directors (Board) is ultimately accountable for implementing and overseeing our corporate governance framework, the Executive Leadership Team (ELT) and all Link Group employees are responsible for upholding the corporate standards set. This flows through to Link Group's sustainability efforts, with responsibilities across all parts of the organisation.

2.1 Board oversight

The Board is responsible for approving our sustainability strategy and associated policies, with recommendations provided by the Audit Committee, as outlined in the Sustainability Report.

Climate-related risks and opportunities are shared with Link Group's Audit Committee through periodic updates on Link Group's sustainability strategy and progress against our climate targets. As part of these updates, we highlight challenges associated with achieving sustainability targets and raise any pertinent climate or sustainability-related issues. The Board is advised of these updates with any issues of significance raised.

2.2 Management accountability

Link Group's Executive and Senior Leadership Teams have management responsibility for delivery of the sustainability strategy and adherence to policies. As outlined in the Sustainability Report, Link Group also has an ESG Working Group and TCFD Working Group to support the implementation of the sustainability strategy across all stakeholder groups, including clients and their customers. These comprise senior leaders and managers across the business and meet at least quarterly to discuss progress, identified gaps and next steps.

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3. Strategy

The nature of Link Group's business as a provider of services means that Link Group's climate impacts result predominantly from the buildings we occupy, our consumption of energy and disposal of waste, utilisation of outsourced data centres, the goods and services we source through our supply chain and our employees' business travel. Our current sustainability strategy includes targets to address these impacts and reduce our emissions with a view to reducing our operational environmental impacts over the short, medium and long-term. Further information on Link Group's sustainability strategy and how it informs our corporate strategy can be found in the Sustainability Report.

3.1 Scenario analysis

In FY2023, we undertook a qualitative climate risk and opportunity assessment. This involved the analysis of three climate scenarios to support in better understanding potential climate impacts based on a range of prospective climate outcomes. In undertaking this analysis, we utilised data sets from the Intergovernmental Panel on Climate Change (IPCC) and the International Energy Agency (IEA) to articulate three climate narratives. The three scenarios applied were:

Scenario	IPCC SSP (shared socioeconomic pathway)	IEA	Long-term warming estimate (2100)
High Emissions (or business as usual)	IPCC SSP 3-7.0	Stated Policies Scenario	~3.6°C (2.8-4.6 °C)
Moderate Emissions (or delayed transition)	IPCC SSP 2-4.5	Announced Pledges Scenario	~2.7 °C (2.1-3.5 °C)
Low Emissions (or Net-Zero)	IPCC SSP 1-1.9	Net Zero by 2050 Scenario	Stated Policies S ~1.4 °C (1.0-1.8 °C)

Link Group assessed each of the identified risks and opportunities over two time horizons, including a shorter-term (2030) and a longer-term (2050) time horizon. Using our risk policies supporting the Enterprise Risk Management Framework (ERMF), we assessed the potential consequence and likelihood of each identified risk and opportunity under these time horizons and climate scenarios. This analysis has helped inform our understanding of the potential shorter-term transition impacts on the business, as well as the potential longer-term physical impacts of climate change.

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The key climate-related risks (both physical and transition) and climate-related opportunities identified through the analysis are summarised below.

Risks for Link Group

Risk	Category	Description	Key considerations
Introduction of mandatory climate-related reporting	Transition (Policy and Legal)	Preparation for the introduction of mandatory climate-related reporting that is to be introduced in each of our local jurisdictions.	• Increased costs associated with new regulatory requirements. • Potential exposure to fines and litigation resulting from non-compliance.
Carbon cost pass through (indirect carbon pricing, e.g. for paper)	Transition (Market)	To support the transition to a lower carbon economy, a carbon price may be implemented by Government/regulators.	• Potential additional cost for our businesses with high paper usage due to current regulatory or client requirements.
Volatility in investment markets driven by climate sentiment/ activity	Transition (Market)	The impacts of climate change may result in increased market volatility. This could be driven by market sentiment as investors seek to understand and price the impacts of climate change.	• Provision of certain services that are directly related to the investment market may see a decline in demand for services. • Demand for loans for commercial purposes in our BCM business may also be impacted.
Acute physical climate events leading to disruption to Link Group's own operations and suppliers	Physical (Acute)	Acute physical impacts (e.g. bushfires, flooding) of climate change may disrupt operations and impact our suppliers as a result of damage to assets and infrastructure, in addition to impacts on labour commute and productivity.	• Higher insurance premiums (i.e. insurance premiums factored into rental costs) resulting from greater exposure to physical climatic events. • Higher costs relating to workforce impacts (i.e. commute to work). • Reduced productivity within the workforce. • Higher capital expenditure to upgrade physical assets (i.e. backing up energy sources). • Damage to customer and supplier relationships due to the inability to fulfill contractual obligations. • Disruption to Link Group's business operations and ability to comply with paper-related legislation.

Opportunities for Link Group

Opportunity	Category	Description	Key considerations
Transition to more efficient sources of energy and energy efficient leases	Energy source	Opportunity for Link Group to transition to more renewable sources of energy and assess the energy efficiency of our leased property portfolio to support our emissions reduction ambitions.	• Reduced cost associated with energy and waste bills.
Capitalise on changing customer sentiment	Markets	Adapting to customer behaviour change in a transition to a low carbon economy in a way that builds trust and maintains social licence.	• Building trust with key stakeholders and maintaining social licence. • Potential to develop new services and solutions that capitalise on ESG and climate change demands and concerns.

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TCFD risk categories and examples

Transition Risks

Policy and Legal
- Increased pricing of GHG emissions
- Enhanced emissions-reporting obligations
- Mandates on and regulation of existing products and services
- Exposure to litigation

Technology
- Substitution or existing products and services with lower emissions options
- Unsuccessful investment in new technologies
- Upfront costs to transition to lower emissions technology

Markets
- Changing customer behaviour
- Uncertainty in market signals
- Increased cost of raw materials

Reputation
- Shift in consumer preferences
- Stigmatisation of sector
- Increased stakeholder concern or negative stakeholder feedback

Physical Risks

Acute
- Increased severity of extreme weather events such as cyclones and floods

Chronic
- Changes in precipitation patterns and extreme weather variability
- Rising mean temperatures
- Rising sea levels

TCFD opportunity categories and examples

Resource efficiency
- Use of more efficient modes of transport
- More efficient production and distribution processes
- Use of recycling
- More efficient buildings
- Reduced water usage and consumption

Energy source
- Lower-emission sources of energy
- Supportive policy incentives
- Emergence of new technologies
- Participating in carbon market
- Energy security and shift towards decentralisation

Product and services
- Develop and or expand low emission goods and services
- Climate adaptation and insurance risk solutions
- R&D and innovation
- Diversify business activities
- Shifting consumer preferences

Markets
- New markets
- Public-sector incentives
- Community needs and initiatives
- Development banks

Resilience
- Participate in renewable energy programs and adopt energy-efficiency measures
- Resource substitutes/diversification
- New assets and locations needing insurance coverage

Source: Recommendations of the Task Force on Climate-related Financial Disclosures, 2017.

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4. Risk management

Link Group's Enterprise Risk Management Framework (ERMF) and supporting policies set the strategic approach for managing risk by defining standards, objectives, and responsibilities for all areas of the Group. It describes our approach to defining and managing the material risks our business faces, with material risks established through the Group's Risk Appetite. The Group's Risk Appetite is approved by the Board on an annual basis.

4.1 Our approach to identifying and assessing climate risks and opportunities

Link Group uses an integrated approach to climate-related risk management, which is governed by Link Group's ERMF. We regularly review sustainability risks through our ERMF and risk policies to ensure our business can plan, mitigate and adapt to any pertinent sustainability-related risks that may have a material impact on our value chain, business operations and people.

The risk assessment approach includes consideration of both reputational and sustainability risk categories, which are particularly pertinent for climate-related risks across the Group. The consequence assessment criteria from the ERMF supporting policies were utilised in the climate risk and opportunity assessment. The likelihood assessment criteria in the ERMF were updated to take into consideration the likely longer-term impacts of climate change, and to support a more structured assessment over longer specified time horizons.

Our ERMF sets out the Group's approach for identifying and assessing all risks. This is supported by policies and procedures which are aligned to the Group's material risks:

i. Policies set out principles and requirements for the activities of the Group (what must be done), and

ii. Procedures describe how the requirements set out in the policy are met, and who needs to carry them out (how things should be done)

4.2 Our approach to managing climate risks and opportunities

A Sustainability Risk Management Policy is in the process of being developed. This will cover both environmental and social risks across Link Group's value chain, including frequency of review and how we will manage the decisions and process to mitigate risks.

Our ESG and TCFD Working Groups will have oversight of the climate risks and opportunities identified in the climate risk assessment, and work with employees and senior leaders to take appropriate actions in response.

5. Metrics and targets

Two key aspects of our sustainability pillars 'A Responsible Business' and 'Sustainable Growth' are the minimisation of our environmental impact and reduction of our carbon emissions. Link Group has committed to be net zero by 2030 and has a range of interim targets across Scope 1, 2 and 3 emissions to achieve this overarching goal. We monitor our progress to achieving our targets, tracking our carbon emissions each financial year for Scope 1 and 2 emissions within our Australian operations.

5.1 Emissions performance

Please refer to the Sustainability Report on previous pages which outlines our emissions performance to date and shows a historical reduction in Scope 1, 2 and 3 emissions as we progress to meeting our net zero by 2030 target.

5.2 Targets and commitments

Link Group has committed to the following emissions reduction targets and commitments:

- Reduce absolute Scope 2 emissions by 30% from FY2019 levels by FY2025
- Reduce absolute Scope 2 emissions by 50% from FY2019 levels by FY2030
- Scope 2 emissions net zero by FY2025
- Net zero by FY2030
- Reduce emissions intensity by 50% from FY2019 levels by 2030

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6. Looking ahead

Link Group is committed to evolving our approach to managing climate-related impacts and has identified the following initiatives to be implemented in FY2024:

TCFD Pillar	Proposed FY2024 actions
Governance	• Further embed sustainability and climate change as a standing agenda item in each Audit Committee and Board meetings. • Increase the level of training and education across the business. This includes exploring climate-related and broader sustainability training for the Board and general management.
Strategy	• Commence process of quantitative analysis of key climate-related financial risks and opportunities to understand the potential financial impacts to Link Group's business. • Work with business representatives via the TCFD Working Group to have climate-related information considered as part of their key business decisions.
Risk management	• Identify opportunities to improve how Link Group assesses, monitors and manages climate-related risks. • Further integrate climate-related risks into Link Group's Risk Appetite Statement. • Embed climate risk into Link Group's Enterprise Risk Management Framework (ERMF).
Metrics and Targets	• Reassess Link Group's Scope 3 boundary to measure and disclose more categories based on findings from independent third-party assessment of Scope 3 emissions.

Financial Report

SECTION
01 Directors' Report

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DIRECTORS AND COMPANY SECRETARIES

The Directors present their report together with the consolidated financial statements of Link Group, being Link Administration Holdings Limited (the Company) and its Controlled Entities, for the financial year ended 30 June 2023 and the auditor's report thereon.

The Directors of the Company at any time during or since the end of the financial year are as follows:

DIRECTORS	EXPERIENCE AND BACKGROUND
 Michael Carapiet Independent Chair and Non-Executive Director Appointed 26.06.2015	Michael Carapiet was appointed as a Director and Chair of the Company in 2015. He is an ex-officio member of all Board Committees. Michael is Chair of Smartgroup Corporation Limited. He was previously Chair of Insurance & Care NSW (icare), Chair of SAS Trustee Corporation and a Director of Southern Cross Media Group Limited. Michael has also served on Commonwealth Government boards including Infrastructure Australia, Clean Energy Finance Corporation and Export Finance Insurance Corporation. Michael has over 30 years of experience in banking and financial services and holds a Master of Business Administration from Macquarie University, Sydney.
 Vivek Bhatia Chief Executive Officer & Managing Director Appointed 02.11.2020	Vivek Bhatia joined Link Group in 2020 as CEO and Managing Director. Vivek is a Non-Executive Director of Property Exchange Australia Limited (PEXA). Vivek has over two decades of experience in financial services, government and management consulting. He is an experienced chief executive, having led a number of complex businesses throughout his career. Vivek joined Link Group from QBE Insurance Group where from 2018 he was Chief Executive Officer of the ASX-listed general insurance and reinsurance company's Australia Pacific division. Vivek joined QBE from icare where he held the position of inaugural Chief Executive Officer and Managing Director. Prior to this, he co-led the Asia-Pacific Restructuring and Transformation practice at McKinsey & Company and also previously held senior executive roles at Wesfarmers Insurance, including responsibility for leading the Australian underwriting businesses of Lumley, WFI and Coles Insurance. Vivek holds an undergraduate degree in engineering, a post graduate degree in business administration and is a Chartered Financial Analyst (ICFAI).

DIRECTORS AND COMPANY SECRETARIES (CONTINUED)

DIRECTORS	EXPERIENCE AND BACKGROUND
 Glen Boreham, AM Independent Non-Executive Director Appointed 23.09.2015	Glen Boreham was appointed a Non-Executive Director of the Company in 2015. He is Chair of the Technology & Transformation Committee and a member of the Human Resources and Remuneration Committee. Glen is a Director of Cochlear Limited and Southern Cross Media Group Limited and Strategic Advisor to IXUP. Previously, Glen was the Managing Director of IBM Australia and New Zealand. He has also previously served as Chair of Screen Australia, Advance and the Industry Advisory Board for the University of Technology, Sydney, as well as Deputy Chair of the Australian Information Industry Association and a Director of the Australian Chamber Orchestra. Glen holds a Bachelor of Economics from the University of Sydney and an Honorary Doctorate from the University of Technology Sydney. In January 2012, Glen was awarded a Member of the Order of Australia for services to business and the arts.
 Andrew (Andy) Green, CBE Independent Non-Executive Director Appointed 09.03.2018	Andy Green was appointed a Non-Executive Director of the Company in 2018. He is Chair of the Risk Committee and a member of the Technology & Transformation Committee. Andy is Chair of Simon Midco Ltd the holding company of Lowell Group, Chair of Gentrack Group Ltd and Senior Independent Director of Airtel Africa plc. He is a Commissioner at the UK's National Infrastructure Commission, Chair of WaterAid UK and a trustee of WWF UK. Andy's earlier career at BT Group (formerly British Telecom) spanned more than 20 years, including as CEO of Global Services. He also previously served as Group Chief Executive of IT and management consultancy company Logica plc, and as Senior Independent Director at ARM Holdings plc. Andy holds a Bachelor of Science in Chemical Engineering with first class honours from Leeds University.
 Peeyush Gupta, AM Independent Non-Executive Director Appointed 18.11.2016	Peeyush Gupta was appointed a Non-Executive Director of the Company in 2016. He is a member of the Risk Committee and a member of the Audit Committee. Peeyush is currently the Chair of Charter Hall Direct Property Management Limited and Long Wale REIT and a Non-Executive Director of National Australia Bank, SBS, Northern Territory Aboriginal Investment Corporation, NSW Cancer Council and Quintessence Labs Pty Ltd. With over 30 years of experience in the wealth management industry, Peeyush was previously co-founder and the inaugural CEO of IPAC Securities Limited, a wealth management firm spanning financial advice and institutional portfolio management. He has extensive corporate governance experience, having served as a Director on listed corporate, not-for-profit, trustee and responsible entity boards since the 1990s. Peeyush holds a Masters of Business Administration (Finance) from the Australian Graduate School of Management and has completed the Advanced Management Program at Harvard Business School. He is a Fellow of the Australian Institute of Company Directors. In January 2019, Peeyush was awarded a Member of the Order of Australia for significant service to business, and to the community, through his governance and philanthropic roles.

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DIRECTORS AND COMPANY SECRETARIES (CONTINUED)

DIRECTORS	EXPERIENCE AND BACKGROUND
 Anne McDonald Independent Non-Executive Director Appointed 15.07.2016	Anne McDonald was appointed a Non-Executive Director of the Company in 2016. She is a member of the Audit Committee and Chair of the Human Resources and Remuneration Committee. Anne is a Non-Executive Director of Smartgroup Corporation Limited, St Vincent's Health Australia Limited and Transport Asset Holding Entity of New South Wales. Anne was previously a non-executive director of GPT Group, Spark Infrastructure Group and Chair of Water NSW and Specialty Fashion Group. Previously a partner at Ernst & Young for 15 years, Anne has over 35 years of business experience in finance, accounting, auditing, risk management and governance. She is an experienced director and has pursued a full-time career as a Non-Executive Director since 2006. Anne is a Chartered Accountant, a graduate of the Australian Institute of Company Directors and holds a Bachelor of Economics from the University of Sydney.
 Sally Pitkin, AO Independent Non-Executive Director Appointed 23.09.2015	Sally Pitkin was appointed a Non-Executive Director of the Company in 2015. She is a member of the Human Resources and Remuneration Committee and a member of the Risk Committee. Sally is Chair of Super Retail Group Limited and was previously a Non-Executive Director of The Star Entertainment Group. Sally has more than 25 years experience as a Non-Executive Director in the listed, public and non-profit sectors, including in international markets. Formerly a senior corporate partner with a national legal firm, Sally has extensive corporate and banking law experience. She holds a PhD in Governance from the University of Queensland, a Master and Bachelor of Laws from the Queensland University of Technology.
 Fiona Trafford-Walker Independent Non-Executive Director Appointed 23.09.2015	Fiona Trafford-Walker was appointed a Non-Executive Director of the Company in 2015. She is Chair of the Audit Committee and a member of the Technology & Transformation Committee. Fiona is a Director of Perpetual Limited, FleetPartners Group Limited, Prospa Group Ltd, and chairs the Audit and Risk committees at Prospa and FleetPartners. Fiona is also a Director of Victorian Funds Management Corporation. Fiona was previously an Investment Director at Frontier Advisors (Frontier). She was the inaugural Managing Director at Frontier and held that role for 11 years until 2011 when she became the Director of Consulting until 2017. Fiona played a critical role in growing Frontier and has over 28 years of experience in advising institutional investors on investment and governance-related issues. Fiona holds a Master of Finance from RMIT University and a Bachelor of Economics (with Honours) from James Cook University. Fiona is also a Graduate of the Australian Institute of Company Directors.

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DIRECTORS AND COMPANY SECRETARIES (CONTINUED)

Directors' Meetings

The Board of the Company met 43 times during the financial year ended 30 June 2023. In addition, Directors attended Board strategy sessions and special purpose committee meetings during the year.

The following table includes:

- names of the Directors holding office at any time during, or since the end of, the financial year; and
- the number of scheduled and unscheduled Board and Board Committee meetings held during the financial year for which each Director was a member of the Board or relevant Board Committee and eligible to attend, and the number of meetings attended by each Director.

The number of Directors' meetings (including meetings of committees of Directors) and number of meetings attended by each of the Directors of the Company during the financial year are as follows:

	BOARD				COMMITTEES											
	SCHEDULED		UNSCHEDULED[1]		AUDIT		RISK		HUMAN RESOURCES & REMUNERATION		TECHNOLOGY & TRANSFORMATION		NOMINATION		SPECIAL PURPOSE	
	H	A	H	A	H	A	H	A	H	A	H	A	H	A	H	A
M Carapiet[2]	10	10	33	33	4	3	4	3	10	10	3	3	1	1	3	3
V Bhatia	10	10	33	32	–	4*	–	4*	–	9*	–	3*	1	1	3	3
G Boreham	10	10	33	32	–	3*	–	3*	10	10	3	3	1	1	–	–
A Green	10	10	33	33	–	3*	4	4	–	4*	3	3	1	1	–	–
P Gupta	10	9	33	28	4	4	4	4	–	5*	–	2*	1	1	–	–
A McDonald	10	10	33	33	4	4	–	3*	10	10	–	3*	1	1	–	–
S Pitkin	10	10	33	32	–	3*	4	4	10	10	–	3*	1	1	–	–
F Trafford-Walker	10	10	33	33	4	4	–	3*	–	8*	3	3	1	1	–	–

H Number of meetings held during the period in which the Director or Committee Member was appointed to the Board or Committee.

A Number of meetings attended by the Director. All Directors are entitled to attend Committee meetings in an ex-officio capacity and attendance in an ex-officio capacity has been noted with an asterisk (*).

The Managing Director, Vivek Bhatia is a Member of the Nomination Committee but is not a Member of any other Committee given he is an Executive Director.

Company Secretaries

Reema Ramswarup joined Link Group in April 2023 and was appointed Company Secretary on 30 June 2023. Reema has over 20 years' company secretarial experience in listed and unlisted entities as well as local government and professional services. Prior to joining Link Group, Reema worked as Company Secretary at AMP, primarily for its asset management business. Reema holds a Bachelor of Arts (Justice Administration), a Graduate Diploma in Applied Corporate Governance and is a member of the Governance Institute of Australia.

Sarah Turner resigned as General Counsel & Company Secretary of Link Group on 30 June 2023. Sarah Turner joined Link Group in February 2021. Sarah has over 20 years' experience in global leadership, company secretarial and legal services in Australia and the UK in industries including healthcare and technology as well as in private legal practice.

1 Unscheduled Board Meetings are held at short notice.

2 Michael Carapiet is an ex-officio member of each of the Board Committees and the chair of the Nominations Committee.

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EXECUTIVE KEY MANAGEMENT PERSONNEL (KMP)

The Executive KMP of the Company at any time during or since the end of the financial year are as follows:

CONTINUING EXECUTIVE KMP	EXPERIENCE AND BACKGROUND
Vivek Bhatia Chief Executive Officer & Managing Director	See Directors section for more detail.
 Antoinette Dunne Chief Executive Officer, Banking & Credit Management	Antoinette Dunne was appointed Chief Executive Officer of Banking & Credit Management on 1 June 2021. Antoinette joined Link Group in November 2017 when Capita Asset Services was acquired by Link Group. She was CEO and Executive Director of the BCMGlobal Irish and Italian businesses and has over 30 years' experience in financial services working in Ireland, UK and Australia. Prior to joining Capita, Antoinette ran her own financial services consultancy business, was Head of Halifax Retail Bank in Ireland and Head of Bank of Scotland Mortgage, Asset Finance and Consumer Lending Businesses in Ireland. Antoinette is a Chartered Director (CDir) and a Fellow Member of Association of Chartered Certified Accountants (FCCA). Antoinette will leave Link Group in FY2024 on successful completion of the sale of the Banking & Credit Management business.
 Paul Gardiner Chief Executive Officer, Corporate Markets	Paul Gardiner was appointed Chief Executive Officer of Corporate Markets in May 2021. Paul joined Link Group in 2006 when Orient Capital was acquired by Link Group from ASX Limited. His previous roles include Chief Technology & Operations Officer, and CEO of both Corporate Markets and Technology & Innovation. Paul has over 20 years' experience in financial services, technology, operations, and data analytics, having joined Orient Capital in 2001. Paul holds a Bachelor of Commerce and a Higher Diploma in Marketing Practice from the National University of Ireland, Galway and a Masters of Business Studies (Management Information Systems) from University College, Dublin.
 Andrew MacLachlan Chief Financial Officer	Andrew MacLachlan was appointed Chief Financial Officer on 1 January 2019. Andrew joined Link Group in 2009 and was Deputy Chief Financial Officer from 2013 to 2018. Andrew has over 30 years' experience in Finance and Accounting. His previous roles include Chief Financial Officer at Fero Group Pty Limited, Chief Financial Officer at Evans and Tate Limited and various roles at Singtel Optus and KPMG. Andrew is a member of Chartered Accountants Australia and New Zealand and holds a Bachelor of Economics (Accounting and Finance) from Macquarie University.

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EXECUTIVE KEY MANAGEMENT PERSONNEL (KMP) (CONTINUED)

CONTINUING EXECUTIVE KMP	EXPERIENCE AND BACKGROUND
 Dee McGrath Chief Executive Officer, Retirement & Superannuation Solutions	Dee McGrath joined Link Group as Chief Executive Officer of Retirement & Superannuation Solutions in May 2019. Dee has over 20 years' experience in the financial services and technology industry. Dee's previous senior appointments include National Australia Bank, Visa and HP, and prior to joining Link Group was Managing Partner, Global Business Services at IBM. Dee was a Member of the Board of IBM Australia, Bluewolf Australia and Oniqua Holdings. Dee's qualifications include business studies, economics and strategic planning and she is currently a member of Chief Executive Women.
 Karl Midl Chief Executive Officer, Fund Solutions	Karl Midl was appointed Chief Executive Officer, Fund Solutions in February 2022. Karl joined Link Group in November 2017 when Capita Asset Services was acquired by Link Group from Capita PLC, and has over 25 years' operational and client facing experience in the financial services industry. Karl joined the Fund Solutions business in 1995 and has held a number of executive roles including Operations Director, Programme Director and Director of Relationship Management, Product and Change Management. In 2019 he was promoted to the role of Managing Director, Link Fund Solutions (UK). Karl has represented Link Group on a number of industry committees and forums and is currently a member of The Investment Association's Investment Funds Committee. He is also a member of the Chartered Institute for Securities & Investment. Karl will leave Link Group in FY2024 on successful completion of the sale of the Fund Solutions business.

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REVIEW OF BUSINESS OPERATIONS

PRINCIPAL ACTIVITIES

Link Group's principal activities during the course of the financial year were connecting people with their assets – safely, securely and responsibly. Link Group administers financial ownership data and drives user engagement, analysis and insight through technology. We deliver complete solutions for companies, large asset owners and trustees across the globe. Our commitment to market-leading client solutions is underpinned by our investment in people, processes and technology.

DESCRIPTION OF BUSINESS UNITS

Link Group operates four revenue generating segments.

Retirement & Superannuation Solutions (RSS) is a purpose built, flexible, global retirement business driving better financial outcomes for members through a leading technology and services ecosystem. The scale, adaptability and ease of use of our proprietary systems, in conjunction with its integrated analytics offering, allows RSS to innovate and grow with the needs of its clients. RSS operates in four regions – Australia, New Zealand, Hong Kong and the UK and administers over 11.6 million member accounts. RSS is the largest Australian Superannuation service provider, servicing around 9.9 million Australian superannuation members with c.$719 billion in assets under administration.

Established in February 2020, RSS is now administering around 1.6 million pension accounts in the UK after the completion of the HS Pension acquisition. In July 2023, Link Group signed a multi-year partnership with Cushon (part of NatWest Group plc) in the UK to provide a unified, robust and innovative customer experience to Cushon's clients and members.

On 1 March 2023, Link Group acquired the net assets of HSBC's Occupational Retirement Schemes administration business in Hong Kong (an RSS business). The acquisition supports Link Group's offshore expansion by entering the Hong Kong pensions administration services market.

Corporate Markets (CM) combines industry experience with technology capabilities to deliver innovative solutions across a global product suite with strong market positions in Australia, the UK and India. Services provided are varied and include shareholder management and analytics, stakeholder engagement, share registry, employee share plans, company secretarial, treasury solutions as well as various specialist offerings such as all types of insolvency solutions and class action services. Fund Services, a specialist provider of outsourced office administration, fund accounting services and custodial services and the largest provider in transfer agency in Australia, is now fully integrated in CM.

Fund Solutions (FS) is a leading independent Authorised Fund Manager and provider of fund administration and transfer agency services. We leverage our specialist knowledge and technology to support traditional and alternative funds in UK, Ireland and Luxembourg. With a focus on strong governance, regulatory expertise and risk management, our business helps to manage regulatory compliance for asset managers and investors. On 20 April 2023, Link Group announced that it and Link Fund Solutions Limited (LFSL) had reached a conditional agreement for the sale of the FS business (excluding its Luxembourg and Swiss entities) and excluding Woodford related liabilities. FS is considered a discontinued operation for financial statement disclosure purposes.

Banking & Credit Management (BCM) provides banking and credit management services under the brand BCMGlobal. BCMGlobal is a leading European independent loan and asset management service provider. We have multijurisdictional expertise with operations in Ireland, the UK, the Netherlands and Italy, supporting loans for commercial and investment purposes, and mortgages, across the loan lifecycle, from origination to redemption. On 17 March 2023, Link Group announced that it had entered into a Share Purchase Agreement with LC Financial Holdings Limited for the sale of its BCM business. The BCM sale is expected to complete on 1 September 2023. BCM is considered a discontinued operation for financial statement disclosure purposes.

Towards a simpler business

The Company has completed and is in the process of completing a number of transactions that are consistent with our strategy to create a simpler and focused business.

PEXA Ltd

On 21 November 2022, Link Group sold down 10% of its PEXA shareholding for net proceeds of $101.9 million, resulting in a one-off pre-tax gain of $47.9 million. The PEXA in-specie distribution was implemented on 10 January 2023 totalling $813.3 million, resulting in a one-off pre-tax gain of $321.8 million.

Banking & Credit Management (BCM)

On 17 March 2023, Link Group announced the sale of its BCM business to LC Financial Holdings Limited (LCFH). The BCM Sale has now received all the necessary regulatory approvals and the sale is expected to complete on 1 September 2023.

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REVIEW OF BUSINESS OPERATIONS (CONTINUED)

Fund Solutions (FS)

Accounting treatment at 31 December 2022

Link Group impaired the non-current assets of the FS cash generating unit (CGU) at 31 December 2022 to a nil dollar value. As disclosed in the interim financial statements, this was done on the basis that the likely outcome of the sale to Waystone and settlement with the FCA was that Link would receive no net proceeds of the sale of the FS business. Accordingly, the fair value less costs of disposal for the FS business was estimated to be zero as the resolution of the FCA matter was deemed to be intrinsically linked to the sale.

Accounting treatment at 30 June 2023

On 20 April 2023, Link Group made an announcement that certain subsidiaries of Link Group, including LFSL, entered into conditional sale agreements with entities within the Waystone Group pursuant to which Link Group companies have agreed to sell to the Waystone Group: (i) the business and certain assets of LFSL; (ii) the business and certain assets of Link Fund Manager Solutions (Ireland) Limited (LFMS(I)L); and (iii) the entire issued share capital of certain other subsidiaries of Link Group, which together with the business of LFSL and LFMS(I)L, comprise the FS Business (other than its Luxembourg and Swiss entities), but excluding Woodford related liabilities and, subject to normalised working capital adjustments, on a debt and cash free basis.

At the same time, it was announced by Link Group and the FCA that Link Group and LFSL had reached a conditional agreement with the Financial Conduct Authority (FCA) to settle the FCA's enforcement action against LFSL in respect of its role as ACD of the LF Woodford Equity Income Fund (now known as the LF Equity Income Fund) (WEIF). The terms of the Settlement provide that LFSL will pay, under a scheme of arrangement proposed under Part 26 of the Companies Act 2006 (the Scheme), a substantial contribution (the FCA Redress Contribution) to relevant investors in the WEIF who are entitled to redress based on the FCA's redress findings as set out in their Warning Notice. For more details, please refer to our ASX announcements on 20 April 2023 and 3 August 2023.

Link Group's and the FCA's announcements on 20 April 2023 about the conditional Sale and Settlement gave rise to a constructive obligation, which resulted in the recognition of a $429.0 million pre-tax provision ($390.9 million post tax), after discounting for the time value of money.

Based on the final agreement reached with Waystone on 20 April 2023, the legal construct of the Business Transfer Agreements (BTA) was such that LFSL and LFMS(I)L are not disposing of certain of their respective liabilities. The carrying value of the assets subject to sale have therefore been re-evaluated based on the agreed terms of sale with Waystone as at 30 June 2023.

The fair value less cost of disposal was calculated with reference to the cash consideration of up to $266.7 million (£140 million). After adjusting for costs of disposal, the fair value less cost of disposal was $248.1 million. Accordingly, Link Group recognised an impairment reversal at 30 June 2023 of $80.3 million ($73.1 million Intangible assets, $2 million Plant and equipment, $5.2 million Contract fulfilment costs) in relation to the FS CGU, effectively reversing the impairment at 31 December 2022, except for the Deferred tax assets and Goodwill.

The total impairment charge in relation to the FS CGU for the financial year ended 30 June 2023 (net of the partial impairment reversal) was $368.6 million.

Link Group confirms that counterparties to contracts representing the requisite threshold majority of revenue in respect of LFSL's Authorised Corporate Director (ACD) business and Link Fund Manager Solutions (Ireland) Limited's business have agreed to those contracts being transferred to the Waystone Group on completion of the FS sale. Satisfaction of the revenue and third-party consent conditions for the FS sale remains subject to receiving certain regulatory approvals in the UK and Ireland. Link Group has received clearance from the Competition and Consumer Protection Commission of Ireland in respect of the FS sale. Link Group expects that the FS sale will complete in October 2023, subject to remaining conditions being satisfied.

Link Group has signed a conditional sale and purchase agreement with Altum Group for the sale of Link Fund Solutions (Luxembourg) S.A. and Link Fund Solutions (Switzerland) SA. As per the announcement on 20 April 2023, Link Group has agreed to contribute any available net consideration it receives to the Scheme if it completes a sale of the Luxembourg and Swiss entities which form part of the FS Business prior to the date on which the distribution under the Scheme takes place. Link Group expects to complete the sale by 3Q FY2024, subject to regulatory approval in Luxembourg.

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OPERATING AND FINANCIAL REVIEW

This Operating and Financial Review (OFR) is designed to assist shareholders' understanding of Link Group's business performance and the factors underlying its financial results and financial position. The OFR covers the period from 1 July 2022 to 30 June 2023 (FY2023), including a comparative prior year (FY2022).

Our FY2023 Annual Report should be read in conjunction with the other reports that comprise our FY2023 annual reporting suite. They are available at Link Group website and include:

- Media Release; and
- Results Presentation.

Consistent with previous disclosures, Link Group uses certain measures to manage and report on the business that are not recognised under Australian Accounting Standards or International Financial Reporting Standards (IFRS), collectively referred to as 'non-IFRS financial measures'. These non-IFRS financial measures are summarised in Appendix 1 of this OFR and have not been subject to audit or review in accordance with Australian Auditing Standards.

Given the extent of significant items in the current and prior year statutory results, the Directors consider that it assists the readers' understanding of performance to compare year-on-year results on an Operating before significant items basis. Therefore, unless otherwise stated, all the analysis in this OFR is presented on an Operating basis.

Link Group once again delivered on its market guidance in FY2023 while also making significant progress on its simplification journey.

FY2023 Statutory Loss of $417.7 million compared to a Statutory Loss of $67.6 million in FY2022. FY2023 Operating NPATA excluding PEXA of $89.3 million increased 1.2% from $88.2 million in FY2022.

Basic earnings per share for the year ended 30 June 2023 on a statutory basis was (81.7) cents (FY2022: (13.1) cents). On an Operating NPATA excluding PEXA basis, earnings per share was 19.4 cents (FY2022: 23.5 cents).

Below follows a more detailed analysis of our financial performance during FY2023.

Table 1: Operating Financial Results

IN $M	FY2023	FY2022	VARIANCE (%)
Revenue			
Retirement & Superannuation Solutions	**554.1**	511.7	8.3
Corporate Markets	**416.4**	387.0	7.6
Fund Solutions	**152.7**	160.4	(4.8)
Banking & Credit Management	**120.1**	131.6	(8.7)
Gross Revenue	**1,243.3**	1,190.7	4.4
Eliminations	**(15.1)**	(15.4)	(1.9)
Total Revenue	**1,228.2**	1,175.3	4.5
Recurring Revenue	**81.6%**	84.1%	
Operating EBIT			
Retirement & Superannuation Solutions	**118.0**	105.9	11.4
Corporate Markets	**84.8**	53.2	59.4
Fund Solutions	**17.8**	30.2	(41.1)
Banking & Credit Management	**(10.8)**	(14.8)	(27.0)
Corporate Centre	**(31.7)**	(20.6)	53.9
Total Operating EBIT	**178.1**	153.9	15.7
Operating EBIT margin	**14.5%**	13.1%	
Net Finance Costs	**(53.0)**	(30.6)	73.2
Loss on Assets Held at Fair Value	**–**	(0.1)	nmf
Profit from Equity Accounted Investments	**9.7**	32.6	(70.2)
Operating NPBT	**134.8**	155.8	(13.5)
Tax Expenses	**(35.7)**	(34.5)	3.5
Operating NPATA	**99.1**	121.3	(18.3)
Operating NPATA excluding PEXA	**89.3**	88.2	1.2

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OPERATING AND FINANCIAL REVIEW (CONTINUED)

FY2023 Link Group Revenue of $1.23 billion was up 4.5% on FY2022. Recurring revenue of $1.00 billion was up 1.3% on FY2022 and was 81.6% of total revenue. RSS and CM, the two continuing operations (including eliminations), constituted ~79% of FY2023 Link Group Revenue.

RSS FY2023 revenue growth of 8.3% was underpinned by underlying member growth, benefits from indexation linked price increases, increased member numbers from industry superannuation funds and deals in the UK, Hong Kong and Australia.

CM FY2023 revenue growth of 7.6% was underpinned by stable registry revenue in Australia and UK, higher margin income in the UK and Australia on higher interest rates offset by lower corporate actions in Australia and the UK and lower share dealing revenue in the UK. CM also completed two acquisitions during the year which added 0.9% to CM's growth rate.

FS and BCM revenues were impacted by lower average assets under management and NPL book run-off respectively.

FY2023 Link Group Operating EBIT of $178.1 million was up 15.7% on FY2022. Ongoing benefits from the now completed global transformation programme, operating model efficiencies and lower right-of-use (ROU) amortisation were the key drivers of growth in Operating EBIT.

Operating EBIT Margin was up 140bps in FY2023 compared to FY2022. RSS and CM both delivered healthy Operating EBIT margin improvement at a divisional level. The FS and BCM operating environment remained challenged throughout the year. Operating EBIT margin on a proforma continuing operations basis was 17.9%, which was up 220bps relative to FY2022.

Net Finance Costs of $53.0 million was $22.4 million higher than FY2022. The increase in net finance costs was largely on the back of a higher base rate with credit spreads and volumes largely stable. Lease liability interest expense was broadly flat in FY2023 relative to FY2022.

Effective Tax rate (excluding PEXA) for FY2023 of 28.3% was slightly higher than FY2022 (28.1%).

Table 2: Operating NPATA to Statutory NPAT

IN $M	FY2023	FY2022	VARIANCE (%)
Operating NPATA	**99.1**	121.3	(18.3)
Acquired amortisation (net of tax)	**(30.1)**	(33.9)	11.2
PEXA acquired amortisation	**(8.7)**	(16.8)	48.2
PEXA fair value gain	**406.8**	–	nmf
SMART Pension fair value write-down	**(31.1)**	–	nmf
FS asset impairment	**(368.6)**	–	nmf
BCM Goodwill impairment	**(25.3)**	(60.7)	58.3
Provision for redress	**(390.9)**	–	nmf
Property impairment	**(34.5)**	(22.4)	(54.1)
Other significant items	**(34.4)**	(55.1)	(37.2)
Statutory NPAT	**(417.7)**	**(67.6)**	**(518.0)**

Statutory Net Profit after Tax (Statutory NPAT) reflected a loss of $417.7 million compared to a prior year Statutory NPAT loss of $67.6 million. The Statutory NPAT result in FY2023 reflects:

- gain of $406.8 million on the PEXA sell-down and in-specie distribution (net of tax);
- provision of $(390.9) million (net of tax) related to the announcement of the conditional WEIF Settlement and associated redress;
- non-cash impairment charge of $(368.6) million related to the sale of FS assets (which is $80.3 million lower than the $(448.9) million impairment recognised in 1H23) due to impairment reversal given the buyer did not assume certain liabilities under transaction documents in respect of the FS Sale;
- non-cash impairment charge of $(25.3) million related to BCM goodwill;
- fair value write-down of $(31.1) million to the carrying value of the Smart Pension investment (net of tax);
- premises impairment (non-cash) of $(34.5) million on surplus real-estate footprint; and
- $(34.4) million of cost (net of tax) related to acquisitions, divestments, transaction and other one-off items.

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OPERATING AND FINANCIAL REVIEW (CONTINUED)

The Summary Balance Sheet below has not been adjusted to reflect held for sale components, this provides a more meaningful year on year comparison.

Table 3: Summary Balance Sheet

	AS AT 30 JUNE	
IN $M	FY2023	FY2022
Assets		
Cash	**221.1**	193.3
Trade & Other Receivables	**275.7**	236.9
Other Current Assets	**719.1**	818.3
Total Current Assets	**1,215.9**	1,248.5
Deferred Tax Asset	**101.3**	60.5
Other Non-Current Assets	**1,707.1**	2,633.1
Total Non-Current Assets	**1,808.4**	2,693.6
TOTAL ASSETS	**3,024.3**	3,942.2
Liabilities		
Trade & Other Payables	**341.7**	288.3
Interest Bearing Liabilities	**36.8**	36.4
Other Current Liabilities	**1,157.8**	833.4
Total Current Liabilities	**1,536.3**	1,158.1
Interest Bearing Liabilities	**1,114.6**	1,137.5
Deferred Tax Liability	**79.1**	107.1
Other Non-Current Liabilities	**49.7**	30.3
Total Non-Current Liabilities	**1,243.4**	1,274.9
TOTAL LIABILITIES	**2,779.7**	2,433.0
NET ASSETS	**244.6**	1,509.1
Equity		
Contributed Equity	**1,002.7**	1,816.0
Reserves	**236.5**	(73.5)
Retained Earnings	**(994.9)**	(233.9)
Non-Controlling Interest	**0.3**	0.6
TOTAL EQUITY	**244.6**	1,509.1

IN $M	FY2023	FY2022
Assets		
Cash	**(221.1)**	(193.3)
Long Term Debt	**902.6**	881.2
Net Debt	**681.5**	687.9
Debt ratios		
Net Debt/Operating EBITDA [1]	**2.6x**	2.6x
Operating EBITDA/Net Interest Costs [2]	**5.8x**	15.2x

1 Leverage calculated in accordance with Link Group's debt agreement.
2 Interest cover calculated in accordance with Link Group's debt agreement.

The Net Debt/Operating EBITDA ratio was broadly flat at 2.6x times and was negatively impacted by the PEXA sell-down and in-specie distribution. Net debt at $681.5 million was broadly flat over the year with PEXA sell-down net proceeds ($101.9 million) and positive free cash flow offset by deal/acquisition costs, dividend payments and FX movement. The Operating EBITDA/net interest cost ratio has marginally increased to 5.8 times, reflecting higher earnings for the year.

As at 30 June 2023, Link Group had $259.6 million of undrawn committed facilities available.

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OPERATING AND FINANCIAL REVIEW (CONTINUED)

Table 4: Summary Cash Flow

IN $M	FY2023	FY2022	VARIANCE (%)
Operating EBITDA	**273.2**	252.3	8.3
Changes in Fund Assets & Liabilities	**8.3**	2.2	277.3
Changes in Working Capital	**(4.6)**	(49.6)	90.8
Net Operating Cash Flow	**276.9**	205.0	35.1
Cash Impact of Significant Items	**(57.8)**	(57.6)	(0.4)
Tax	**(13.4)**	(46.6)	71.2
Interest	**(43.8)**	(29.5)	(48.5)
Net Cash Provided by Operating Activities	**161.9**	71.3	127.2
Capital Expenditure	**(80.7)**	(69.2)	(16.6)
Right-of-use asset payments	**(40.5)**	(41.0)	1.2
Free Cash Flow (available for capital management)	**40.7**	(38.9)	204.6
Other investing activities	**63.0**	(52.3)	220.5
Dividends Paid	**(64.2)**	(45.1)	(42.5)
Other financing Activities	**(14.7)**	(61.9)	(76.3)
Net Increase/(decrease) in Cash	**24.8**	(198.2)	112.5
Net Operating Cash Flow Conversion	**101%**	81%	

Cash flow conversion continues to be a key focus of the business and Link Group achieved a strong operating cash conversion rate of 101%, up from 81% in the previous year. Working capital movement has normalised in FY2023.

Capital expenditure is a key driver of future productivity, product growth and cost efficiency. The business uses a benchmark of 4–6% of Link Group Revenue to guide capital expenditure initiatives. Capital expenditure for FY2023 was $80.7 million or 6.6% of Group Revenue and Link Group continues to evolve to meet changing market environments.

Further information about the results is included in the Full Year Results Presentation and Media Release can be obtained via the ASX website or by visiting the Link Group website at www.linkgroup.com.

Strategy and prospects

Link Group set out its aspirational growth targets for the period to FY2026 on 28 August 2023 as highlighted in the FY2023 Investor Presentation (slide 22).

Link Group has made significant progress to simplify the business. Consistent with the strategy outlined at our FY2022 AGM, PEXA shares were distributed to Link Group shareholders in January 2023. The BCM sale is expected to be completed on 1 September 2023. The FS sale to Waystone Group is expected to be completed in October 2023. A continued focus on simplification is driving further efficiency and re-shaping Link Group's portfolio.

Over the course of FY2023, Link Group completed a number of acquisitions and Link Group will continue to explore organic and inorganic growth opportunities which reinforce our RSS and CM businesses.

For FY2024, Link Group on a continuing operations basis expects Group revenue to grow at least 5% on FY2023 (FY2023: $955.6 million).

FY2024 Operating EBIT is expected to be up at least 6% on FY2023 with Operating EBIT margins expected to be broadly stable (FY2023: $171.0 million).

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OPERATING AND FINANCIAL REVIEW (CONTINUED)

Table 5: FY2024 Guidance and FY2026 Aspirational[1] Targets

IN $M	PROFORMA FY2021	PROFORMA FY2022	PROFORMA FY2023	FY2024 GUIDANCE	3YR ASPIRATIONAL GROWTH TARGETS (FY2024–FY2026)
RSS	506.9	511.7	**554.1**		4%–6%
CM	384.6	387.0	**416.4**		5%–7%
Eliminations	(23.0)	(15.6)	**(14.9)**		
Revenue	**868.5**	**883.1**	**955.6**	**at least 5% growth**	**4%–6%**
RSS	96.0	105.9	**118.0**		4%–6%
CM	42.1	53.2	**84.8**		7.5%–9.5%
Corporate Centre	(12.4)	(20.5)	**(31.8)**		
Operating EBIT	**125.7**	**138.6**	**171.0**	**at least 6% growth**	**5%–7%**
Link Group Operating EPS	**13.8 cents**	**14.7 cents**	**16.5 cents**		

1 All statements in relation to future revenue, EBIT and Operating EPS aspirations are based on management estimates and reflect management's internal goals and should not be taken as forecasts or guidance.

Further information about the FY2024 guidance and FY2026 aspirational targets are included in the Full Year Results Presentation (Pages 19 and 20) and can be obtained via the ASX website or by visiting the Link Group website at www.linkgroup.com.

Dividends

Dividends paid by the Company during the financial year were as follows:

	CENTS PER SHARE	TOTAL AMOUNT	FRANKED/UNFRANKED	DATE OF PAYMENT
Special Dividend	**8.0**	**$41,038,998**	**100% franked**	**14.10.2022**
Interim 2023	**4.5**	**$23,084,437**	**80% franked**	**11.04.2023**

The Directors have determined a 60% franked FY2023 final dividend of 4.0 cents per share, amounting to $20.5 million.

The dividend will be payable on 20 September 2023 to shareholders on the register at 5pm AEST on 4 September 2023. The ex-dividend date is 1 September 2023.

In determining the dividend, the Board considered a range of factors in accordance with the Company's dividend policy including paying cash dividends at a sustainable level, and maximising returns to shareholders by utilising available franking credits.

As outlined in the PEXA in-specie distribution Explanatory Memorandum, the Link Group Board (post PEXA in-specie distribution) intends to target a dividend payout ratio of 60-80% of NPATA range. Link Group's (post PEXA in-specie distribution) approach to dividends will be determined by the Link Group Board and will remain at the discretion of the Board and may change over time.

The FY2023 total Dividend of 8.5 cents per share equates to approximately 80% of NPATA. The dividend payout ratio is likely to be at the bottom end of the 60%-80% of NPATA until leverage is lower than 2.5x.

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PRO-ACTIVE MANAGEMENT OF RISKS

(a) Link's risk management strategy

This section outlines Link Group's approach to identifying and managing risks, and for fostering a strong risk culture.

Enterprise Risk Management Framework (ERMF)

The ERMF sets the strategic approach for risk management by defining standards, objectives and responsibilities for all areas of the Group. It is then approved by the Link Group Board on recommendation of the Chief Financial Officer. It supports management in effective risk management and developing a strong risk culture. The ERMF sets out:

- risk appetite requirements. This helps define the types and level of risk we are willing to undertake in our business;
- risk management and segregation of duties. The ERMF defines a Three Lines of Defence model; and
- roles and responsibilities for managing risk: The ERMF sets out the accountabilities of the Global Business Unit Executives, as well as Link Group committees.

The ERMF is complemented by policies and procedures which are aligned to the Group's key risks:

- policies set out principles and requirements for the activities of the Group ('what' must be done); and
- procedures describe how the requirements set out in the policy are met, and who needs to carry them out ('how' things should be done).

Segregation of duties – the 'Three Lines of Defence' model

The ERMF sets out a clear Three Lines of Defence model which distinguishes the functional responsibilities of each line. All employees are responsible for understanding and managing risks within the context of their individual roles and responsibilities, as set out below.

- The **First** line is the Business – all employees engaged in the revenue generating and client-facing areas of the Group and all associated support functions. The first line is responsible for identifying, assessing and managing the risks they generate, establishing effective controls, identifying and managing incidents and ensuring they meet their compliance obligations.
- The **Second** line is comprised of the Risk and Compliance function. The role of the second line is to establish the frameworks and policies to support the business in identifying, assessing and managing their risks and regulatory compliance obligations as well as limits, under which first line activities shall be performed, consistent with the risk appetite of the Group. Risk and Compliance also provides guidance, challenge and independent oversight of the first line.
- The **Third** line of defence is Internal Audit, which is responsible for providing the Board Audit and Risk Committees with independent assurance over the effectiveness of the Group's governance, risk management and control practices.

All employees are responsible for managing risks. Leaders also have additional responsibilities commensurate with their positions.

Risk Appetite

Risk appetite is defined as the level and type of risk the Group is willing and able to take given its business strategy and obligations to stakeholders. It provides a basis for ongoing dialogue between management and Board with respect to the Group's current and evolving risk profile, allowing strategic and financial decisions to be made on an informed basis.

The Group's risk appetite is approved by the Link Group Board in aggregate and cascaded across businesses and entities, supported by measures, thresholds, and limits to assess, monitor and control specific exposures and activities that may have material risk implications.

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PRO-ACTIVE MANAGEMENT OF RISKS (CONTINUED)

(b) Risk Committees

Various committees also fulfil important roles and responsibilities. Link Group's global business unit level risk committees consider risk matters relevant to their business, with escalation to the Board Risk Committee, whose Chair, in turn, escalates to the Link Group Board, as required.

In addition to supporting the Board in setting the risk appetite of the Group, the Board Risk Committee is responsible for:

- reviewing the risk management and compliance frameworks and policies, and monitoring the effectiveness of their implementation; and
- monitoring the Group's risk profile against the agreed appetite. Where actual performance differs from expectations, the actions taken by management are reviewed to ascertain that the committee is comfortable with them.

Further, there are three other Board-level committees which oversee the implementation of key aspects of the ERMF.

Link Group Board Audit Committee

The Audit Committee receives and considers advice from the Risk Committee on the adequacy and effectiveness of the Company's risk management, internal compliance and control systems and the process and evidence adopted to satisfy those conclusions. The Committee is also responsible for reviewing whether the Company has any material exposure to any economic, environmental and social sustainability risks and for reviewing and monitoring related party transactions and investments involving the Company and its directors. It should also be noted that the Head of Internal Audit has a direct reporting line to the Chair of the Audit Committee.

Link Group Board Human Resources and Remuneration Committee

The Human Resources and Remuneration Committee is responsible for oversight of the human resources strategy and supporting policies and practices for the Company's employees and directors and oversight of the policies and practices of the Company regarding the remuneration of directors and other senior executives and reviewing all components of the remuneration framework. This includes reviewing assessments of ELT performance against risk moderators and proposals for risk-based adjustments to variable remuneration.

Link Group Board Technology and Transformation Committee

The Technology and Transformation Committee is responsible for overseeing management's development and implementation of the Company's technology strategy, capability, architecture, and execution with a focus on digital transformation, data and cyber security. It is also responsible for reviewing emerging innovations in technology and trends for potential application within the Company and monitoring the Company's information system and related data management risks, and the effectiveness of the associated controls.

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PRO-ACTIVE MANAGEMENT OF RISKS (CONTINUED)

Link Group's risk culture

Risk culture can be defined as the customs, attitudes and behaviours related to risk awareness, risk taking and risk management. This is reflected in how the Group identifies, escalates and manages risk matters. Link Group is committed to maintaining a robust risk culture in which:

- senior management are expected to demonstrate and reward the right behaviours from a risk and control perspective; and
- employees are expected to identify, manage and escalate risk and control matters, and meet their responsibilities around risk management. Specifically, all employees regardless of their positions, functions or locations must play their part in managing the Group's risks. Employees are required to be familiar with risk requirements that are relevant to their responsibilities, know how to escalate actual or potential risk issues, and have an appropriate level of awareness of the risk management process as defined by the ERMF.

(c) Our Code of Conduct and Ethics

The Code of Conduct and Ethics builds on Link Group's Purpose and Values and outlines the expectations of our people to do what is right, to comply with laws and policies and conduct themselves professionally. The Code applies to our employees, contractors and our Board members.

All employees are required to undertake mandatory training on their obligations under the Code, at commencement of employment, and then on at least an annual basis. As part of the training, employees are required to attest to their compliance or disclose any breach of the Code at any time in the previous 12 months.

(d) Changes Relevant to the Group Risk Profile

Link Group continues to focus on identifying and adopting appropriate best practices to identify, assess, manage and control risks across our businesses. The following changes have the ability to directly or indirectly influence the Group Risk Profile:

- completion of the in-specie distribution of the Group's PEXA shareholding in January 2023;
- execution of the BCM sale (expected to complete on 1 September 2023);
- the conditional sale of the FS businesses and the conditional settlement with the FCA on the Woodford matter which is expected to complete in FY2024, subject to regulatory approval;
- strategic acquisitions by the RSS business of HS Pensions in the UK and expanding its footprint in Hong Kong through its acquisition and strategic partnership with HSBC;
- continued consolidation of infrastructure and decommissioning of aging technology assets as we execute on our cloud strategy; and
- continued expansion of our technology and administration operations capabilities at our India Hub.

The Directors and Management understand and continually reassess existing and emerging risks (both short-term and long-term) that may be applicable to the Link Group's business, including Environment, Social and Governance (ESG) risk. Link Group acknowledges the impacts that climate change could have on our business, that its impact may increase in the future, and that it is increasing in significance for clients, investors and regulators globally. For more information about how we manage environmental, social, governance and climate-related risk, please refer to our Sustainability Report and TCFD statement.

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PRO-ACTIVE MANAGEMENT OF RISKS (CONTINUED)

Material existing and emerging risks to the Group's future performance

Some of the more material business risks faced by Link Group and how they are being managed are considered below in more detail. In addition, there are other generic risks inherent to all businesses, including Link Group, such as:

- impacts of the macro-economic environment, political and regulatory risk, including rising inflation, changes in interest rates, economic sanctions, higher commodities prices, market performance, and changes in regulations;
- our systems, technology and operational quality; and
- our ability to attract and retain key personnel.

Link Group considers these key risks in operating our businesses and actively manages them.

MATERIAL EXISTING OR EMERGING RISK	DESCRIPTION OF THE RISK AND ITS IMPACT	HOW WE RESPOND
Information and Cyber security	**Description** Link Group's core products and services depend on appropriate management of information. Link Group's ability to ensure the confidentiality, integrity and availability of information that it holds, may provide a competitive advantage or may be detrimental to Link Group, as it attempts to enable efficient and secure businesses. Increasing cyber activity worldwide continues to be a concern with perpetrators focusing their efforts on an expanding range of diverse avenues in an attempt to access data and IT systems. **Impact** Clients and Regulators expect Link Group to securely store and make use of accurate information. Failure to meet these expectations may result in breach of confidence, contract or regulation, which may have a negative impact on Link Group's reputation, financial performance and ability to achieve our strategic objectives.	Link Group has in place a global information security management system aligned to the international best practice standard ISO27001, APRA CPS234 standard and the NIST cyber security resilience framework and invests significantly in key preventive and detective controls. These include: • employing 'secure and privacy by design' principles in the design, development and deployment of policies, processes, procedures, systems, infrastructure, products and services; • proactive management of identified vulnerabilities, with controls in place to prevent, detect, mitigate and report breaches, including privacy and data breach response plans and regulatory reporting mechanisms; • implementation of new and/or updated information security controls to mitigate known attack vectors; • monitoring of internal and external system traffic; • regular external penetration testing; • user access controls to restrict access to premises, information and systems; and • mandatory privacy and information security training to all staff at least annually. Link Group maintains close ties with the information security and cyber security community and government authorities in a number of jurisdictions in which it operates.

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PRO-ACTIVE MANAGEMENT OF RISKS (CONTINUED)

MATERIAL EXISTING OR EMERGING RISK	DESCRIPTION OF THE RISK AND ITS IMPACT	HOW WE RESPOND
Political and regulatory environment	**Description** Link Group's businesses are influenced and affected by laws, regulations and government policy in each of the jurisdictions in which our clients operate. Political and/or regulatory change, and Link Group's ability to comply with regulations, could enable or inhibit our business objectives. **Impact** Changes could affect the ability to achieve business objectives and financial performance. For example, by: • limiting or removing authority to operate; • changing how a business operates or the clients we can service; and/or • altering resource requirements, operating efficiency and profitability. Changes may also provide an opportunity for Link Group to generate additional revenue streams by supporting its clients in meeting their regulatory compliance obligations.	Link Group: • engages with government, regulatory authorities and industry bodies; • actively monitors, assesses and manages the impacts of changes to laws, regulations and government policy; • designs processes, procedures and systems consistent with the stated policy principles within each jurisdiction; • assists clients in understanding their obligations and preparing for the impact of change to laws, regulations, and government policy change; and • has a diversified geographic and jurisdictional presence. Link Group's businesses are supported by specialist Risk & Compliance professionals in each of the jurisdictions in which we operate. We are supported by internal and external legal counsel and expert third party advisors, as required.

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PRO-ACTIVE MANAGEMENT OF RISKS (CONTINUED)

MATERIAL EXISTING OR EMERGING RISK	DESCRIPTION OF THE RISK AND ITS IMPACT	HOW WE RESPOND
Principal risk	**Description** Link Group's ability to comply with its own obligations may result in regulatory and consumer exposures contrary to our objectives to operate profitable, risk managed, compliant businesses. **Impact** Link Group primarily provides services to/for clients as an agent (where we are indirectly accountable for regulatory compliance), but also provides services to clients as principal (where we have direct regulatory obligations). Willingness to assume principal risk may provide a high barrier to entry, which could be a competitive advantage for Link Group. However, material failure by Link Group to discharge our principal obligations may negatively affect financial performance (compensation, pecuniary penalties, lost earnings) and reputation. It may also give rise to regulatory penalties or removal of authority to operate the relevant business. Principal risk will reduce as a result of the divestment of the FS business in FY2024.	Link Group mitigates this risk through: • robust risk management and compliance frameworks focused on identifying, assessing, monitoring and mitigating risk; • skilled and qualified staff; • documented processes and procedures; • assurance programs and an Internal Audit function; • professional lines of insurance; • proactive engagement with regulators; • in the case of Fund Solutions, governance mechanisms and processes are in place to ensure its fiduciary obligations are being fulfilled; • regular compliance training for staff; • effective internal complaints mechanisms and dispute resolution systems to identify and address consumer concerns; • ensuring compensation is appropriate with the level of risk taken in services and products provided; and • a strong corporate governance structure and culture, including local legal entity boards with direct regulatory accountability as required.
Client base, retention and arrangements	**Description** Link Group may experience greater or less success in attracting new clients, cross-selling products and services, retaining existing clients and scope of services on commercial terms and benefit from client merger activity than expected/desired. Some factors may include: • scope and quality of service; • increased competition; • industry consolidation; • business and regulatory environment; • strength of relationships; and/or • technological disruption and innovation. **Impact** The key industries in which Link Group operates are all competitive markets and are expected to remain competitive. This may affect organic growth capability and the scope and quality of products and services. It may also influence resourcing, profitability and financial performance.	Link Group manages this risk through: • development of long-term relationships based on strategic partnerships; • competitive, diversified and integrated product and service offerings; • dedicated client relationship managers; • market and product benchmarking and evaluations; • reputation and brand equity; • management of contracted service delivery, including prompt rectification of issues; and • commercial contractual protections. Link Group actively monitors and invests in innovation and new technologies.

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PRO-ACTIVE MANAGEMENT OF RISKS (CONTINUED)

MATERIAL EXISTING OR EMERGING RISK	DESCRIPTION OF THE RISK AND ITS IMPACT	HOW WE RESPOND
Benefit realisation from acquisition, integration and transformation	**Description** The benefits of investment, acquisition, integration, migration, relocation, consolidation or transformation in a timely and commercial manner could be less than or greater than expected. Some factors may include: • appropriateness of each plan; • accuracy of the calculation of expected benefits; • quality and efficiency of execution; • market conditions and client receptivity; and • unexpected intervening events. **Impact** The extent to which expected synergies and other benefits are realised can affect Link Group's financial performance, organisational efficiency, allocation of resources and strategic plans.	Having executed and integrated more than 40 business combinations over the past 15 years, Link Group has significant experience delivering on the expected benefits. This is achieved principally through: • established and robust processes encapsulating people, systems, products and clients; • partnering with organisations and employing people with appropriate skills, expertise, and experience to optimise each specific opportunity; • disciplined project governance controls; • initial strategic and financial analysis; • contingency factoring; • sound due diligence practices; and • contractual protections.
External Operating Environment	**Description** Link Group may experience impacts to its business because of changes in the external operating environment, including key macroeconomic and geopolitical factors. Some factors may include: • macroeconomic factors including inflation, interest rates and labour market activity; • global supply-chain disruptions; and • the Russian invasion of Ukraine and wider geo-political tensions leading to significant uncertainty. **Impact** Given the uncertainty in the current outlook and rapidly changing operating environment, it is likely that meeting revenue or cost projections may be challenging with many factors outside Link Group's direct control.	Link Group manages this risk through: • having a diversified geographic and jurisdictional presence; • maintaining a competitive, diversified and integrated product and service offering; • attracting and retaining high performing employees; • actively monitoring, assessing and managing the impacts of the external operating environment on the business, its financial performance and financial position; • using commercial revenue models that align Link Group's revenue with the cost of service delivery; • retaining commercial contractual protections where events outside of Link Group's control materially impact service delivery; and • actively monitoring, assessing and managing the cash and liquidity to support the sustainability of Link Group's operations.

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PRO-ACTIVE MANAGEMENT OF RISKS (CONTINUED)

MATERIAL EXISTING OR EMERGING RISK	DESCRIPTION OF THE RISK AND ITS IMPACT	HOW WE RESPOND
People Risk	**Description** Link Group's ability to deliver on its strategic objectives and maintain its existing scope of products and services is impacted by: • its ability to attract, retain and motivate its people; • maintaining an effective organisational model and structure; and • providing a safe and sound working environment for its people. **Impact** The ability to retain and attract talent remains a significant risk facing the Group. The uncertainty caused by the transaction activity is contributing to attrition and recruitment challenges across the Group as are inflationary pressures and the highly competitive labour markets.	Link Group mitigates this risk through: • continual reinforcement of Link Group's culture and values including the global 'Appreciate' Recognition Program that recognises people who are living the Group's values; • actions supporting employee retention, development and engagement, including employee pulse survey, mainstreaming flexible and blended working arrangements (FlexTogether), remuneration benchmarking, job architecture, recruitment and career development initiatives; • ongoing review and where required evolution of Link Group's operating model and structure to support continued delivery of its strategic objectives; and • continual investment in supporting the wellbeing of its people, including the 'Link Wellness' hub initiative ensuring all Link Group staff have access to wellness tools and support, mental health and resilience webinars as well as various Employee Assistance Programs.

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APPENDIX 1: NON-IFRS DEFINITIONS

Link Group uses a number of non-IFRS financial measures in this OFR to evaluate the performance and profitability of the overall business. The principal non-IFRS financial measures referred to in this OFR are as follows.

FY	is financial year ended 30 June (in the applicable year).
Recurring Revenue	is revenue arising from contracted core administration servicing and registration services, corporate and trustee services, transfer agency, stakeholder engagement services, share registry services and shareholder management and analytics services that are unrelated to corporate actions. Recurring Revenue is expressed as a percentage of total revenue. Recurring Revenue is revenue the business expects to generate with a high level of consistency and certainty year-on-year. Recurring Revenue includes contracted revenue which is based on fixed fees per member, per client or shareholder. Clients are typically not committed to a certain total level of expenditure and as a result, fluctuations for each client can occur year-on-year depending on various factors, including number of member accounts in individual funds or the number of shareholders of corporate market clients.
Non-Recurring Revenue	is revenue the business expects will not be earned on a consistent basis each year. Typically, this revenue is project related and can also be ad hoc in nature. Non-Recurring Revenue includes corporate actions (including print and mail), call centre, capitals markets investor relations analytics, investor relations web design, extraordinary general meetings, share sale fees, off-market transfers, employee share plan commissions and margin income revenue. Non-Recurring Revenue also includes fee for service (FFS) project revenue, product revenue, revenue for client funded FTE, share sale fees, share dealing fees, one-off and other variable fees.
Gross Revenue	is the aggregate segment revenue before elimination of intercompany revenue and recharges such as Technology and Innovation recharges for IT support, client-related project development and communications services on-charged to clients. Link Group management considers segmental Gross Revenue to be a useful measure of the activity of each segment.
Operating EBITDA	is earnings before interest, tax, depreciation and amortisation and Significant items. Management uses Operating EBITDA to evaluate the operating performance of the business and each operating segment prior to the impact of Significant items, the non-cash impact of depreciation and amortisation and interest and tax charges, which are significantly impacted by the historical capital structure and historical tax position of Link Group. Link Group also presents an Operating EBITDA margin which is Operating EBITDA divided by revenue, expressed as a percentage. Operating EBITDA margin for business segments is calculated as Operating EBITDA divided by segmental Gross Revenue, while Link Group Operating EBITDA margin is calculated as Operating EBITDA divided by revenue. Management uses Operating EBITDA to evaluate the cash generation potential of the business because it does not include Significant items or the non-cash charges for depreciation and amortisation. However, the Company believes that it should not be considered in isolation or as an alternative to net Operating free cash flow.
EBITDA	is earnings before interest, tax, depreciation and amortisation.
Operating EBIT	is earnings before interest, tax and Significant items. Link Group also presents an Operating EBIT margin which is Operating EBIT divided by revenue, expressed as a percentage. Operating EBIT margin for business segments is calculated as Operating EBIT divided by segmental Gross Revenue, while Link Group Operating EBIT margin is calculated as Operating EBIT divided by revenue.
EBIT	is earnings before interest and tax.

APPENDIX 1: NON-IFRS DEFINITIONS (CONTINUED)

Operating NPATA	is net profit after tax and after adding back tax affected Significant items and Acquired Amortisation. Link Group management considers Operating NPATA to be a meaningful measure of after-tax profit as it excludes the impact of Significant items and the large amount of non-cash amortisation of acquired intangibles reflected in NPAT. This measure includes the tax effected amortisation expense relating to acquired software which is integral to the ongoing operating performance of the business. Link Group also presents Operating NPATA margin which is Operating NPATA divided by revenue, expressed as a percentage. Operating NPATA margin is a measure that Link Group management uses to evaluate the profitability of the overall business.
Operating NPATA ex-PEXA	is net profit after tax and after adding back tax affected Significant items, Acquired Amortisation and equity accounted profit and loss after tax relating to PEXA.
Acquired Amortisation	Acquired Amortisation comprises the amortisation of client lists and the revaluation impact of acquired intangibles such as software assets, which were acquired as part of business combinations.
Operating earnings per share	is Operating NPATA divided by the weighted average number of ordinary shares outstanding for the period. Link Group management considers Operating earnings per share to be a meaningful measure of after-tax profit per share as it excludes the impact of Significant items and the large amount of non-cash amortisation of acquired intangibles reflected in basic earnings per share. This measure includes the tax effected amortisation expense relating to acquired software which is integral to the ongoing operating performance of the business.
Significant items	refer to items which are considered to have a material financial impact and are not part of the normal operations of the Group. Significant items are used in both profit and loss and cash flow presentation. These items typically relate to events that are considered to be 'one-off' and are not expected to re-occur. Significant items are broken down into; Business combination/acquisition & divestment costs and other one-offs costs.
Net operating cash flow	is Cash receipts in the course of operations less Cash payments in the course of operations.

Although Link Group believes that these measures provide useful information about the financial performance of Link Group, they should be considered as supplemental to the information presented in accordance with Australian Accounting Standards and not as a replacement for them. Because these non-IFRS financial measures are not based on Australian Accounting Standards, they do not have standard definitions, and the way Link Group calculated these measures may differ from similarly titled measures used by other companies.

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REMUNERATION REPORT

Introduction from the Chair of the Human Resources and Remuneration Committee

Dear Shareholder,

On behalf of the Board, I present the Remuneration Report for the financial year ended 30 June 2023. This Report has been prepared on a consistent basis to previous years for ease of reference.

Our Remuneration Report received a second strike at the 2022 AGM. The Board takes this outcome seriously. We have taken this into account in determining the FY2023 remuneration decisions and outcomes. Our response to the strike is set out on page 82. Our aim is to continue to align remuneration structures and decisions with sustainable shareholder value creation.

Company Performance

Link Group delivered on its FY2023 guidance, with strong growth compared to FY2022:

- Operating EBIT of $178.1 million, up 15.7% and above the top-end of our guidance range;
- Operating NPATA (excluding PEXA) of $89.3 million, up 1.2% on prior year;
- Net operating cashflow conversion ratio of 101%, above the top-end of our guidance range;
- Continuing businesses delivered FY2023 revenue growth of 8.2% with underlying revenue growth (excluding acquisitions) of 6.3%;
- Sale agreements signed for Fund Solutions (FS) and Banking & Credit Management (BCM) with completion on track for FY2024;
- In-specie distribution of the company's shareholding in PEXA Group Limited to Link Group shareholders.

Link Group's Board has declared a final dividend of 4.0 cents per share which will be 60% franked taking the total FY2023 dividend to 8.5 cents per share with 70.6% being franked.

Remuneration Outcomes

In FY2023, there were no Fixed Pay increases awarded to Executive Key Management Personnel (KMP).

The short-term incentive (STI) gateway of Operating NPATA of $80 million was met, and STI's were awarded to Executive KMP within a range of 40% to 64% of maximum STI (refer page 92).

Following the conclusion of the Dye & Durham transaction activities, KMP were awarded a one-off supplementary grant of Performance Share Rights (PSRs), subject to the same performance hurdles and conditions as the FY2023 LTI grant (refer page 82).

As a result of the PEXA in specie distribution, the dilution in value to Link Group shares was adjusted through a PEXA payment of $1.80 per share for each PSR that vests under LTI grants. No adjustment to the number of PSRs issued was made (refer page 82).

The FY2021 LTI grant was tested on 30 June 2023. The three-year performance period was significantly impacted by the COVID pandemic, prolonged merger and acquisition activities, and the PEXA IPO and demerger. There was a partial vesting of the EPS tranche and no vesting of the TSR tranche (refer section 2.1). Recognising the importance of retention of Executive KMP during the critical period of completing the sale of the BCM and FS businesses, implementing the FS Scheme, and delivering on the FY2024 financial results, the usual holding lock applicable to shares has been extended for Executive KMP, which means no shares or PEXA payments will be available in 2023 (refer page 83).

We value your feedback on our FY2023 Remuneration Report.

Yours sincerely,

Anne McDonald
Human Resources & Remuneration Committee Chair

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REMUNERATION REPORT (CONTINUED)

ABOUT THIS REMUNERATION REPORT

The Remuneration Report (Report) summarises the remuneration of Link Group's KMP; namely Directors and Executive KMP that are named in this Report for the year ended 30 June 2023. This Report has been prepared in accordance with the requirements of section 300A of the *Corporations Act 2001* and has been audited.

1. OVERVIEW OF THE EXECUTIVE KMP REMUNERATION APPROACH

1.1 Remuneration principles & philosophy

Link Group applies the following principles when developing and implementing remuneration decisions. The decisions made about remuneration should:

- support competitive market pay;
- support the attraction and retention of capable and committed employees;
- reinforce the alignment of behaviours and outcomes to Link Group values and strategic imperatives;
- align remuneration with sustainable shareholder value creation and returns;
- align remuneration with prudent risk taking and Link Group's long-term financial soundness;
- motivate individuals to pursue Link Group's long-term growth and success;
- demonstrate a clear relationship between Link Group's overall performance and the performance of individuals;
- support gender pay equity; and
- comply with all relevant legal, tax and regulatory provisions.

1.2 Key Management Personnel

The names and titles of KMP are set out below. There have been no other changes to KMP following the end of the financial year.

NAME	POSITION	TERM AS KMP
Non-Executive Directors		
Michael Carapiet	Independent Chair and Non-Executive Director	Full year
Glen Boreham, AM	Independent Non-Executive Director	Full year
Andrew (Andy) Green, CBE	Independent Non-Executive Director	Full year
Peeyush Gupta, AM	Independent Non-Executive Director	Full year
Anne McDonald	Independent Non-Executive Director	Full year
Sally Pitkin, AO	Independent Non-Executive Director	Full year
Fiona Trafford-Walker	Independent Non-Executive Director	Full year
Continuing executive KMP		
Vivek Bhatia	Chief Executive Officer & Managing Director	Full year
Antoinette Dunne	Chief Executive Officer, Banking & Credit Management	Full year
Paul Gardiner	Chief Executive Officer, Corporate Markets	Full year
Andrew MacLachlan	Chief Financial Officer	Full year
Dee McGrath	Chief Executive Officer, Retirement & Superannuation Solutions	Full year
Karl Midl	Chief Executive Officer, Fund Solutions	Full year

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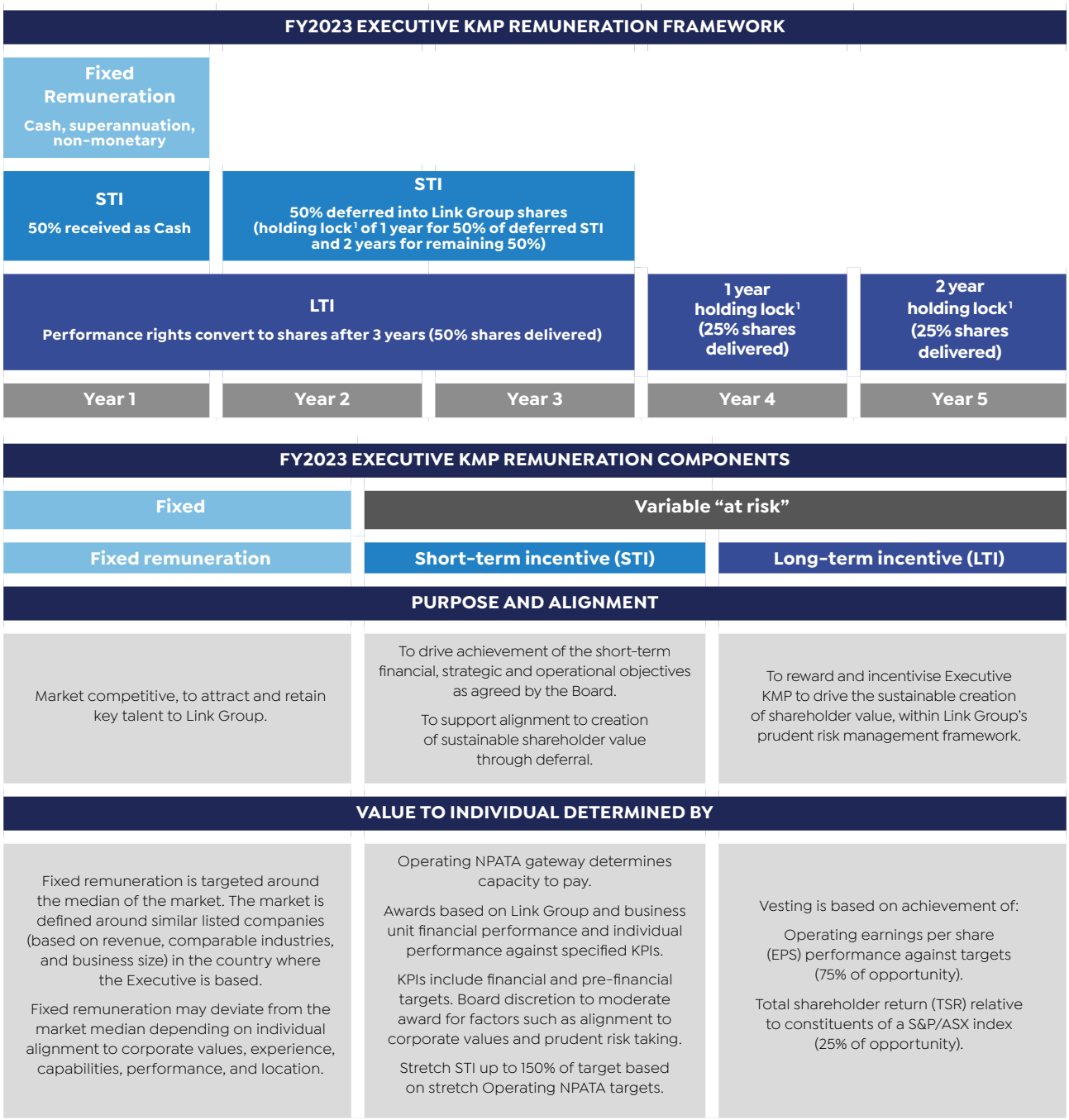
REMUNERATION REPORT (CONTINUED)

1.3 FY2023 Remuneration framework

Link Group's remuneration framework is designed to reward Executive KMP for achievement of Link Group strategy and shareholder value creation. Figure 1 outlines the components of Executive KMP remuneration and their purpose.

Figure 1: FY2023 Executive KMP remuneration framework



1 Equity subject to a holding lock is generally forfeited if the employee resigns while the relevant holding lock is in place.

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REMUNERATION REPORT (CONTINUED)

EXECUTIVE KMP REMUNERATION IN FY2023

What changes to Executive KMP remuneration have been made in FY2023?

The Board reviewed FY2023 remuneration for the Executive KMP in the context of the scale, complexity and geographical reach of Link Group, and market benchmarking data.

No Executive KMP received a Fixed Pay increase in FY2023.

Dee McGrath's LTI was increased to 75% of Fixed Pay to align with peers.

Executive KMP were awarded a one-off supplementary Long-Term Incentive (LTI) grant to support retention of our key executives in a manner aligned to shareholder outcomes. This grant, which is subject to the same performance hurdles and conditions as the FY2023 grant, was awarded to Executives following the conclusion of the Dye & Durham transaction activities and, in the case of the CEO & Managing Director, following the implementation of the in-specie distribution of Link Group's shareholding in PEXA to Link Group shareholders in January 2023.

As outlined in the Explanatory Memorandum (issued on 22 November 2022), to compensate for the dilution in value of Link Group shares following completion of the in-specie distribution of PEXA shares to Link Group shareholders, holders of Link Group employee share rights (Right) were eligible for a cash payment of $1.80 per Right (subject to certain Board discretions). As a result, no adjustment to the number of Rights was made.

How has the Board responded to the strike against the FY2022 Remuneration Report?

The Board has considered the key addressable shareholder concerns raised in relation to the FY2022 Remuneration Report as it determined the Executive KMP remuneration for FY2023 taking into account the significant transactional activity that occurred during FY2023 and aligning decisions with sustainable shareholder value creation.

SHAREHOLDER FEEDBACK	BOARD RESPONSE
Remuneration for the CEO & Managing Director and certain Executive KMP was considered to not be reflective of company size or performance	No Executive KMP received a Fixed Pay increase for FY2023. The FY2023 remuneration outcomes for the CEO & Managing Director and Executive KMP remuneration outcomes are considered appropriate relative to company performance and reflect the strong contributions made during a period of extraordinary transaction related activity.
More specific information for Executive KMP performance information was requested	Link Group has included detailed information in relation to Executive KMP performance in section 2.1

How has the in-specie distribution of Link Group's shareholding in PEXA to Link group shareholders been reflected in relation to FY2023 Executive KMP Remuneration?

To compensate for the dilution in value of Link Group shares, current and former employees who hold Performance Share Rights and Share Rights under the Omnibus Equity Plan are eligible for a cash component of $1.80 per Right. As a result, no adjustment to the number of Rights was made.

The PEXA in-specie distribution of shares for Restricted Shares and the PEXA cash payment for Share Rights was made in respect of any Deferred STI on foot and subject to service conditions only. Consistent with the framework that the Board applies to assess the impact of a transaction on PSRs, any decision on the cash payments in respect of the FY2021, FY2022 and FY2023 LTI grants will be made at the end of the relevant performance period.

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REMUNERATION REPORT (CONTINUED)

EXECUTIVE KMP REMUNERATION IN FY2023	
How is Link Group's performance reflected in FY2023 remuneration outcomes?	In FY2023, Link Group achieved an Operating NPATA of $89.3 million (excluding PEXA) which exceeded the financial gateway for STI eligibility. The gateway is set at 85% of the Target Operating NPATA, at which point 50% of the bonus pool becomes available for allocation. This financial result and the achievement of pre-financial metrics results in STI awards being made to Executive KMP in the range of 40% to 64% of the maximum STI. Refer section 2.1 for further detail. The FY2021 LTI grant was tested on 30 June 2023. The three-year performance period was significantly impacted by the COVID pandemic, prolonged merger and acquisition activities, and the PEXA IPO and demerger. There was a partial vesting of the EPS tranche and no vesting of the TSR tranche (refer page 93). Pro forma adjustments were made to Operating NPATA for PEXA earnings, and the impact of COVID related cost reduction initiatives in the base year of FY2020 for the calculation of the EPS tranche. Details of the COVID related initiatives were set out in Link Group's Investor Presentation 26 August 2021, slide 14 and the FY2022 Annual Results Presentation 30 August 2022, slide 13. Recognising the importance of retention of Executive KMP during the critical period of completing the sale of the BCM and FS businesses, implementing the FS Scheme, and delivering on the FY2024 financial results, the holding lock for vested PSRs and associated PEXA payment has been extended, so that no shares or PEXA payments will be available in 2023. In lieu of the usual holding lock periods whereby fifty percent of vested PSRs would be exercised in FY2023, twenty-five percent in FY2024 and twenty-five percent in FY2025, fifty percent of the vested PSRs and associated PEXA payments will be available in August 2024, and the remaining fifty percent in August 2025. Further detail on performance outcomes is provided in Section 2.1.
How is fixed remuneration determined and how is it positioned relative to the market?	Fixed remuneration generally includes base salary, superannuation and may include non-monetary benefits. Fixed remuneration is targeted around the median of the market. The market is defined as companies of similar size and/or industry in the country in which the Executive is based. Consideration is generally given to listed companies with market capitalisation 50% to 200% of Link Group's 12-month average market capitalisation. In markets where listed company data is not disclosed, market surveys are used and roles are compared against companies with revenue between 50% to 200% of Link Group's annualised revenue. This data is provided by external consultants and uses a combination of information which is publicly available, and data obtained through targeted market surveys. It enables a view to be formed on remuneration levels across the broader market. Fixed remuneration is generally reviewed against the market annually, however, there is no guaranteed annual increase.
What proportion of total target remuneration is 'at risk' and why is it considered appropriate for the business?	Generally, target total remuneration is positioned between the median and 75th percentile of the market. A significant portion of Executive KMP remuneration is 'at risk' subject to a combination of short and long-term performance hurdles. The 'at risk' components directly align executive pay with our strategic imperatives and shareholder value creation. The proportion of total target remuneration 'at risk' for Executive KMP ranges from 55% to 71%.

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REMUNERATION REPORT (CONTINUED)

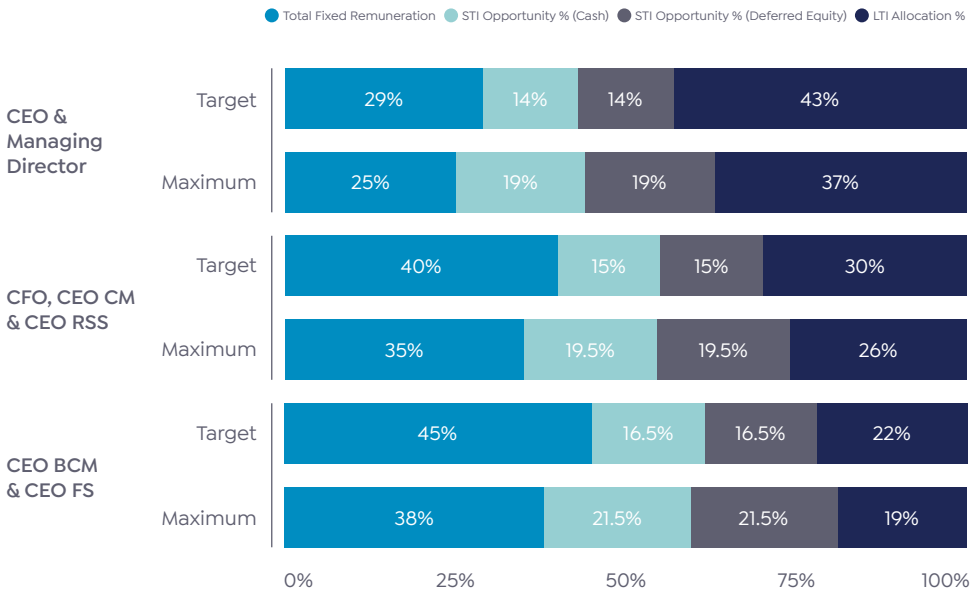
EXECUTIVE KMP REMUNERATION IN FY2023

Is clawback available on 'at-risk' remuneration?

The Board has the discretion to determine that a portion or all of an employee's unvested or vested STI and LTI awards be forfeited if, in the Board's opinion, adverse circumstances affecting the performance, reputation or risk profile of Link Group have come to the Board's attention which, had they been known at the time when the STI or LTI was made, would have caused the Board to make a different award or no award.

What was the target remuneration mix for Executive KMP for FY2023?

The KMP remuneration mix is set out below.



What are the performance measures (including gateway) on the STI plan and how do they align with the business strategy?

An Operating NPATA gateway, which is set at 85% of the Target Operating NPATA, must be met before any STI is awarded. Once the gateway is met, 50% of the STI pool becomes available for allocation. The Board determines an annual Operating NPATA target as the Group financial metric for the STI scorecards which is greater than the gateway. As the in-specie distribution of Link Group's PEXA shareholding to Link Group shareholders was completed in January 2023, PEXA is not included in the FY2023 financial gateway.

Operating NPATA, which reflects the underlying earnings of the business and excludes the impact of non-cash acquired amortisation and the after-tax impact of one-off significant items, is a key measure of success for our business and part of our growth strategy. Including Operating NPATA as a gateway supports affordability of the plan in a given year.

Payments made under the STI plan are subject to the achievement of a balanced scorecard of individual measures comprising both financial and pre-financial measures aligned to our strategic imperatives. The measures are derived from the goals set out in the Board approved strategic plan.

Measures vary by role and across financial years but broadly fall under the categories of Financial, Client / Customer and People. Further detail is included in Section 2.1.

The Board has discretion to moderate payment for factors such as alignment to corporate values, compliance and prudent risk taking.

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REMUNERATION REPORT (CONTINUED)

EXECUTIVE KMP REMUNERATION IN FY2023	
What is the target and maximum STI opportunity each Executive KMP can earn under the STI plan?	The target STI opportunity for Executive KMP represents an opportunity to earn, on average, around 31% of total target remuneration. Target STI ranges from 75% to 100% of fixed remuneration. Executive KMP have the opportunity to earn up to 150% of their target STI where the Operating NPATA is 110% of budget. This represents the maximum STI. No Executive KMP achieved maximum STI in FY2023.
What percentage of STI is deferred and for how long?	Fifty percent of any STI awarded to the Executive KMP, including the CEO & Managing Director, will be deferred into Link shares or rights. The deferred shares or rights are subject to a holding lock, one half of which are deliverable after one year and the remainder after two years.
How is the LTI aligned to the business strategy?	The LTI Plan measures performance over a three-year period against Operating EPS targets (75%) and relative TSR performance targets (25%), with no re-testing. The Operating EPS measure aligns to the purpose of the LTI Plan to support our growth strategy and has strong alignment to sustainable shareholder value. Our key focus is on delivering sustainable earnings growth to our shareholders. The use of Operating EPS as a performance measure is further reinforced by Link's growth strategy being underpinned by a disciplined approach to acquisitions as well as organic growth in our existing businesses. Link Group acknowledges that TSR performance relative to a basket of constituents is important to some investors. However, in the absence of a sizeable group of comparable industry peers, we also acknowledge that comparison to a broad group of S&P/ASX index constituents can give arbitrary results that are not reflective of the Company's performance. The lower weighting to TSR is reflective of this issue. One-half of any vested award is available to the participant at the end of the performance period. The remaining vested award is subject to an additional holding lock, of which 50% is available after a further year and 50% after two years. The Board has determined that the combination of the three-year vesting period and subsequent two-year holding lock provides participants alignment to Link Group's long-term growth strategy. The relative TSR component of the LTI granted in FY2023 is measured against 60 constituents of the S&P/ASX 100, excluding materials, utilities, industrials and energy companies. The Board retains discretion to make adjustments for any unintended remuneration outcomes arising from a relative TSR measure. Further detail is included in Section 3.1.
How are EPS targets determined?	The Operating EPS targets in relation to LTI grants are set with reference to the Group's growth strategy. The macroeconomic environment, market and industry peer practice and stakeholder expectations are also considered. The target range set provides appropriate stretch to executives and achievement provides strong returns to shareholders. For the purpose of the LTI, Operating EPS is calculated by dividing the Group's Operating NPATA by the undiluted weighted average number of shares on issue throughout the Performance Period. Operating NPATA reflects the underlying earnings of the business and excludes the impact of non-cash acquired amortisation and the after-tax impact of one-off significant items. The Board has discretion to include or exclude items from the calculations. A reconciliation of the Operating NPATA to statutory NPAT is set out in Table 2 of the Operating and Financial Review.

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REMUNERATION REPORT (CONTINUED)

EXECUTIVE KMP REMUNERATION IN FY2023

What are the minimum shareholding requirements for Executive KMP? Have Executive KMP met the requirements?	Executive KMP are required to hold a minimum shareholding of one year's fixed remuneration within five years of the date they are appointed as a KMP. Service based awards, including Deferred STI, retention grants, and vested LTI subject to a holding lock count towards this requirement. All Executive KMP with five or more years in an Executive KMP role are in compliance with the minimum shareholding requirement. See Table 14 for further detail.

NON-EXECUTIVE DIRECTOR REMUNERATION IN FY2023

Were there any changes to Non-Executive Director remuneration in FY2023?	There were no changes to Non-Executive Director (NED) base fees in FY2023. The Chair fee reflects a single payment, with no additional fees paid to the Chair for Committee work. There were no changes to the NED fee pool in FY2023.
What are the minimum shareholding requirements for Non-Executive Directors?	NEDs are required to hold a minimum shareholding of one time the NED annual base fee (not including Committee membership or the higher fee for the Committee Chair) within three years after the date of their appointment. All NEDs are in compliance with the minimum shareholding requirement.

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REMUNERATION REPORT (CONTINUED)

2. SUMMARY INFORMATION

2.1 FY2023 Overview – alignment between performance and Executive KMP remuneration

In FY2023, our Executive KMP remuneration consisted of fixed remuneration, short-term incentives (STIs) and a grant of Performance Share Rights (PSRs) under the LTI Plan. The short and long-term incentive plans align remuneration outcomes to Link Group's strategic objectives, and reward superior business performance and sustainable shareholder value creation. Given Link Group's financial and pre-financial measures were achieved including exceeding the Operating NPATA financial gateway of $80 million (excluding PEXA), STIs were paid to continuing Executive KMP in FY2023.

Tables 1, 2 and 3 provide further detail of our performance against our strategic goals in FY2023 and STI awarded, and table 4 details Company performance over five years.

For FY2023, Executive KMP performance has been contextualised by the financial performance, significant transaction related activity, a volatile global economy and challenging employment conditions. Below is a summary of performance for FY2023 against goals set.

Overall Performance

Table 1: Overall FY2023 Performance against expectations

FINANCIAL		CLIENT/CUSTOMER		PEOPLE		OVERALL
50% weight		30% weight		20% weight		Group Performance
Assessment	+	Assessment	+	Assessment	=	Assessment
Met Expectations		Met Expectations		Met Expectations		Met Expectations

FY2023 FOCUS AREAS	PERFORMANCE COMMENTARY	BELOW EXPECTATIONS	MET EXPECTATIONS	ABOVE EXPECTATIONS
Company Financial Performance	• Link Group achieved an Operating NPATA of $89.3 million representing 95% of the Operating NPATA Target of $94.2 million (excluding PEXA). The level of Operating NPATA performance in FY2023 is 1.2% higher than the level of Operating NPATA performance in FY2022 (excluding PEXA on a like for like basis); • Total FY2023 dividend of 8.5 cents per share, 70.6% franked, which is at the top end of the target dividend payout ratio and in line with market consensus; • Capital Management performance (defined as Free Cashflow) was 86% of target; • Link Group Operating EBIT of $178.1million exceeded target and was 15.7% higher than FY2022.		●	
Divisional Finance Performance	• Corporate Markets (CM) exceeded their Operating EBIT target; Retirement & Superannuation Solutions (RSS) met their target, and Fund Solutions (FS) and Banking and Credit Management (BCM) were below their target; • The core businesses of Corporate Markets and RSS exceeded their Revenue Growth targets; whilst Fund Solutions and Banking & Credit Management did not achieve their targets.		●	

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REMUNERATION REPORT (CONTINUED)

FY2023 FOCUS AREAS	PERFORMANCE COMMENTARY	BELOW EXPECTATIONS	MET EXPECTATIONS	ABOVE EXPECTATIONS
Client/ customer outcomes	• Key clients were retained with the exception of HESTA who will not renew their contract in FY2025, new clients were acquired, and new products and services were implemented. Key highlights included: – Successful strategic RSS acquisitions in Hong Kong (with HSBC), and UK (HS Pension); – Key client retention and renewals in the UK and Australia in Corporate Markets and acquisition of Better Orange in Germany to bring synergies to existing businesses in the geography. • Sale Agreements were signed for the sale of the BCM and FS businesses. • Key governance objectives supporting client activities were achieved in FY2023 including meeting all required reporting deadlines, quarterly risk management reporting and execution of the Link Group corporate governance framework.		●	
People outcomes	• Link Group recognises its people are paramount to the ongoing success of the business. In FY2023: – The wellbeing of our employees continues to be addressed through regular communications about mental health, and supporting a diverse and inclusive culture through targeted programs; – The global operating model and Link Group's approach to flexible and blended working, FlexTogether, was embedded; – Employee engagement increased by 19% from 47% in FY2021 to 56%, exceeding the targeted improvement of 10%; – Voluntary turnover reduction target of 10% was achieved with voluntary turnover for FY2023 reducing to 27%. Senior leader turnover was significantly lower than this and well within the target; – Diversity targets were exceeded with balanced gender participation achieved at management and ELT level and strong improvement at Senior Leader level from 25% to 33%; – Following the launch of its domestic and family abuse policy, Link Group continued to enhance its policies to provide support to its employees including a Wellbeing Day and increased parental leave arrangements; – Link Group's global recognition program 'Appreciate' has been successfully embedded and continues to recognise employees living Link Group's values; – Link Academy programs were enhanced with over 2000 on-line training solutions available to all employees.			●

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REMUNERATION REPORT (CONTINUED)

Table 2: Performance of Executive KMP for FY2023

	PERFORMANCE COMMENTARY	FINANCIAL	CLIENT/ CUSTOMER	PEOPLE	OVERALL
Vivek Bhatia	• Operating NPATA of $89.3 million was ~1.2% higher than FY2022 (excluding PEXA on a like for like basis); • Value realised for shareholders through the in-specie distribution of Link Group's share of PEXA; • Conditional settlement reached with the Financial Conduct Authority (UK); • Sale Agreements for the FS and BCM businesses signed, with transactions to be completed in FY2024 subject to required approvals; • Strategic priorities achieved, new clients acquired and key clients retained with the exception of HESTA who will not renew their contract in FY2025; • Acquisitions made across CM and RSS • Diversity targets were achieved, employee engagement improved by 19% exceeding target, and turnover target of a 10% improvement was achieved.	Met expectations	Below expectations	Met expectations	Met expectations
Antoinette Dunne	• Operating EBIT of $(10.8) million was below target of $(8.5) million; • Revenue growth Target was not achieved; • Cost reduction objectives achieved across key business lines; • Buyer engaged for divestment of Banking and Credit Management, to complete in FY2024 subject to regulatory approval; • Key clients across primary and secondary markets were retained, with new wins in all jurisdictions; • Third co-investment in Italy delivered; • Diversity targets not met at Senior Leader level, but remains balanced for women in management overall, key senior leaders were retained, employee engagement improved by 54%, overall turnover target was achieved, and key initiatives were implemented.	Below expectations	Met expectations	Met expectations	Met expectations

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REMUNERATION REPORT (CONTINUED)

	PERFORMANCE COMMENTARY	FINANCIAL	CLIENT/ CUSTOMER	PEOPLE	OVERALL
Paul Gardiner	• Operating EBIT of $84.8 million exceeded target of $77.1 million; • Revenue growth was above target; • Key clients were retained with focus on building sustainable client relationships across the portfolio; • Acquisition of Better Orange in Germany to bring synergies to existing businesses in the geography; • Diversity targets were met, key senior leaders were retained, employee engagement improved by 15%, overall turnover target was achieved, and key initiatives were implemented.	Above expectations	Met expectations	Met expectations	Above expectations
Andrew MacLachlan	• Operating NPATA of $89.3 million was ~1.2% higher than FY2022 (excluding PEXA); • Capital Management (defined as Free Cashflow) performance of $40.7 million against a target of $47.2 million, representing an 86% achievement of target. Operating cash conversion was 101% which was above the guidance range of 90–100%; • PEXA in specie distribution successfully delivered in January 2023; • Total leverage ratio of 2.6 times EBITDA was within our guidance range of 2.0 to 3.0 times; • Diversity targets were not met, key senior leaders were retained, employee engagement improved by 26%, overall turnover target was achieved, and key initiatives were implemented.	Met expectations	Met expectations	Met expectations	Met expectations

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REMUNERATION REPORT (CONTINUED)

	PERFORMANCE COMMENTARY	FINANCIAL	CLIENT/ CUSTOMER	PEOPLE	OVERALL
Dee McGrath	• Operating EBIT of $117.9 million against a target of $121.9 million; • Revenue growth above target; • HESTA contract will not be renewed in FY2025; • REST five year contract renewed, Australian Super two year extension, AMIST and RBF renewals; • Geographic expansion and strategic acquisitions in Hong Kong (with HSBC), and the UK (HS Pension, strong growth through Cushon); • Strong pipeline and new client in NZ, acquisition of 100% of the Empirics business and increasing our shareholding in MoneySoft; • PROGRSS program has assisted in lifting operational performance and productivity in key areas; • New Pathfinder retirement platform delivered, a new adviser portal, member online enhancements and member application; • Diversity targets were exceeded, key senior leaders were retained, employee engagement improved by 4%, overall turnover target was achieved, and key initiatives were implemented.	Met expectations	Below expectations	Met expectations	Met expectations
Karl Midl	• Operating EBIT of $17.8 million was below target of $23.8 million; • Revenue growth was below Target; • Key clients were retained; • Buyer engaged for divestment of Fund Solutions businesses, to complete in FY2024 subject to regulatory approval; • Diversity targets were not achieved, key senior leaders were retained, employee engagement improved by 31%, overall turnover target was achieved, and key initiatives were implemented.	Below expectations	Met expectations	Met expectations	Met expectations

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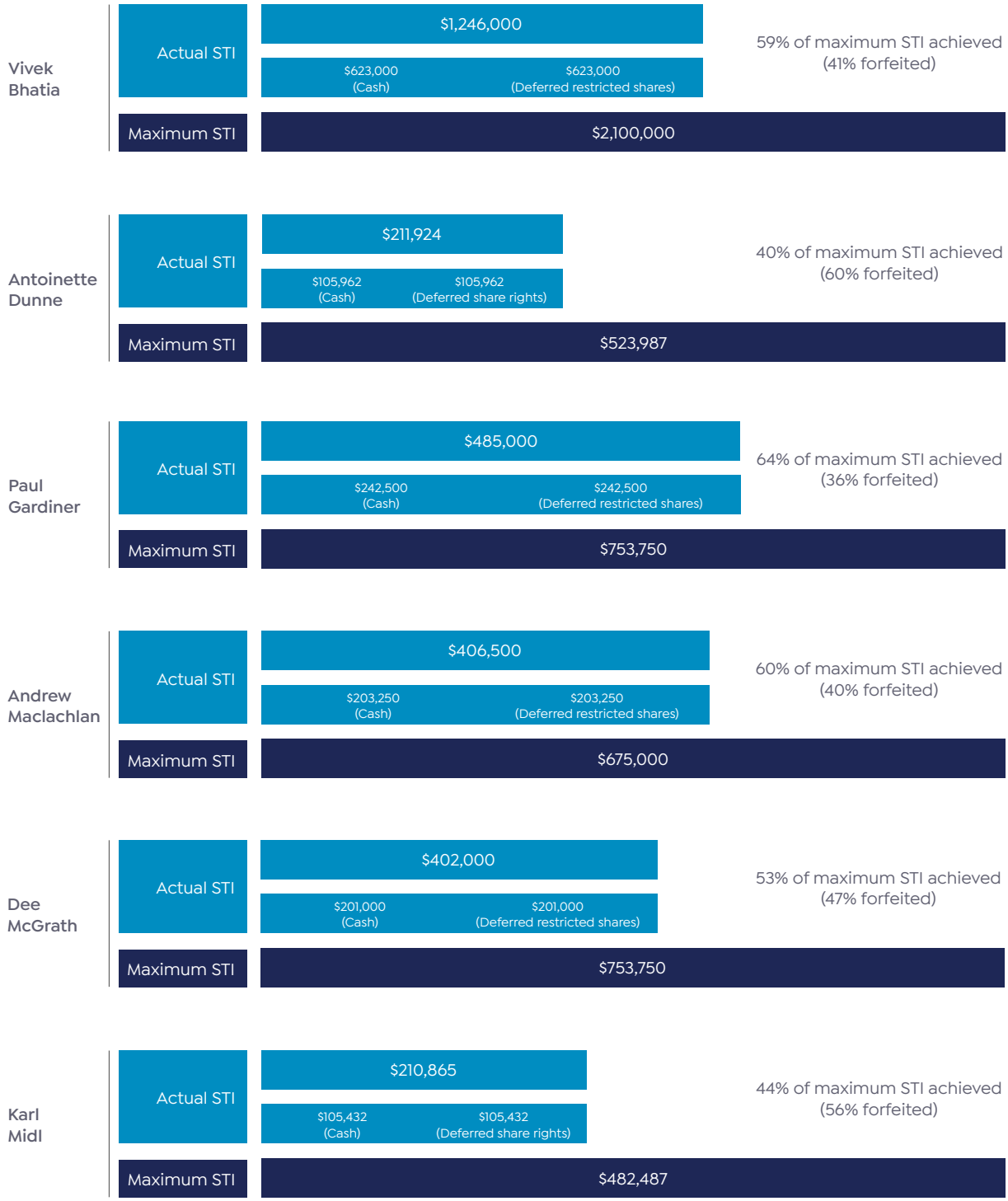
REMUNERATION REPORT (CONTINUED)

Table 3: STI amounts awarded [1]

See section 3 for an outline of the STI plan



1 Antoinette Dunne is based in Ireland and Karl Midl is based in the UK, and accordingly they are remunerated in EUR and GBP respectively. Their STI Targets have been converted to AUD using the prevailing exchange rates that were used to prepare the financial statements for FY2023.

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REMUNERATION REPORT (CONTINUED)

Table 4 outlines the financial performance of Link Group.

Table 4: Five-year performance of Link Group

		2023	2022	2021	2020	2019
Statutory EPS	(cents)	**(81.69)**	(13.14)	(30.75)	(19.67)	60.71
Operating EPS (excluding PEXA)	(cents)	**17.47**	17.07	15.94	22.65	36.83
Operating EBIT	($millions)	**178.10**	153.90	141.40	179.70	291.50
Operating NPATA	($millions)	**99.10**	121.30	113.20	137.60	196.90
Operating NPATA (excluding PEXA)	($millions)	**89.30**	88.20	84.70	120.40	195.90
Net Profit (loss) after tax	($millions)	**(417.70)**	(67.60)	(162.70)	(102.50)	324.10
Change in share price to 30 June[1]	($)	**(0.30)**	(0.65)	0.49	(0.47)	(1.21)
Declared Dividends	(cents per share)	**8.50**	11.00	10.00	19.00	20.50

FY2021 LTI Grant Outcome

Under the Omnibus Equity Plan, LTI grants of PSRs are divided into two tranches, with seventy-five percent of the grant measured over a three-year period against an Operating EPS target, and twenty-five percent of the grant measured over a three-year period against relative TSR.

The FY2021 LTI grant was tested on 30 June 2023. The three-year performance period was significantly impacted by the COVID pandemic, prolonged merger and acquisition activities, and the PEXA IPO and demerger.

The outcome was the vesting of 51% of the PSRs, with the PEXA payment of $1.80 per PSR vested. The PEXA payment was compensation for the dilution in value of Link Group shares following the in-specie distribution of PEXA shares to Link Group shareholders, and in lieu of an adjustment to the number of PSRs issued under the LTI grant.

Recognising the importance of retention of Executive KMP during the critical period of completing the sale of the BCM and FS businesses, implementing the FS Scheme, and delivering on the FY2024 financial results, the holding lock for vested PSRs and associated PEXA payment has been extended so that no shares or PEXA payments will be available in 2023. In lieu of the usual holding lock periods whereby fifty percent of vested PSRs would be exercised in FY2023, twenty-five percent in FY2024 and twenty-five percent in FY2025, fifty percent of the vested PSRs and associated PEXA payments will be available in August 2024, and the remaining fifty percent in August 2025.

FY2021 EPS Grant Outcome

The Operating EPS target is a compound annual growth rate in Operating EPS between a threshold of 5% and a stretch of 10% over a three-year period.

The Board considered the impact to earnings for the performance period, and exercised discretion to adjust the base year (FY2020) to account for COVID related cost reduction initiatives (such as the temporary salary reductions). Details of these initiatives were set out in Link Group's Investor Presentation 26 August 2021, slide 14 and the FY2022 Annual Results Presentation 30 August 2022, slide 13.

There was a partial vesting of the EPS tranche, with 68% of the PSRs converting to shares and those shares being eligible for the PEXA payment of $1.80 per share.

FY2021 TSR Grant Outcome

The TSR target compares the total shareholder return performance of Link Group with entities in the S&P/ASX100 (excluding materials, utilities, industrials and energy companies), with a hurdle of the 50th percentile as the minimum level for any PSRs to vest.

Over the performance period, Link Group was ranked at the 19th percentile of the peer group and therefore no PSRs vested, and no associated PEXA payment will be made.

1 Share price history has been adjusted to reflect the PEXA in-specie distribution in January 2023.

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REMUNERATION REPORT (CONTINUED)

Actual Remuneration Received

Table 5 shows the actual cash remuneration paid to Continuing Executive KMP during FY2023 and FY2022 and deferred payments received. This table aims to assist shareholders in understanding the cash and other benefits actually received by KMPs from the various components of their remuneration.

The table below represents non-statutory remuneration information. Remuneration elements are defined in the footnotes and are not subject to an audit in accordance with the Australian Accounting Standards.

Table 5: Actual remuneration received in FY2023 and FY2022 [1,2]

	YEAR	FIXED REMUNERATION [3] $	LEAVE ACCRUALS [4] $	CASH STI PAID [5] $	DEFERRED STI REALISED [6] $	LTI REALISED $	SERVICE BASED GRANTS REALISED [7,8] $	TERMINATION BENEFITS $	TOTAL REMUNERATION $
Vivek Bhatia	**2023**	**1,400,000**	**99,237**	**686,000**	**915,470**	**–**	**925,003**	**N/A**	**4,025,710**
	2022	1,375,000	90,692	942,500	–	–	–	N/A	2,408,192
Antoinette Dunne [9]	**2023**	**489,907**	**(14,207)**	**225,278**	**115,098**	**–**	**11,783**	**N/A**	**827,859**
	2022	491,031	2,984	187,201	–	–	16,659	N/A	697,874
Paul Gardiner	**2023**	**670,000**	**(19,560)**	**271,350**	**283,060**	**–**	**362,500**	**N/A**	**1,567,350**
	2022	671,000	22,350	252,500	–	–	40,797	N/A	986,647
Andrew MacLachlan	**2023**	**600,000**	**(27,526)**	**216,000**	**282,164**	**–**	**25,839**	**N/A**	**1,096,477**
	2022	600,000	22,516	287,500	–	–	36,531	N/A	950,479
Dee McGrath [10]	**2023**	**670,000**	**11,082**	**241,200**	**289,101**	**–**	**60,931**	**N/A**	**1,272,314**
	2022	658,750	25,824	281,500	–	–	100,746	N/A	1,066,820
Karl Midl [4]	**2023**	**450,888**	**9,605**	**133,287**	**106,248**	**–**	**11,550**	**N/A**	**711,578**
	2022	169,777	4,064	-	–	–	–	N/A	182,872

1 Remuneration for KMP is included from the date they are designated as KMP until they cease as KMP. Karl Midl commenced on 1 February 2022.

2 Antoinette Dunne is based in Ireland and Karl Midl is based in the UK, and accordingly they are remunerated in EUR and GBP respectively. Their remuneration has been converted to AUD using the prevailing exchange rates that were used to prepare the financial statements for FY2023.

3 Fixed remuneration includes fixed pay, superannuation guarantee, any salary-sacrificed items (such as additional superannuation contributions).

4 Leave accruals refers to movement in Annual Leave accruals.

5 Cash STI paid refers to the portion of the FY2021 and FY2022 STI paid in cash in September 2021 and 2022 respectively.

6 Deferred STI realised comprises of the FY2021 STI deferred under the plan, as well as a component related to the PEXA in-specie distribution. Holders of restricted shares under the deferred STI FY2021 and FY2022 plan received 1 PEXA share for every 7.52 Link shares held (equivalent to $1.58 per Link share on the date of the distribution). Holders of share rights under the deferred STI FY2021 and FY2022 plan received an equivalent compensation of $1.80 per share right held at the date of distribution.

7 Vivek Bhatia was issued with shares on his commencement in October 2020 subject to a two year service condition. These shares vested in October 2022.

8 A one-off retention grant made to Paul Gardiner in October 2020 was delivered in October 2022 and the remaining half of the Special Equity Grant made in December 2020 was also delivered.

9 Cash STI for Antoinette Dunne includes a cash retention payment of EUR 50,000, made in September 2022.

10 Dee McGrath was issued with shares on commencement. The amount included under service based grants realised includes 12,278 in FY2022 which were released from a holding lock.

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REMUNERATION REPORT (CONTINUED)

2.2 Executive KMP statutory remuneration table

Table 6 presents the remuneration for Executive KMP for FY2023 and comparative information for FY2022. The information presented in Table 6 has been prepared in accordance with the Australian Accounting Standards and accordingly differs from the information presented in the actual remuneration received in Table 5.

Table 6: Executive KMP statutory remuneration

				SHORT-TERM BENEFITS		POST-EMPLOYMENT BENEFITS	OTHER LONG-TERM BENEFITS		EQUITY BASED PAYMENTS					
NAME	YEAR	SALARY[1] $	CASH STI $	NON-MONETARY BENEFITS[2] $	OTHER BENEFITS[3] $	SUPER-ANNUATION BENEFITS $	LONG SERVICE LEAVE $	TERMINATION BENEFITS $	LTI $	SERVICE BASED GRANTS $	DEFERRED STI[4] $	TOTAL $	% OF REMUNERATION RELATED TO PERFORMANCE	VALUE OF PSRS AS A % OF REMUNERATION
Continuing Executive KMP														
Vivek Bhatia	**2023**	**1,471,837**	**623,000**	**14,401**		**27,400**	**8,560**		**1,456,484**	**125,877**	**734,854**	**4,462,413**	**30%**	**33%**
	2022	1,442,124	686,000	13,869		23,568	3,153	–	1,039,857	554,011	758,570	4,521,152	32%	23%
Antoinette Dunne[5]	**2023**	**452,371**	**105,962**	**–**	**98,880**	**23,329**	**–**	**–**	**164,412**	**3,532**	**127,358**	**975,844**	**24%**	**17%**
	2022	470,632	151,780	–	24,941	23,382	–	–	81,182	15,043	113,110	880,070	30%	9%
Paul Gardiner	**2023**	**625,147**	**242,500**	**13,599**		**25,292**	**12,109**	**–**	**350,026**	**74,400**	**265,173**	**1,608,246**	**32%**	**22%**
	2022	669,782	271,350	12,862		23,568	12,104	–	244,004	236,837	239,707	1,710,214	30%	14%
Andrew MacLachlan	**2023**	**547,181**	**203,250**	**13,824**		**25,292**	**10,847**	**–**	**313,454**	**7,746**	**232,497**	**1,354,091**	**32%**	**23%**
	2022	598,948	216,000	14,005		23,568	10,840	–	218,509	177,611	234,201	1,493,682	30%	15%
Dee McGrath	**2023**	**655,789**	**201,000**	**9,326**		**25,292**	**16,368**	**–**	**292,510**	**11,206**	**240,960**	**1,452,451**	**30%**	**20%**
	2022	661,006	241,200	9,277		23,568	9,954	–	159,013	208,866	241,694	1,554,578	31%	10%
Karl Midl[5,6]	**2023**	**439,022**	**105,432**	**–**	**26,839**	**21,471**	**–**	**–**	**135,026**	**3,462**	**119,251**	**850,503**	**26%**	**16%**
	2022	173,841	64,361	–	12,967	9,031	–	–	30,814	87,731	81,746	460,491	32%	7%
Executives that ceased to be KMP														
Chris Addenbrooke[7]	**2023**	**–**	**–**	**–**		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
	2022	260,964	–	21,684		13,735	–	–	139,923	130,562	131,754	698,622	19%	20%
Total	**2023**	**4,191,347**	**1,481,144**	**51,150**	**125,719**	**148,076**	**47,884**		**2,711,912**	**226,223**	**1,720,093**	**10,703,548**	**30%**	**25%**
	2022	4,277,297	1,630,691	71,697	37,908	144,352	36,051	–	1,913,302	1,410,661	1,800,782	11,322,741	30%	17%

1 Represents cash salary including any salary-sacrificed items (such as additional superannuation contributions) and movement in annual leave accruals.

2 Non-monetary benefits relates to car parking for Executive KMP.

3 Other benefits include a car allowance for Karl Midl and Antoinette Dunne and a retention payment of EUR 50,000 for Antoinette Dunne.

4 Deferred STI shares awarded in respect of FY2021 and FY2022 are subject to service conditions and a holding lock. Fifty percent will vest subject to continued service after one year, fifty percent will vest subject to continued service at the end of the second year.

5 Karl Midl is based in the UK and accordingly is remunerated in GBP. Antoinette Dunne is based in Ireland and remunerated in EUR. Remuneration has been converted to AUD using the prevailing exchange rates that were used to prepare the financial statements for FY2023.

6 Karl Midl commenced as KMP on 1 February 2022.

7 Chris Addenbrooke is based in the UK and accordingly is remunerated in GBP. He ceased to be Executive KMP on 31 January 2022.

REMUNERATION REPORT (CONTINUED)

3. DETAILED REMUNERATION INFORMATION

3.1 Detail of Executive KMP remuneration framework

Table 7 outlines the detail of the FY2023 STI and LTI arrangements.

Table 7: FY2023 approach

STI	
Opportunity	Any STI awarded is subject to the achievement of annual targets. The target STI opportunity for Executive KMP represents an opportunity to earn on average around 31% of total target remuneration. Target STI ranges from 75% to 100% of fixed remuneration. Executive KMP have the opportunity to earn up to 150% of their target STI where the Operating NPATA is 110% of budget. This represents the maximum STI. The actual STI pool, as well as the quantum of an individual KMP's STI, is performance based and subject to Board discretion. 50% of any STI paid is delivered as cash with the remaining 50% awarded in the form of Link Group shares or rights with a holding lock of up to two years.
Gateway	A minimum level of Operating NPATA must be achieved before any STI is paid. This level is set by the Board annually once the Budget is approved. In FY2023, the STI gateway for Executive KMP was 85% of Target Operating NPATA at which point, 50% of the STI pool becomes available for allocation. As the STI gateway target was exceeded, Executive KMP were eligible to be considered to receive a STI payment in FY2023.
Performance measures	Allocation of the STI is by achievement of a balanced scorecard of relevant corporate, business unit (where relevant) and individual measures aligned to our strategic objectives comprising a combination of Operating NPATA, business Operating EBIT and individual strategic goals. Goals vary by role and across financial years but broadly fall under the categories of Financial Performance (Company and Divisional), Client / Customer and People. In providing a final assessment of performance against goals, the Board may use its discretion as detailed below. For FY2023, the weighting of financial (which includes Operating NPATA, Operating EBIT and Revenue Growth) to pre-financial goals (Client / Customer and People goals) was 50%/50% for the CEO & Managing Director and other Executive KMP. Further detail is provided in Section 2.2.
STI Deferral	In FY2023, deferral of 50% of any earned STI into equity was mandated for Executive KMPs. Deferral is into Link Group shares or rights which are subject to a holding lock for a period of up to two years. The use of shares or rights is determined based on tax treatment in the country of issue.

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REMUNERATION REPORT (CONTINUED)

STI	
Board Discretion	In reviewing the final assessment of annual performance against KPIs and STI awarded, the Board may in its discretion take into consideration: • company, business unit and individual performance; • external market factors; • alignment to Link Group's core values and behaviours; • internal and external stakeholder relationship management; • prudent risk taking; and • the impact of circumstances, either positive or negative, that arise through the year such as an acquisition or disposal event, fraud, information security or privacy breach, reputational damage, client wins or losses, and any other events it deems relevant. The Board endeavours to apply discretion fairly and consistently and considers the use of discretion in the awards of STI to Executive KMP based on: • Link Group and relevant Business Unit performance; • results of individual ELT performance reviews which are based on weighted KPIs set at the commencement of the year, and includes an assessment in relation to behaviours and risk management; and • input from the Risk Committee Chair and Enterprise Risk on risk and compliance factors including: – deliberate and/or repeated inadvertent breaches of laws, regulations, or group policies; – failure to obtain pre-approval for trading in Link Group shares; – mandatory training completion rate; – high or critical risk incidents and/or audit items remaining open for more than six (6) months and with no action plan to address them; – upheld employee grievances or whistleblowing matters and any disciplinary actions; and – qualitative assessment on embedding a culture of good risk management.
Clawback	The Board has the discretion to determine that a portion or all of an employee's unvested or vested short-term incentive (STI) and long-term incentive (LTI) awards be forfeited if, in the Board's opinion, adverse circumstances affecting the performance, reputation or risk profile of Link Group have come to the Board's attention which circumstances, had they been known at the time when the STI or LTI was made, would have caused the Board to make a different award or no award. No Board discretion in relation to clawback was applied in FY2023.
Termination	The Board has the discretion to determine the treatment of deferred STI in the event an Executive KMP ceases employment during the vesting period.

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REMUNERATION REPORT (CONTINUED)

LTI – OMNIBUS EQUITY PLAN	
Award vehicle	Awards are delivered in the form of PSRs. No dividends are paid during the performance period. Participants are entitled to receive dividends and to exercise voting rights attaching to those shares post-vesting while the shares are subject to the holding lock. A cash-settled alternative (through the issue of indeterminate rights) is included in the Omnibus Equity Plan.
Opportunity	The maximum grant value of LTI opportunities represents 22% to 43% of the total target remuneration package for continuing Executive KMP, or 50% to 150% of fixed remuneration. The number of performance rights granted is determined based on the opportunity available to each participant divided by the five trading day VWAMP for Link Group shares from the date of announcement of Link Group's full year results.
Performance measures	The following performance measures apply for FY2023 grants under the LTI: • Operating EPS (75%) – EPS is calculated by dividing Link Group's Operating NPATA by the undiluted weighted average number of shares on issue throughout the performance period. The Board has discretion to include or exclude items from the calculations. Franking credits are excluded from the calculations. Operating NPATA is a measure consistently used internally and by which both Management and the market tracks Link Group's performance. Operating NPATA reflects the underlying earnings of the business and excludes the impact of non-cash acquired amortisation as well as the after-tax impact of one off significant items. While an internal measure, it receives assurance at each level within the business. The use of Operating EPS as a performance measure reinforces Link's growth strategy which is underpinned by a disciplined approach to acquisitions as well as organic growth in our existing businesses. This strategy requires dealing effectively with the inherent complexity in managing an acquisitions pipeline and the need to integrate well and achieve synergies. PSRs are subject to a compound annual growth rate in EPS of between a threshold target of 5% and a stretch target of 10%. This target range provides appropriate stretch to executives, is competitive against the ranges set by industry peers and achievement should result in strong returns to shareholders. Our key focus is on delivering earnings growth to our shareholders. The Operating EPS measure strongly supports the aim of the LTI principles in supporting our growth strategy. • TSR (25%) – relative to the constituents of the S&P/ASX 100, excluding materials, utilities, industrials and energy companies. Our starting comparator group, before consideration of any corporate actions during the vesting period, is 56 companies for the FY2023 grant. TSR takes into account the change in Link Group's share price over the relevant performance period, as well as the dividends paid (dividends are assumed to be reinvested in Link Group shares). Link Group acknowledges that TSR performance relative to a basket of constituents is important to some investors. However, in the absence of a sizeable group of comparable industry peers, we also acknowledge that comparison to a broad S&P/ASX index constituents group can give arbitrary results that are not reflective of the Company's performance. The lower weighting on TSR is reflective of this.

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REMUNERATION REPORT (CONTINUED)

LTI – OMNIBUS EQUITY PLAN

Vesting schedule

The vesting schedule for the EPS portion is as follows:

EPS PERFORMANCE OUTCOME	PERCENTAGE OF PERFORMANCE RIGHTS THAT WILL VEST
Compound annual growth rate of less than 5%	0%
Compound annual growth rate of 5%	50%
Compound annual growth rate between 5% and 10%	Pro-rata between 50% and 100%
Compound annual growth rate of 10% or more	100%

The vesting schedule for the TSR portion is as follows:

EPS PERFORMANCE OUTCOME	PERCENTAGE OF PERFORMANCE RIGHTS THAT WILL VEST
Link Group ranks below the 50th percentile	0%
Link Group ranks at the 50th percentile	50%
Link Group ranks between the 50th and 75th percentile	Pro-rata between 50% (at 50th percentile) and 100% (at 75th percentile)
Link Group ranks at or above the 75th percentile	100%

Transaction impact

As a framework for assessing the treatment of transactions, the Board uses a number of principles against which to assess the impact of a transaction on the LTI:

1. preserve the value of the awards held by employees;
2. reward for the success of the transaction;
3. maintain the level of stretch expected when the original targets were set;
4. be consistent with general market/shareholder expectations; and
5. maintain the integrity of each year's remuneration as awarded.

Each transaction is assessed against these criteria on a case by case basis.

Performance period and holding lock

Performance is measured over a three-year period. Awards lapse at the end of three years to the extent performance measures are not met. There is no retesting of awards.

One-half of any vested award is available to the participant at the end of the performance period. A holding lock applies to the remaining 50%; one-half of which is then available after a further one and two years respectively. Shares are delivered upon PSRs vesting and are held by a trustee while the holding lock applies.

Clawback

Under the Omnibus Equity Plan, the Board has the discretion to determine that a portion or all of an employee's unvested or vested short-term incentive (STI) and long-term incentive (LTI) awards be forfeited if, in the Board's opinion, adverse circumstances affecting the performance, reputation or risk profile of Link Group have come to the Board's attention which circumstances, had they been known at the time when the STI or LTI was made, would have caused the Board to make a different award or no award.

Termination

In the event of a cessation of employment for a 'qualifying reason' (for example, death, serious injury, disability or illness, genuine retirement or retrenchment), equity will be retained 'on-foot' and will be tested against performance hurdles at the original vesting date alongside other participants, having regard to the portion of the performance period served, unless otherwise determined by the Board.

Change of control

The Board has the discretion to vest outstanding awards taking into account the portion of the vesting period and performance against hurdles at the time of the change of control and any replacement equity offered by third parties.

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REMUNERATION REPORT (CONTINUED)

LTI – OMNIBUS EQUITY PLAN	
Treatment of dividends	Participants are not eligible to receive dividends on PSRs until rights are vested and converted into shares. Dividends apply to shares subject to a holding lock.
Hedging policy	Executive KMP are not permitted to hedge unvested award nor awards subject to a holding lock.
Minimum Shareholding Requirement	Executive KMP are required to hold a minimum of one year's annual fixed remuneration within five years of the date that they are appointed as a KMP. Deferred STI, service based awards and vested LTI subject to a holding lock count towards this requirement.

3.2 Key terms of employment contracts

The key employment terms for the Executive KMP are summarised in Table 8. All Executive KMP have continuing contracts.

Table 8: Employment terms

	ANNUAL LEAVE ENTITLEMENT	NOTICE PERIOD COMPANY AND EMPLOYEE
Continuing Executive KMP		
Vivek Bhatia	20 days	12 months
Antoinette Dunne	27 days	6 months
Paul Gardiner	20 days	12 months
Andrew MacLachlan	20 days	12 months
Dee McGrath	20 days	6 months
Karl Midl	27 days	6 months

All employment contracts contain:

- total remuneration packages (including mandatory superannuation or pension contributions), plus car parking and any related FBT liability (where applicable) as a discretionary benefit that can be removed at any time; and
- express provisions protecting Link Group's confidential information and intellectual property; and post-employment restrictions covering non-competition, non-solicitation of clients and non-poaching of employees for a maximum of 12 months.

Under the terms of all employment contracts, either party is entitled to terminate employment by giving written notice in accordance with the relevant contract notice period. Link Group may, at its election, make a payment in lieu of that notice based on the Executive KMP's base remuneration package.

Link Group may also terminate employment immediately and without further payment where the employee commits serious misconduct and on other similar grounds.

Any termination payments are paid within applicable legislative requirements.

3.3 Non-Executive Director fees and statutory remuneration table

Non-Executive Director fee policy

The pool for payment of Non-Executive Directors' (NED) fees is capped by the Company at $2 million per annum. NED fees are set with reference to relevant market data. The Board reviews fees annually and seeks benchmarking data using the same comparator groups used for the Executive KMP, being Australian-listed companies of similar size and/or industry. Consideration is given to S&P/ASX 200 entities with market capitalisation 50% to 200% of Link Group's 12-month average market capitalisation and specific peer companies. The Board also reviews NED remuneration with reference to the scale, complexity and geographical reach of Link Group.

NEDs receive an annual fee for Board membership and for service as the Chair or a Member of Board Committees. The Chair of the Board does not receive any fees for serving as a Member of Board Committees and NEDs do not receive fees for serving on the Nominations Committee. NEDs are eligible to receive a travel allowance for overseas board meetings. In FY2023, all NEDs received a travel allowance of $10,000 (or equivalent) per trip for travel to international board meetings. NEDs do not participate in any variable or incentive plans and do not receive retirement benefits other than superannuation.

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REMUNERATION REPORT (CONTINUED)

Table 9: Non-Executive Director fees[1]

	2023		2022	
	CHAIR FEE $	MEMBER FEE $	CHAIR FEE $	MEMBER FEE $
Base fees	383,880	176,505	383,880	176,505
Committee fees				
Risk Committee	32,000	16,000	32,000	16,000
Audit Committee	32,000	16,000	32,000	16,000
Human Resources and Remuneration Committee	32,000	16,000	32,000	16,000
Technology and Transformation Committee	32,000	16,000	32,000	16,000
Nomination Committee	–	–	–	–

Fees paid to NEDs during FY2023 and FY2022 were:

Table 10: Statutory remuneration for Non-Executive Directors

NAME	YEAR	FEES[2] $	SUPERANNUATION BENEFITS $	TOTAL $
Michael Carapiet	**2023**	**392,956**	**–**	**392,956**
	2022	472,327	–	472,327
Glen Boreham, AM	**2023**	**234,505**	**–**	**234,505**
	2022	263,798	–	263,798
Andrew (Andy) Green, CBE[3]	**2023**	**303,763**	**–**	**303,763**
	2022	316,433	–	316,433
Peeyush Gupta, AM	**2023**	**198,773**	**19,877**	**218,650**
	2022	189,550	18,955	208,505
Anne McDonald	**2023**	**198,773**	**19,877**	**218,650**
	2022	189,550	18,955	208,505
Sally Pitkin, AO	**2023**	**225,596**	**–**	**225,596**
	2022	263,728	–	263,728
Fiona Trafford-Walker	**2023**	**234,505**	**–**	**234,505**
	2022	224,505	–	224,505
Total	**2023**	**1,788,871**	**39,754**	**1,828,625**
	2022	1,919,891	37,910	1,957,801

Minimum shareholding requirements

The Board has adopted a Minimum Shareholding Policy to assist in aligning the interests of all Directors with our shareholders. Each NED must hold a minimum number of shares, equivalent to one times the NED annual base fee (not including Committee membership or the higher fee for the Committee Chair). The minimum shareholding requirement must be met within three years after the date of their appointment. At the time of publication of this Report, all NEDs with three or more years' service are in compliance with the minimum shareholding requirements.

1 Amounts are exclusive of GST and inclusive of any required superannuation payments (where applicable).

2 NEDs receive a $10,000 travel allowance for each overseas Board meeting. For Andy Green this allowance is £5,575 for each overseas or return trip to Australia to attend Board meetings. Andy Green received a travel allowance for 6 trips. All other NEDs received a travel allowance for one Board meeting held in India.

3 Andy Green is based in the UK and accordingly is remunerated in GBP. His annual fee for serving as a Director of the Company is £107,625.

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REMUNERATION REPORT (CONTINUED)

3.4 Remuneration governance

The Human Resources and Remuneration Committee (the Committee) assists the Board with oversight of Link Group's human resources and remuneration strategies and supporting policies and practices for our employees and NEDs and monitoring the implementation and effectiveness of the strategy, policies and practices.

Figure 2 outlines the relationship between the Board, Committee, Management and external advisors. The Committee comprises independent NEDs appointed by the Board.

Figure 2

During FY2023, no remuneration recommendations were provided by any external advisors.

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REMUNERATION REPORT (CONTINUED)

3.5 Additional required disclosures

Table 11 outlines the grant of PSRs for Continuing Executive KMP in FY2023.

Table 11: FY2023 Grant of PSRs to Continuing Executive KMP

	TOTAL NUMBER OF PSRS AS AT 1 JULY 2022	PSRS GRANTED IN FY2023	GRANT DATE	EXERCISE PRICE FOR PSRS GRANTED IN FY2023	FAIR VALUE OF PSRS GRANTED IN FY2023[1]		TOTAL NUMBER OF PSRS VESTED DURING THE YEAR	TOTAL NUMBER OF PSRS FORFEITED /LAPSED OR EXPIRED DURING THE YEAR[2]	TOTAL NUMBER OF PSRS AS AT 30 JUNE 2023
					EPS $	TSR $			
Continuing Executive KMP									
Vivek Bhatia	952,017	860,655	5 Dec 2022, 6 Feb 2023	Nil	3.16	1.62	–	–	1,812,672
Antoinette Dunne	92,688	119,224	5 Dec 2022	Nil	3.16	1.62	–	16,347	195,565
Paul Gardiner	328,854	228,825	5 Dec 2022	Nil	3.16	1.62	–	92,166	465,513
Andrew MacLachlan	294,495	204,917	5 Dec 2022	Nil	3.16	1.62	–	82,537	416,875
Dee McGrath	209,539	228,825	5 Dec 2022	Nil	3.16	1.62	–	57,317	381,047
Karl Midl	87,577	111,046	5 Dec 2022	Nil	3.16	1.62	–	23,856	174,767

Vesting of all PSRs granted during FY2023 is subject to a performance period from 1 July 2022 to 30 June 2025. 50% of any PSRs that vest is delivered with the remaining 50% subject to a holding lock of up to two years. In FY2023, a Supplementary LTI was granted to KMP.

1 A modification connected to the PEXA in-specie distribution resulted in a fair value increase of $0.20 on the EPS portion of the LTI rights and a fair value decrease of $0.06 on the TSR portion of the LTI rights. The fair value increase on the EPS related rights is amortised over the remaining vesting period, the impact on FY2023 is reflected in the Statutory table. The fair value decrease on the TSR related rights has nil cost impact.

2 PSRs lapsed relate to the FY2020 LTI plan where performance hurdles were not deemed to have been met.

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REMUNERATION REPORT (CONTINUED)

Table 12 details the shares or rights allocated that are subject to service conditions only.

Table 12: Equity granted as service based only

	SERVICE BASED GRANTS AS AT 1 JULY 2022[1]	GRANT DATE	SERVICE BASED GRANTS GRANTED IN FY2023	EXPIRY DATE FOR SERVICE BASED GRANTS GRANTED IN FY2023[2]	EXERCISE PRICE FOR SERVICE BASED GRANTS GRANTED IN FY2023	FAIR VALUE OF SERVICE BASED GRANTS GRANTED IN FY2023 $	TOTAL NUMBER OF SERVICE BASED GRANTS VESTED DURING THE YEAR	TOTAL NUMBER OF UNVESTED SERVICE BASED GRANTS AS AT 30 JUNE 2023[3]
Continuing Executive KMP								
Vivek Bhatia	279,457	N/A	–	N/A	N/A	N/A	279,457	0
Antoinette Dunne	3,386	N/A	–	N/A	N/A	N/A	3,386	0
Paul Gardiner	107,296	N/A	–	N/A	N/A	N/A	107,296	0
Andrew MacLachlan	74,477	N/A	–	N/A	N/A	N/A	40,951	33,526
Dee McGrath	84,841	N/A	–	N/A	N/A	N/A	50,198	34,643
Karl Midl	42,433	N/A	–	N/A	N/A	N/A	22,876	19,557

Table 13 details the shares and rights allocated as part of the Deferred STI program

Table 13: Equity granted as under the Deferred STI program

	DEFERRED STI AS AT 1 JULY 2022	INSTRUMENT	GRANT DATE	DEFERRED STI GRANTED IN FY2023	EXPIRY DATE FOR DEFERRED STI GRANTED IN FY2023[4]	EXERCISE PRICE FOR DEFERRED STI GRANTED IN FY2023	FAIR VALUE OF DEFERRED STI GRANTED IN FY2023	TOTAL NUMBER OF DEFERRED STI VESTED DURING THE YEAR	TOTAL NUMBER OF DEFERRED STI AS AT 30 JUNE 2023
Continuing Executive KMP									
Vivek Bhatia	210,656	Restricted shares	5 Dec 2022	187,431	31 Aug 2024	Nil	**3.48**	105,328	292,759
Antoinette Dunne	13,594	Share rights	5 Dec 2022	40,909	31 Aug 2024	Nil	**3.48**	6,797	47,706
Paul Gardiner	56,435	Restricted shares	5 Dec 2022	74,139	31 Aug 2024	Nil	**3.48**	28,218	102,356
Andrew MacLachlan	64,258	Restricted shares	5 Dec 2022	59,016	31 Aug 2024	Nil	**3.48**	32,129	91,145
Dee McGrath	62,917	Restricted shares	5 Dec 2022	65,901	31 Aug 2024	Nil	**3.48**	31,459	97,359
Karl Midl	13,343	Share rights	5 Dec 2022	36,417	31 Aug 2024	Nil	**3.48**	6,672	43,088

1 Service based grants at 1 July 2022 include previously allocated sign on, special equity and retention grants. Special equity grant shares or rights were awarded in December 2020 to all Executive KMP at that time (excluding the CEO & Managing Director) to recognise their contribution to agreeing to this temporary pay reduction and to support their retention. The award value at grant for Executive KMP was equivalent to the actual Fixed Pay reduction and is subject to a service condition with 50% being delivered one year after being awarded and the remaining 50% after two years. All remaining Special Equity Grants shares and rights vested in December 2022. The vesting for Vivek Bhatia relates to sign on shares with a vesting date of 21 September 2022.

2 No Service based grants were made in FY2023.

3 Service based grants on foot at 30 June 2023, relate to retention rights granted in December 2021. Half vested in December 2022, with the remainder due to vest in December 2023.

4 The expiry dates listed reflect the final vesting dates of the Deferred STI granted in relation to FY2022 STI in December 2022, and 50% will be delivered in August 2023, and the remaining fifty percent in August 2024.

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REMUNERATION REPORT (CONTINUED)

Movements in shareholdings

The movement during the reporting period in the number of ordinary shares in Link Administration Holdings Limited held, directly, indirectly or beneficially, by each NED and Executive KMP, including their related parties, is set out in Table 14.

Table 14: Shareholding movement and minimum shareholding status[1]

	BALANCE AT 1 JULY 2022	RECEIVED ON EXERCISE OF OPTIONS/ RIGHTS	PURCHASED/ ACQUIRED	DISPOSED[2]	BALANCE AT 30 JUNE 2023	MINIMUM SHARE-HOLDING STATUS
Michael Carapiet	2,092,160	–	–	–	2,092,160	Met
Glen Boreham, AM	124,214	–	–	–	124,214	Met
Andrew (Andy) Green, CBE	26,030	–	–	–	26,030	Met
Peeyush Gupta, AM	48,160	–	–	–	48,160	Met
Anne McDonald	33,339	–	–	–	33,339	Met
Sally Pitkin, AO	85,517	–	–	–	85,517	Met
Fiona Trafford-Walker	32,128	–	–	–	32,128	Met
Vivek Bhatia	490,113	–	187,431	–	677,544	Met
Antoinette Dunne	3,386	10,183	–	3,535	10,034	N/A
Paul Gardiner	950,081		74,139	–	1,024,220	Met
Andrew MacLachlan	175,240	33,526	59,016	–	267,782	Met
Dee McGrath	143,711	34,644	65,901	–	244,256	Met
Karl Midl[3]	1,755	29,548	–	13,888	17,415	N/A

Loans to Key Management Personnel and their related parties

There were no loans to Executive KMP during the year.

Other transactions with Key Management Personnel

A number of Link Group's NEDs are directors of other entities, which will, from time to time, transact with Link Group. The terms and conditions of the transactions with these entities were no more favourable than those available, or which might reasonably be expected to be available, on similar transactions to non-key management personnel-related entities on an arm's length basis. Those transactions are the provision of Link Group services to companies of which some of the NEDs were directors, such as registry services.

From time to time, Directors of Link Group, or their related entities, may purchase services from Link Group. These purchases are on the same terms and conditions as those entered into by other Link Group employees or clients and are engaged on an arm's length basis. These services relate to some NEDs being members of superannuation funds to which Link Group provides services.

1 Current KMP who have not met the threshold and are not yet required to meet the threshold are shown as N/A.
2 The UK and Ireland have a tax withholding requirement at vesting, and shares may be sold to cover the required withholding tax.
3 Opening balance for Karl Midl has been corrected from closing balance in FY2022.

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OTHER INFORMATION

Significant Changes in State of Affairs

In the opinion of the Directors, any significant changes in the state of affairs of the Company or Link Group that occurred during the financial year ended 30 June 2023 have already been adequately disclosed in the Directors' Report. Refer to the 'Towards a Simpler Business' section of the Directors' Report for more information.

Events Subsequent to Reporting Date

Banking & Credit Management (BCM)

Link Group refers to its announcement on 18 August 2023 providing an update in relation to the progress of the sale of its Banking & Credit Management business (the BCM Sale). The BCM Sale has now received all regulatory approvals. The BCM Sale is expected to complete on 1 September 2023.

Fund Solutions (FS)

Link Group refers to its announcement on 3 August 2023 providing an update in relation to the progress of the FS sale. Link Group confirms that counterparties to contracts representing the requisite threshold majority of revenue in respect of LFSL's ACD business and Link Fund Manager Solutions (Ireland) Limited's business have agreed to those contracts being transferred to the Waystone Group on completion of the FS Sale. Satisfaction of the revenue and third-party consent conditions for the FS Sale remains subject to receiving certain regulatory approvals in the UK and Ireland. Link Group has received clearance from the Competition and Consumer Protection Commission of Ireland in respect of the FS Sale. Link Group expects that the FS Sale will complete in October 2023, subject to remaining conditions being satisfied.

On 28 July 2023, LFSL informed the investors in the WEIF (WEIF Investors), that subject to the outcome of discussions with Link Group and the FCA, and the English High Court's availability, LFSL expects to issue a Practice Statement Letter in September 2023. The Practice Statement Letter will notify WEIF Investors of the formal launch of the Scheme and provide further details about the key terms of the Scheme and the first court hearing in relation to the Scheme. The Settlement contemplated by the Scheme is conditional on the completion of the FS Sale. If the Scheme becomes effective, it will provide for monies, including a contribution of up to £60 million from Link Group to LFSL, to be made available to make payments to the WEIF Investors. In return for those payments to the WEIF investors, LFSL, Link Group, and their respective affiliates and officers will receive releases from liability relating to LFSL's role as ACD of the WEIF.

Link Group has also signed a conditional sale and purchase agreement with Altum Group for the sale of Link Fund Solutions (Luxembourg) S.A. and Link Fund Solutions (Switzerland) SA. As per the announcement on 20 April 2023, Link Group has agreed to contribute any available net consideration it receives to the Scheme if it completes a sale of the Luxembourg and Swiss entities which form part of the FS Business prior to the date on which the distribution under the Scheme takes place. Link Group expects to complete the sale by 3Q FY2024, subject to regulatory approval in Luxembourg.

In the opinion of the Directors, there has not arisen in the interval between the end of the financial year and the date of this report any other item, transaction or event of a material and unusual nature likely, in the opinion of the Directors of the Company, to affect significantly the operations of Link Group, the results of those operations, or the state of affairs of Link Group, in future financial years outside of those matters identified above.

Likely Developments

Further information about the likely developments in the operations of Link Group and the expected results of those operations in future financial years has not been included in this report because disclosure of the information would be likely to result in unreasonable prejudice to Link Group.

Environmental Regulation

Link Group's operations are not subject to any significant environmental regulations under either Commonwealth or State legislation. The Board believes Link Group has adequate systems in place for the management of its environmental requirements and is not aware of any breach of those environmental requirements as they apply to Link Group.

Indemnification and Insurance

The Company has agreed to indemnify, to the extent permitted by the *Corporations Act 2001*, each Director and officer in respect of certain losses and liabilities (including all reasonable legal expenses) which the Director or officer may incur as a result of, or by reason of being a Director or officer of Link Group or a related body corporate.

The Company has not, during or since the end of the financial year, indemnified or agreed to indemnify the auditor of the Company or any related entity against a liability incurred by the auditor.

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OTHER INFORMATION (CONTINUED)

In accordance with the provisions of the *Corporations Act 2001*, the Company has a Directors' and officers' liability policy which covers all Directors and officers of Link Administration Holdings Limited and its Controlled Entities. The terms of the policy specifically prohibit disclosure of details of the amount of the insurance cover and the premium paid.

During the financial year, the Company has not paid any premium in respect of a contract to insure the auditor of the Company or any of the auditor's related entities.

Corporate Governance

The Board implements high standards of corporate governance, taking into account the Company's size, structure and nature of its operations. Link Group's Corporate Governance Statement reports against the Fourth Edition of the ASX Corporate Governance Council's Principles and Recommendations. The Corporate Governance Statement is approved by the Board and the most current version is available on the Link Group website at www.linkgroup.com.

Proceedings on behalf of the Company

No person has applied to the Court under section 237 of the *Corporations Act 2001* for leave to bring proceedings on behalf of the Company, or to intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or part of those proceedings.

Rounding Off

The Company is of a kind referred to in ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191, and in accordance with that Instrument amounts in the financial statements and Directors' Report have been rounded off to the nearest thousand dollars, unless otherwise stated.

Non-audit services

During the year KPMG, Link Group's auditor, performed certain other services in addition to the audit of the financial statements amounting to $900,084 (2022: $541,465). The Board has considered the non-audit services provided during the year by the auditor and in accordance with written advice provided by resolution of the Audit Committee, is satisfied that the provision of those non-audit services during the year by the auditor is compatible with, and did not compromise, the auditor independence requirements of the *Corporations Act 2001* for the following reasons:

- all non-audit services were subject to the corporate governance procedures adopted by Link Group and have been reviewed by the Audit Committee to ensure they do not impact the integrity and objectivity of the auditor; and
- the non-audit services provided do not undermine the general principles relating to auditor independence as set out in APES 110 Code of Ethics for Professional Accountants, as they did not involve reviewing or auditing the auditor's own work, acting in a management or decision making capacity for Link Group, acting as an advocate for Link Group or jointly sharing risks and rewards.

Details of the amounts paid to KPMG for audit and non-audit services provided during the year are disclosed in Note 30 to the financial statements. The Lead Auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 108 and forms part of the Directors' Report for the financial year ended 30 June 2023.

Signed in accordance with a resolution of the Board of Directors.

Dated 28 August 2023 at Sydney.

Michael Carapiet
Chair

Vivek Bhatia
Chief Executive Officer & Managing Director

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LEAD AUDITOR'S INDEPENDENCE DECLARATION

Lead Auditor's Independence Declaration under Section 307C of the Corporations Act 2001

To the Directors of Link Administration Holdings Limited

I declare that, to the best of my knowledge and belief, in relation to the audit of Link Administration Holdings Limited for the financial year ended 30 June 2023 there have been:

i. no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and

ii. no contraventions of any applicable code of professional conduct in relation to the audit.

Eileen Hoggett
Partner

Sydney
28 August 2023

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CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME for the financial year ended 30 June 2023

	NOTE	2023 $'000	2022 RESTATED[1] $'000
Continuing operations			
Revenue – contracts with clients	6	**955,629**	883,372
Expenses:			
Employee expenses		**(481,511)**	(514,788)
Occupancy expenses		**(15,764)**	(17,268)
IT costs		**(92,921)**	(59,178)
Administrative and general expenses	7	**(129,349)**	(122,268)
Acquisition, divestment and capital management related expenses		**(21,679)**	(27,417)
		(741,224)	(740,919)
Depreciation expense		**(40,331)**	(43,840)
Intangibles amortisation expense		**(59,775)**	(57,806)
Contract fulfilment cost amortisation expenses		**(2,078)**	(2,251)
		(102,184)	(103,897)
Loss on financial assets held at fair value through profit and loss		**(37,412)**	(64)
Gain on in-specie distribution/divestment of equity accounted investment	5	**369,735**	–
Share of profit of equity-accounted investees, net of tax	5	**1,554**	8,931
Impairment expense	15	**(30,826)**	(22,436)
Redress provision expense	13	**(428,952)**	–
Finance income		**2,573**	1,491
Finance costs	19	**(65,346)**	(35,852)
Net finance costs		**(62,773)**	(34,361)
Loss before tax		**(76,453)**	(9,374)
Tax benefit/(expense)	9(a)	**55,899**	(1,901)
Loss for the year from continuing operations		**(20,554)**	(11,275)
Discontinued operations			
Loss from discontinued operations, net of tax	4	**(397,137)**	(56,296)
Loss for the year		**(417,691)**	(67,571)
Other comprehensive income			
Items that will not be reclassified to profit or loss:			
Defined benefit re-measurement		**(93)**	312
Items that may be reclassified subsequently to profit or loss:			
Foreign currency translation differences for foreign operations		**26,637**	(29,345)
Other comprehensive income/(loss), net of tax		**26,544**	(29,033)
Total comprehensive loss for the year		**(391,147)**	(96,604)

1 2022 numbers have been restated to disclose the impact of discontinued operations. Details are included in Note 4 – Discontinued Operations and Assets held for sale.

The consolidated statement of profit or loss and other comprehensive income is to be read in conjunction with the notes to the financial statements.

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CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME for the financial year ended 30 June 2023

	NOTE	2023 $'000	2022 RESTATED[1] $'000
Loss attributable to:			
Owners of the Company		**(417,377)**	(67,890)
Non-controlling interest		**(314)**	319
Loss for the year		**(417,691)**	(67,571)
Total comprehensive loss attributable to:			
Owners of the Company		**(390,833)**	(96,923)
Non-controlling interest		**(314)**	319
Total comprehensive loss for the year		**(391,147)**	(96,604)

EARNINGS PER SHARE		CENTS PER SHARE	CENTS PER SHARE
Basic earnings per share	8	**(81.69)**	(13.14)
Diluted earnings per share	8	**(81.69)**	(13.14)

EARNINGS PER SHARE – CONTINUING OPERATIONS		CENTS PER SHARE	CENTS PER SHARE
Basic earnings per share	8	**(3.96)**	(2.24)
Diluted earnings per share	8	**(3.96)**	(2.24)

1 2022 numbers have been restated to disclose the impact of discontinued operations. Details are included in Note 4 – Discontinued Operations and Assets held for sale.

The consolidated statement of profit or loss and other comprehensive income is to be read in conjunction with the notes to the financial statements.

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CONSOLIDATED STATEMENT OF FINANCIAL POSITION
as at 30 June 2023

	NOTE	30 JUNE 2023 $'000	30 JUNE 2022 $'000
Current assets			
Cash and cash equivalents		**124,465**	193,278
Trade and other receivables	10	**149,771**	236,927
Other assets		**38,934**	44,879
Current tax assets		**5,775**	17,288
Fund assets	12	**–**	756,163
Assets held for sale	4	**1,028,451**	–
Total current assets		**1,347,396**	1,248,535
Non-current assets			
Trade and other receivables	10	**6,469**	7,640
Investments	21	**82,035**	110,587
Equity-accounted investments	5	**–**	551,335
Plant and equipment	15	**194,730**	274,172
Intangible assets	16	**1,285,660**	1,675,622
Deferred tax assets	9(d)	**101,335**	60,537
Other assets		**6,708**	13,735
Total non-current assets		**1,676,937**	2,693,628
Total assets		**3,024,333**	3,942,163
Current liabilities			
Trade and other payables	11	**150,427**	288,336
Interest bearing loans and borrowings	18	**34,238**	36,366
Provisions	13	**438,155**	22,079
Employee benefits	14	**47,146**	50,397
Current tax liabilities		**1,523**	6,389
Fund liabilities	12	**–**	754,558
Liabilities held for sale	4	**898,625**	–
Total current liabilities		**1,570,114**	1,158,125
Non-current liabilities			
Trade and other payables	11	**16,307**	5,116
Interest-bearing loans and borrowings	18	**1,105,708**	1,137,453
Provisions	13	**23,038**	19,722
Employee benefits	14	**5,715**	5,546
Deferred tax liabilities	9(d)	**58,824**	107,069
Total non-current liabilities		**1,209,592**	1,274,906
Total liabilities		**2,779,706**	2,433,031
Net assets		**244,627**	1,509,132
Equity			
Contributed equity	22	**1,002,711**	1,815,983
Reserves	23	**236,512**	(73,496)
Accumulated losses	24	**(994,888)**	(233,926)
Total equity attributable to equity holders of the parent		**244,335**	1,508,561
Non-controlling interest		**292**	571
Total equity		**244,627**	1,509,132

The consolidated statement of financial position is to be read in conjunction with the notes to the financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
as at 30 June 2023

	SHARE CAPITAL $'000	RESERVES $'000	ACCUMULATED LOSSES $'000	TOTAL EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT $'000	NON-CONTROLLING INTEREST $'000	TOTAL EQUITY $'000
Balance at 30 June 2022	1,815,983	(73,496)	(233,926)	1,508,561	571	1,509,132
Net loss after tax	–	-	(417,377)	(417,377)	(314)	(417,691)
Defined benefit remeasurement	–	(93)	–	(93)	–	(93)
Foreign currency translation differences, net of tax	–	26,637	–	26,637	–	26,637
Total other comprehensive income, net of income tax	–	26,544	–	26,544	–	26,544
Total comprehensive income	–	26,544	(417,377)	(390,833)	(314)	(391,147)
Transfer from retained earnings to reserves	–	344,755	(344,755)	–	–	–
Dividends declared during the year	–	(64,123)	–	(64,123)	(103)	(64,226)
Return of capital to shareholders	(813,272)	-	–	(813,272)	–	(813,272)
Equity settled share-based payments		8,468	1,170	9,638	–	9,638
Treasury shares acquired	–	(3,758)	–	(3,758)	–	(3,758)
Transactions with non-controlling interest without a change in control	–	(1,878)	–	(1,878)	(231)	(2,109)
Acquisition of subsidiary with non-controlling interests	–	–	–	–	369	369
Total contributions by and distributions to owners	(813,272)	(61,291)	1,170	(873,393)	35	(873,358)
Balance at 30 June 2023	1,002,711	236,512	(994,888)	244,335	292	244,627

The consolidated statement of changes in equity is to be read in conjunction with the notes to the financial statements.

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CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
as at 30 June 2022

	SHARE CAPITAL $'000	RESERVES $'000	RETAINED EARNINGS $'000	TOTAL EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT $'000	NON-CONTROLLING INTEREST $'000	TOTAL EQUITY $'000
Balance at 30 June 2021	1,917,748	(11,172)	(167,815)	1,738,761	834	1,739,595
Net loss after tax	–	–	(67,890)	(67,890)	319	(67,571)
Defined benefit remeasurement	–	312	–	312	–	312
Foreign currency translation differences, net of tax	–	(29,345)	–	(29,345)	–	(29,345)
Total other comprehensive income, net of income tax	–	(29,033)	–	(29,033)	–	(29,033)
Total comprehensive income	–	(29,033)	(67,890)	(96,923)	319	(96,604)
Transactions with shareholders						
Dividends declared during the year	–	(44,882)	–	(44,882)	(197)	(45,079)
Equity settled share-based payments	–	14,724	1,394	16,118	–	16,118
Treasury shares acquired	–	(3,133)	–	(3,133)	–	(3,133)
Transactions with non-controlling interest without a change in control	–	–	385	385	(385)	–
Buy-back and cancellation of share capital, net of costs	(101,765)	–	–	(101,765)	–	(101,765)
Total contributions by and distributions to owners	(101,765)	(33,291)	1,779	(133,277)	(582)	(133,859)
Balance at 30 June 2022	1,815,983	(73,496)	(233,926)	1,508,561	571	1,509,132

The consolidated statement of changes in equity is to be read in conjunction with the notes to the financial statements.

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CONSOLIDATED STATEMENT OF CASH FLOWS
for the financial year ended 30 June 2023

	NOTE	2023[1] $'000	2022[1] $'000
Cash flows from operating activities			
Cash receipts in the course of operations		**1,331,473**	1,304,978
Cash payments in the course of operations		**(1,054,533)**	(1,099,985)
		276,940	204,993
Cash payments for acquisition/divestment and other one-off costs		**(57,838)**	(57,591)
Interest received		**2,055**	1,446
Dividends received		**308**	283
Interest paid		**(46,120)**	(31,265)
Income taxes paid, net of refunds received		**(13,407)**	(46,572)
Net cash provided by operating activities	17(a)	**161,938**	71,294
Cash flows from investing activities			
Payments for plant and equipment		**(17,062)**	(18,526)
Payments for software		**(63,659)**	(50,708)
Acquisition of subsidiary, net of cash acquired	26	**(38,354)**	(14,313)
Acquisition of equity-accounted investments	5(b)	**–**	(20,631)
Proceeds from derivatives		**–**	75
Payments for investments		**(1,036)**	(18,649)
Proceeds from sale of investments		**102,376**	309
Sub-lease receipts		**–**	917
Net cash used in investing activities		**(17,735)**	(121,526)
Cash flows from financing activities			
Proceeds from borrowings		**124,118**	248,408
Repayment of borrowings		**(132,945)**	(198,916)
Payment of borrowing transaction costs		**–**	(6,527)
Acquisition of non-controlling interests		**(2,109)**	–
Repayment of lease liabilities		**(40,527)**	(40,958)
Payment for buy-back of shares		**–**	(101,723)
Payment of costs related to the buy-back of shares		**–**	(42)
Payment for purchase of treasury shares		**(3,758)**	(3,133)
Dividends paid to owners of the Company		**(64,123)**	(44,882)
Dividends paid to non-controlling interest		**(103)**	(197)
Net cash used in by financing activities		**(119,447)**	(147,970)
Net increase/(decrease) in cash and cash equivalents		**24,756**	(198,202)
Cash and cash equivalents at the beginning of the financial year		**193,278**	395,024
Effect of exchange rate fluctuations on cash held		**3,056**	(3,544)
Cash and cash equivalents at the end of the financial year		**221,090**	193,278

1 Link Group has presented the Consolidated Statement of Cash Flows on a total basis – i.e. including both continuing and discontinued operations. Amounts related to discontinued operations are disclosed in Note 4.

The consolidated statement of cash flows is to be read in conjunction with the notes to the financial statements.

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PREPARATION OF THIS REPORT

1. GENERAL INFORMATION

Link Administration Holdings Limited (the "Company") is a company incorporated and domiciled in Australia. The Company's registered office and principal place of business is Level 12, 680 George Street, Sydney NSW 2000, Australia. The consolidated financial statements of Link Group as at and for the year ended 30 June 2023 comprise the Company and its subsidiaries. Link Group is a for-profit entity. Link Group's purpose is connecting people with their assets – safely, securely and responsibly. Link Group manages financial ownership data and drives user engagement, analysis and insight through technology. We deliver complete solutions for companies, large asset owners and trustees across the globe. Our commitment to market-leading client solutions is underpinned by our investment in people, processes and technology.

2. BASIS OF PREPARATION

(a) Statement of compliance

The consolidated financial statements are general purpose financial statements which have been prepared in accordance with Australian Accounting Standards (AASBs) adopted by the Australian Accounting Standards Board (AASB) and the *Corporations Act 2001*. The consolidated financial statements comply with International Financial Reporting Standards (IFRS) adopted by the International Accounting Standards Board (IASB).

The consolidated financial statements have been prepared on a going concern basis, which assumes that the Consolidated Entity will be able to meet obligations for the foreseeable future (despite the sales of the Banking & Credit Management (BCM) and Fund Solutions (FS) businesses), as the Consolidated Entity continues to operate the Corporate Markets (CM) and Retirement & Superannuation Solutions (RSS) businesses. The BCM sale is expected to complete on 1 September 2023. The FS sale remains subject to regulatory approvals.

The Directors are of the opinion that the Consolidated Entity is able to satisfy its obligations as and when they fall due at least 12 months from the date of authorisation of these financial statements. In reaching this conclusion, the Directors have taken into account that post-completion of the transaction, the Consolidated Entity will continue operating its CM and RSS businesses. As at 30 June 2023, the Consolidated Entity had $221.1 million in cash and cash equivalents ($124.5 million from continuing operations), along with adequate reserve balances. Link Group disclosed a net current liability position of $222.7 million as at 30 June 2023. This net current liability is due mainly to the recognition of the Redress provision of $428.9 million. This will primarily be funded by the completion of the conditional FS sale and settlement (refer Note 13).

Link Group continues to be resilient in response to the challenges brought on by global macroeconomic and geopolitical risks across all global markets. Link Group's response was aided by the following:

- continuing investment in new technology and products to enable better servicing of our clients;
- a resilient earnings profile supporting operating cash flow, with approximately 82% of total revenue recurring in nature;
- additional initiatives implemented to reduce costs and support operating cash flow;
- a strong liquidity position supported by cash reserves and committed, undrawn credit facilities; and
- debt serviceability and leverage remained comfortably within existing bank covenants.

The Directors of the Company consider it probable that Link Group will continue to fulfil all obligations as and when they fall due for the foreseeable future and accordingly consider that Link Group's financial statements should be prepared on a going concern basis.

The consolidated financial statements were approved by the Board of Directors on 28 August 2023.

(b) Basis of measurement

The financial statements have been prepared on the historical cost basis except for financial instruments designated at fair value through profit or loss, which are measured at fair value.

(c) Functional and presentation currency

These consolidated financial statements are presented in Australian Dollars, which is the Company's functional currency. Link Group's accounting policies applied in translating the results and financial position of subsidiaries which have a functional currency other than Australian Dollars into the presentation currency are described in Note 2(e).

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PREPARATION OF THIS REPORT (CONTINUED)

(d) Use of estimates and judgements

Preparation of the consolidated financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in the following notes to the financial statements:

- Note 4(a) Discontinued operations;
- Note 4(c) Assets and liabilities held for sale;
- Note 9(e) Utilisation of tax losses;
- Note 13 Provisions;
- Note 16 Key assumptions in impairment testing for cash generating units (CGUs) containing goodwill;
- Note 21 Fair value of level 3 financial instruments;
- Note 25 Share-based payments; and
- Note 26 Business combinations.

Whilst the global economic slowdown and high inflationary environment continue to impact on global markets, it has not had an impact on Link Group's accounting policies. Their impact has been considered in applying Link Group's accounting policies including where management has made judgements, estimates and assumptions. To the extent relevant, the impact has been considered and disclosed throughout the notes to the consolidated financial statements, including:

- Note 10 Assumptions within our expected credit losses on trade and other receivables;
- Note 16 Impact on cash flows forecasts used for impairment testing for CGUs containing goodwill; and
- Note 21 Impact on the fair value assessment of Level 3 investments.

(e) Foreign currency

Foreign currency transactions

Transactions, assets and liabilities in foreign currencies are translated to the respective functional currencies of Link Group entities using the following applicable exchange rate.

FOREIGN CURRENCY AMOUNT	APPLICABLE EXCHANGE RATE
Transactions	Date of transaction
Monetary assets and liability	Reporting date
Non-monetary assets and liability measured at fair value	Date fair value is determined

Foreign currency differences arising on translation are recognised in profit or loss.

Foreign operations

The assets and liabilities of foreign operations are translated to Australian dollars at the following applicable exchange rates.

FOREIGN CURRENCY AMOUNT	APPLICABLE EXCHANGE RATE
Asset and liabilities	Reporting date
Income and expenses	Date of transaction

On consolidation, foreign exchange differences arising from the translation of any net investment in foreign entities are recognised in other comprehensive income and presented in equity in the Foreign Currency Translation Reserve. Foreign exchange gains and losses arising from a monetary item receivable from or payable to a foreign operation, the settlement of which is neither planned nor likely in the foreseeable future, are considered to form part of a net investment in a foreign operation and are recognised in other comprehensive income and presented in equity in the Foreign Currency Translation Reserve.

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PREPARATION OF THIS REPORT (CONTINUED)

(f) Rounding off

The Company is of a kind referred to in ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191, and in accordance with that Instrument all financial information presented in Australian dollars has been rounded to the nearest thousand unless otherwise stated.

(g) Changes in accounting policies and estimates

The principal accounting policies adopted by Link Group are consistent with those of the previous financial year.

Change in estimates

The classification of assets and liabilities as a disposal group (held for sale) and the related presentation of discontinued operations requires judgement by management, as to whether it is highly probable that the assets and liabilities will be recovered primarily through a sale, rather than through continuing use. For management to consider a sale to be highly probable, it must be committed to a plan to sell the disposal group and an active programme to locate a buyer and complete the plan must have been initiated. Further, the disposal group must be actively marketed for sale at a price that is reasonable in relation to its current fair value. The evaluation performed by management focused on the timing of these plans within the wider strategic plan of the Group. The sale should be expected to qualify for recognition as a completed sale within one year from the date of classification and actions required to complete the plan should indicate that it is unlikely that significant changes to the plan will be made or that the plan will be withdrawn.

Events or circumstances may extend the period to complete the sale beyond one year. The estimate of the time period required until the transfer of a disposal group held for sale is recognised as a completed sale represents a critical accounting estimate. Note 4 – Assets held for sale and Discontinued Operations discloses those disposal groups for which management expects that a completed sale will be recognised within one year or for which events or circumstances have extended the period to complete the sale beyond one year. The estimate of the time period required until the transfer of a disposal group held for sale is recognised as a completed sale represents a critical accounting estimate.

Assets held for sale

Non-current assets, or disposal groups comprising assets and liabilities, are classified as held for sale when it is highly probable that their carrying amounts will be recovered primarily through a sale transaction rather than through continuing use.

Such assets, or disposal groups, are generally measured at the lower of their carrying amounts, and fair value less cost to sell. However, certain assets, including deferred tax assets, assets arising from employee benefits, financial assets and the related liabilities continue to be measured in accordance with other applicable accounting standards. The disposal group presented in the Consolidated Statement of Financial Position consists exclusively of assets and liabilities that are measured in accordance with other applicable accounting standards.

Any impairment loss on a disposal group is allocated first to goodwill, and then to the remaining assets and liabilities on a pro rata basis, except that no loss is allocated to Deferred tax assets, Employee benefits assets, or Financial assets, which continue to be measured in accordance with the accounting policies for those assets. Impairment losses on initial classification as held for sale and subsequent gains and losses on remeasurement are recognised in profit or loss. Once classified as held for sale, these assets (including property, plant and equipment, and right-of-use assets) are no longer amortised or depreciated.

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OPERATING RESULTS

3. OPERATING SEGMENTS

(a) Reportable segments

Link Group has four reportable segments described below, which are Link Group's operating divisions. Each of the divisions offer different products and services and are managed separately because they require different technology and business strategies to service their respective markets and comply with relevant legislative or other requirements. Financial information for each division is provided regularly to Link Group's Chief Executive Officer & Managing Director (the chief operating decision maker).

The following summary describes the operations in each of Link Group's reportable segments.

- **Retirement & Superannuation Solutions (RSS)** – is a purpose built, flexible, global retirement business driving better financial outcomes for members through a leading technology and services ecosystem. The scale, adaptability and ease of use of our proprietary systems, in conjunction with our integrated analytics offering, allow RSS to innovate and grow with the needs of its clients. RSS operates in four regions – Australia, New Zealand, Hong Kong and the UK. RSS is considered a continuing operation;
- **Corporate Markets (CM)** – combines industry experience with technology capabilities to deliver innovative solutions across a global product suite with strong market positions in Australia, the UK and India. Services provided are varied and include shareholder management and analytics, stakeholder engagement, share registry, employee share plans, company secretarial, treasury solutions as well as various specialist offerings such as all types of insolvency solutions and class action services. Fund Services, a specialist provider of outsourced office administration, fund accounting services and custodial services and the largest provider in transfer agency in Australia, is now fully integrated in CM. CM is considered a continuing operation;
- **Banking & Credit Management (BCM)** – provides loan origination and servicing, debt work-out, compliance and regulatory oversight services to a range of clients including retail banks, investment banks, private equity funds and other investors. On 17 March 2023, Link Group announced that it had entered into a Share Purchase Agreement with LC Financial Holdings Limited for the sale of its BCM business. Refer to Note 4. BCM is considered a discontinued operation; and
- **Fund Solutions (FS)** – provides authorised fund manager/management company, third-party administration and transfer agency services to asset managers and a variety of investment funds. On 20 April 2023, Link Group announced that it and Link Fund Solutions Limited (LFSL) had reached a conditional agreement for the sale of the FS business (excluding its Luxembourg and Swiss entities) and excluding Woodford related liabilities. Refer to Note 4. FS is considered a discontinued operation.

The chief operating decision maker primarily uses revenue, measure of profit or loss (Operating EBIT) and total assets to assess the performance of the operating segments. The information for each reportable segment is presented below.

FOR THE YEAR ENDED 30 JUNE 2023	RSS $'000	CM $'000	BCM $'000	FS $'000	TOTAL REPORTABLE SEGMENTS $'000	HEAD OFFICE $'000	TOTAL LINK GROUP $'000	ELIMINATION OF DIS-CONTINUED OPERATIONS/ HELD FOR SALE[1] $'000	LINK GROUP CONTINUING OPERATIONS $'000
Segment revenue	554,125	416,361	120,128	152,694	1,243,308	–	1,243,308	(272,822)	970,486
Inter-segment eliminations	(1,211)	(13,646)	(80)	(138)	(15,075)	–	(15,075)	218	(14,857)
Revenue from external clients	552,914	402,715	120,048	152,556	1,228,233	–	1,228,233	(272,604)	955,629
Operating EBIT	117,954	84,843	(10,781)	17,833	209,849	(31,762)	178,087	(14,673)	163,414
Total assets at 30 June 2023	860,701	991,657	104,533	1,005,290	2,962,181	62,152	3,024,333	(1,028,451)	1,995,882

1 Operating EBIT includes FS and BCM less stranded costs of $7.6 million.

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OPERATING RESULTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2022 (RESTATED)[1]	RSS $'000	CM $'000	BCM $'000	FS $'000	TOTAL REPORTABLE SEGMENTS $'000	HEAD OFFICE $'000	TOTAL LINK GROUP $'000	ELIMINATION OF DIS-CONTINUED OPERATIONS/ HELD FOR SALE[2] $'000	LINK GROUP CONTINUING OPERATIONS $'000
Segment revenue	511,726	386,991	131,628	160,427	1,190,772	–	1,190,772	(292,055)	898,717
Inter-segment eliminations	(1,185)	(14,160)	(60)	(38)	(15,443)	–	(15,443)	98	(15,345)
Revenue from external clients	510,541	372,831	131,568	160,389	1,175,329	–	1,175,329	(291,957)	883,372
Operating EBIT	105,885	53,190	(14,783)	30,163	174,455	(20,511)	153,944	(23,321)	130,623
Total assets at 30 June 2022	687,651	908,562	96,364	11,336,273	3,028,850	913,313	3,942,163	–	3,942,163

1 2022 numbers have been restated to disclose the impact of discontinued operations. Details are included in Note 4 – Discontinued Operations and Assets held for sale.

2 Operating EBIT includes FS and BCM less stranded costs of $7.9 million.

As disclosed in the 2022 financial statements, effective 1 July 2022, Link Group realigned its organisation structure whereby the Australian Fund Solutions business (Link Fund Solutions Pty Limited) became part of the Corporate Markets Operating Segment (formerly part of the Fund Solutions Operating Segment). This was because the Australian Fund Solutions business is highly complementary to existing Corporate Markets clients. The comparative information reflects this realignment.

(b) Reconciliation of reportable segments

A reconciliation of information provided on reportable segment measures of profit or loss to the consolidated net profit after tax is provided below.

	NOTE	2023 $'000	2022 RESTATED[1] $'000
Operating EBIT		**178,087**	153,944
Significant items/One-off costs:			
– Global transformation costs		**–**	(40,064)
– Business combination/acquisition & divestment costs[3]		**(43,720)**	(28,141)
– Redress provision cost (excluding $38.1 million tax benefit)		**(428,952)**	–
Total significant items		**(472,672)**	(68,205)
Depreciation expense – non-operating		**1,165**	(2,115)
Intangibles amortisation expense – non-operating		**1,388**	(109)
Intangibles amortisation expense – acquisition related		**(39,297)**	(43,185)
Loss on financial assets held at fair value through profit and loss		**(37,412)**	(64)
Gain on in-specie distribution/divestment of equity-accounted investment		**369,735**	–
Share of profit of equity-accounted investees (excluding Acquired Amortisation), net of tax		**9,740**	25,747
Share of Acquired Amortisation of equity-accounted investees, net of tax		**(8,186)**	(16,816)
Impairment expense[2]		**(423,534)**	(83,099)
Finance income		**4,124**	1,507
Finance expense		**(57,975)**	(32,249)
Elimination of discontinued operations (loss before tax)	4	**398,384**	55,270
Loss before tax		**(76,453)**	(9,374)
Income tax expense		**55,899**	(1,901)
Net loss after tax from continuing operations		**(20,554)**	(11,275)

1 2022 numbers have been restated to disclose the impact of discontinued operations. Details are included in Note 4 – Discontinued Operations and Assets held for sale.

2 Impairment expense comprises a) $368.6 million related to the sale of FS assets and associated assets impairment, b) $25.3 million related to the sale of BCM and associated Goodwill impairment, c) $28.8 million premises impairments, and d) $0.9 million other Intangibles.

3 Business combination/acquisition & divestment costs includes onerous premises related outgoings of $4.9m.

OPERATING RESULTS (CONTINUED)

(c) Geographic information

Link Group had total revenue and non-current assets attributed to the following geographic locations.

	REVENUE (CONTINUING) 2023 $'000	REVENUE RESTATED[1] 2022 $'000
Australia and New Zealand	**705,463**	669,865
United Kingdom and Channel Islands (of which $152,041 (2022: $156,645) relates to discontinued operations)	**331,498**	309,378
Ireland (of which $92,857 (2022: $98,041) relates to discontinued operations)	**97,111**	102,875
Other countries (of which $27,706 (2022: $37,271) relates to discontinued operations)	**94,161**	93,211
Elimination of discontinued operations	**(272,604)**	(291,957)
	955,629	883,372

1 2022 numbers have been restated to disclose the impact of discontinued operations. Details are included in Note 4 – Discontinued Operations and Assets held for sale.

	NON-CURRENT ASSETS (CONTINUING) 2023 $'000	NON-CURRENT ASSETS 2022 $'000
Australia and New Zealand	**945,650**	1,518,955
United Kingdom and Channel Islands	**463,061**	916,119
Ireland	**6,211**	19,898
Other countries	**72,176**	59,024
	1,487,098	2,513,996

In presenting the geographic information, revenue and non-current assets are allocated based on the country in which the legal entity is domiciled. Non-current assets allocated by country only include plant and equipment, intangible assets, equity-accounted investments and certain other assets.

(d) Major clients

Link Group had one (2022: one) major client in the RSS segment, which generated revenues of $165.0 million (2022: $143.7 million).

Segment reporting

Segment results that are reported to Link Group's Chief Executive Officer & Managing Director include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

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OPERATING RESULTS (CONTINUED)

4. DISCONTINUED OPERATIONS AND ASSETS HELD FOR SALE

A discontinued operation is a component of the Group's business, the operations and cash flows of which can be clearly distinguished from the rest of the Group and which:

- represents a separate major line of business or geographic area of operations;
- is part of a single co-ordinated plan to dispose of a separate major line of business or geographic area of operations; or
- is a subsidiary acquired exclusively with a view to resale.

Classification as a discontinued operation occurs at the earlier of disposal or when the operation meets the criteria to be classified as held for sale.

During the year there were two transactions which qualify as held for sale. The related assets and liabilities have been classified in the Consolidated Statement of Financial Position as held for sale (see below). The transactions are presented as discontinued operations under AASB 5, and post-tax profit or loss has been classified as a discontinued operation in the Consolidated Statement of Profit or Loss and Other comprehensive income. The prior period results have been restated to conform to the current presentation in the Consolidated Statement of Profit or Loss and Other comprehensive income and associated notes. The related assets and liabilities have been disclosed on Link Group's consolidated statement of financial position as held for sale.

Banking & Credit Management

On 17 March 2023, Link Group made an ASX announcement that it had entered into a Share Purchase Agreement (SPA) with LC Financial Holdings Limited (LCFH) for the sale of its Banking & Credit Management (BCM) business. The ASX announcement confirmed that:

- cash consideration of up to $48 million (€30 million) will be received from LC Financial Holdings Limited (LCFH);
- Link Group will receive $32.8 million (€20 million) cash consideration at completion plus (a) deferred cash consideration of $8.2 million (€5 million) payable within 12 months of completion; and (b) a cash earn-out of $8.2 million (€5 million) subject to BCM meeting certain financial targets by the second anniversary of completion; and
- the BCM Sale has now received all regulatory approvals. The BCM Sale is expected to complete on 1 September 2023.

Fund Solutions

On 20 April 2023, Link Group made an announcement that certain subsidiaries of Link Group, including LFSL, entered into conditional sale agreements with entities within the Waystone Group pursuant to which Link Group companies have agreed to sell to the Waystone Group:

(i) the business and certain assets of LFSL;

(ii) the business and certain assets of Link Fund Manager Solutions (Ireland) Limited (LFMS(I)L); and

(iii) the entire issued share capital of certain other subsidiaries of Link Group, which together with the business of LFSL and LFMS(I)L, comprise the FS Business (other than its Luxembourg and Swiss entities), but excluding Woodford related liabilities and, subject to normalised working capital adjustments, on a debt and cash free basis.

At the same time, it was announced by Link Group and the FCA that Link Group and LFSL had reached a conditional agreement with the Financial Conduct Authority (FCA) to settle the FCA's enforcement action against LFSL in respect of its role as ACD of the WEIF. The terms of the Settlement provide that LFSL will pay, under the Scheme, a substantial contribution (FCA Redress Contribution) to relevant investors in the WEIF who are entitled to redress based on the FCA's redress findings as set out in their Warning Notice. For more details, please refer to our ASX announcements on 20 April 2023 and 3 August 2023 and Note 13.

Link Group's and the FCA's announcements on 20 April 2023 about the conditional Sale and Settlement gave rise to a constructive obligation, which resulted in the recognition of a $429.0 million pre-tax provision ($390.9 million post tax), after discounting for the time value of money. Refer to Note 13.

Link Group confirms that counterparties to contracts representing the requisite threshold majority of revenue in respect of LFSL's ACD business and Link Fund Manager Solutions (Ireland) Limited's business have agreed to those contracts being transferred to the Waystone Group on completion of the FS Sale. Satisfaction of the revenue and third-party consent conditions for the FS Sale remains subject to receiving certain regulatory approvals in the UK and Ireland. Link Group has received clearance from the Competition and Consumer Protection Commission of Ireland in respect of the FS Sale. Link Group expects that the FS Sale will complete in October 2023, subject to remaining conditions being satisfied.

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OPERATING RESULTS (CONTINUED)

Link Group has also signed a conditional sale agreement with Altum Group for the sale of Link Fund Solutions (Luxembourg) S.A. and Link Fund Solutions (Switzerland) SA. As per the announcement on 20 April 2023, Link Group has agreed to contribute any available net consideration it receives to the Scheme if it completes a sale of the Luxembourg and Swiss entities which form part of the FS Business prior to the date on which the distribution under the Scheme takes place. Link Group expect to complete the sale by 3Q FY2024, subject to regulatory approval in Luxembourg.

(a) Results of discontinued operations

	2023 $'000	2022 $'000
Segment Revenue	**272,822**	292,055
Inter-segment eliminations	**(218)**	(98)
Revenue from external clients	**272,604**	291,957
Expenses[1]	**(670,988)**	(347,227)
Loss from discontinued operations, before tax	**(398,384)**	(55,270)
Tax benefit/(expense)	**1,247**	(1,026)
Loss from discontinued operations, net of tax[2]	**(397,137)**	(56,296)

EARNINGS PER SHARE	NOTE	CENTS PER SHARE	CENTS PER SHARE
Basic earnings per share	8	**(77.73)**	(10.90)
Diluted earnings per share	8	**(77.73)**	(10.90)

1 Included in Expenses is a non-cash impairment charge of $368.6 million related to the sale of Fund Solutions (FS) assets (which is $80.3 million lower than the $448.9 million impairment recognised in the Interim Financial Report; given the buyer did not assume certain liabilities under transaction documents in respect of the FS sale. A further non-cash impairment charge of $25.3 million related to BCM goodwill is also included. Refer to Note 16(a) Intangibles.

2 The loss from the discontinued operation of $397.1 million (2022: loss of $56.3 million) is attributable entirely to the owners of the Company.

Neither the BCM nor FS sales had completed at 30 June 2023 and there is therefore no gain/loss in FY2023.

(b) Cash flows provided by/(used in) discontinued operations

	2023 $'000	2022 $'000
Net cash provided by/(used in) operating activities	**6,943**	(1,928)
Net cash used in investing activities	**(10,111)**	(24,004)
Net cash provided by financing activities	**10,684**	34,974
Net cash flows for the year	**7,516**	9,042

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OPERATING RESULTS (CONTINUED)

(c) Assets and liabilities of disposal groups held for sale

At 30 June 2023, the disposal group comprised the following assets and liabilities.

	$'000
Cash and cash equivalents	96,625
Trade and other receivables	126,857
Investments	1,054
Plant and equipment	19,454
Intangible assets	99,311
Fund Assets	663,145
Current tax assets	2,674
Other assets	19,331
Assets held for sale	**1,028,451**
Trade and other payables	194,524
Interest bearing loans and borrowings	11,428
Provisions[1]	1,385
Employee benefits	3,249
Current tax liabilities	6,332
Deferred tax liabilities	20,325
Fund liabilities	661,382
Liabilities held for sale	**898,625**

1 The Redress provision has not been classified as held for sale on the basis that the legal construct of the Business Transfer Agreements with Waystone mean that LFSL will only dispose of certain liabilities of LFSL (which does not include any WEIF related liabilities). The Redress provision will remain on the balance sheet of Link Group until it is discharged. Refer to note 13 for further detail.

5. EQUITY-ACCOUNTED INVESTMENTS

Set out below are the equity-accounted investments of Link Group as at 30 June 2023.

EQUITY-ACCOUNTED INVESTMENTS	PLACE OF BUSINESS	% OWNERSHIP INTEREST 2023	% OWNERSHIP INTEREST 2022	2023 $'000	2022 $'000
PEXA Group Limited	Australia	–	42.8	–	544,592
Moneysoft Pty Limited	Australia	–	47.9	–	6,743
Total equity-accounted investments		–		–	551,335

On 13 October 2022, Link Group increased its share in Moneysoft Pty Limited from 47.9% to 79.3% at a cost of $2.2 million. Link Group has assessed that it now has control over Moneysoft Pty Limited and accordingly it has been accounted for in accordance with AASB 3 *Business Combinations* from 13 October 2022, refer Note 26.

On 21 November 2022, Link Group's ownership in PEXA Group Limited (PEXA) decreased to 38.5% following the sale of 10% of its existing 42.8% shareholding for total net proceeds of $101.9 million, resulting in a one-off pre-tax gain of $47.9 million.

On 10 January 2023, an in-specie distribution of Link Group's shareholding in PEXA to Eligible Shareholders was implemented totalling $813.3 million, resulting in a one-off pre-tax gain of $321.9 million. A deferred tax liability of approximately $37 million (relating to prior period fair value adjustments) was also reversed during the year.

The in-specie distribution was granted tax roll over relief and has been recorded as a reduction to share capital, as approved by the ATO in CR 2023/7.

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OPERATING RESULTS (CONTINUED)

(a) Summarised financial information for material equity-accounted investments

The following table summarises the financial information of PEXA as included in its own consolidated financial statements, adjusted for fair value adjustments at acquisition and differences in accounting policies. The table also reconciles the summarised financial information to the carrying amount of Link Group's ownership interest in PEXA. Note Link Group's ownership interest in PEXA was nil at 30 June 2023 hence the table below is included for comparative purposes.

PEXA SUMMARY BALANCE SHEET AS AT 30 JUNE 2023	2023 $'000	2022 $'000
Cash and cash equivalents	–	75,391
Other current assets	–	42,906
Non-current assets	–	1,543,964
Current financial liabilities (excluding trade payables)	–	(1,882)
Other current liabilities	–	(56,234)
Non-current financial liabilities (excluding trade payables)	–	(305,614)
Other non-current liabilities	–	(33,830)
Net Assets	–	1,264,701
Link Group's share of net assets (0% at 30 June 2023, 42.8% at 30 June 2022)	–	540,854
Link Group's share of PEXA IPO funds (and related costs recognised directly in PEXA equity) raised on 1 July 2021	–	3,738
Carrying value of equity-accounted investment	–	544,592
Fair value of Link Group's investment based on PEXA ASX close price[1]	–	1,053,334

1 PEXA Group Limited's close price on 30 June 2022.

PEXA SUMMARY STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE PERIOD TO 10 JANUARY 2023 (PRIOR TO DISPOSAL)	2023 $'000	2022 $'000
Revenue	**140,900**	279,839
Depreciation expense and intangibles amortisation expense – non-acquisition related	**(6,715)**	(12,701)
Intangibles amortisation expense – acquisition related	**(27,968)**	(56,174)
Net finance expense	**(3,515)**	(5,315)
Income tax expense	**(1,893)**	(11,069)
Profit for the year	**3,951**	21,851
Other comprehensive income for the year	**143**	–
Total comprehensive income for the year	**4,094**	21,851
Link Group's share of comprehensive income (42.8% through to 21 November 2022, 38.5% through to 10 January and 0% thereafter; 42.8% at 30 June 2022)	**1,679**	9,345
Link Group's share of comprehensive income	**1,679**	9,345

(b) Reconciliation of movements in carrying values of investment in PEXA

	2023 $'000	2022 $'000
Carrying value at beginning of the year	**544,592**	535,247
Share of profit of PEXA, net of tax	**1,679**	9,345
Sell down of 10% of Link's shareholding in PEXA	**(54,517)**	–
Sell down of the entirety of Link's shareholding in PEXA	**(491,754)**	–
Carrying value at the end of the year	**–**	544,592

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OPERATING RESULTS (CONTINUED)

(c) Individually immaterial equity-accounted investments

The following table summarises information regarding Link Group's investment in individually immaterial equity-accounted investments for the year end 30 June 2023. On 13 October 2022, Link Group increased its share in Moneysoft Pty Limited from 47.9% to 79.3%. Link Group has assessed that it now has control over Moneysoft Pty Limited and accordingly it has been accounted for in accordance with AASB 3 *Business Combinations* from 13 October 2022, refer Note 26.

	2023 $'000	2022 $'000
Equity accounted carrying value of investment in Moneysoft	**–**	6,743
Link Group's share of Moneysoft:		
Equity accounted Loss for the period 1 July to 13 October 2023 (prior to control being obtained):	**(125)**	(414)
Link Group's share of comprehensive income	**(125)**	(414)

Equity-accounted investments

Equity-accounted investments are all entities over which Link Group has significant influence or joint control, generally relating to a shareholding of between 20% and 50% of the voting rights in the investee. Equity-accounted investments are accounted for using the equity method of accounting, after initially being recognised at cost.

Link Group's share of its equity-accounted investments' post-acquisition profits or losses is recognised in profit or loss and its share of post-acquisition other comprehensive income is recognised in other comprehensive income. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment. Dividends received or receivable from equity-accounted investments are recognised as a reduction in the carrying amount of the investment.

6. REVENUE

Revenue

Revenue is recognised as performance obligations are satisfied over time. Clients obtain control of services as they are delivered, and revenue is recognised over time as those services are provided. Invoices are generally issued on a monthly basis and are payable within 7 to 30 days. As such, there is not considered to be any significant financing component within each contract.

Where Link Group has a right to consideration from a client in an amount that corresponds directly with the value of performance completed to date (for example, a service contract billed for a fixed amount for each hour of service provided), Link Group recognises revenue in the amount to which it has a right to invoice the client.

Link Group may also recognise revenue derived at a point in time, generally when Link Group's performance obligation is linked to a particular event. Revenue is recognised when Link Group has an unconditional right to payment under the terms of the contract.

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OPERATING RESULTS (CONTINUED)

(a) Disaggregation of revenue

Revenue (including revenue related to discontinued operations) has been disaggregated by primary geographic location. The tables below also include a reconciliation of the disaggregated revenue with Link Group's reportable segments.

FOR THE YEAR ENDED 30 JUNE 2023	RSS $'000	CM $'000	BCM (DIS-CONTINUED) $'000	FS (DIS-CONTINUED) $'000	TOTAL REPORTABLE SEGMENTS $'000	INTER-SEGMENT ELIMINATIONS $'000	ELIMINATION OF DIS-CONTINUED OPERATIONS $'000	TOTAL LINK GROUP CONTINUING REVENUE $'000
Geographic location								
Australia and New Zealand	**532,901**	**184,650**	**–**	**–**	**717,551**	**(12,088)**	**–**	**705,463**
United Kingdom and Channel Islands	**13,988**	**168,242**	**28,448**	**123,811**	**334,489**	**(2,989)**	**(152,041)**	**179,459**
Ireland	**–**	**4,253**	**71,647**	**21,210**	**97,110**	**1**	**(92,857)**	**4,254**
Other countries	**7,236**	**59,216**	**20,033**	**7,673**	**94,158**	**1**	**(27,706)**	**66,453**
Revenues from contracts with clients	**554,125**	**416,361**	**120,128**	**152,694**	**1,243,308**	**(15,075)**	**(272,604)**	**955,629**

FOR THE YEAR ENDED 30 JUNE 2022 (RESTATED)[1]	RSS $'000	CM $'000	BCM (DIS-CONTINUED) $'000	FS (DIS-CONTINUED) $'000	TOTAL REPORTABLE SEGMENTS $'000	INTER-SEGMENT ELIMINATIONS $'000	ELIMINATION OF DIS-CONTINUED OPERATIONS $'000	TOTAL LINK GROUP CONTINUING REVENUE $'000
Geographic location								
Australia and New Zealand	504,511	179,457	–	–	683,968	(14,103)	–	669,865
United Kingdom and Channel Islands	7,188	146,793	28,317	128,427	310,725	(1,347)	(156,645)	152,733
Ireland	–	4,817	75,065	22,976	102,858	17	(98,041)	4,834
Other countries	27	55,924	28,246	9,024	93,221	(10)	(37,271)	55,940
Revenues from contracts with clients	511,726	386,991	131,628	160,427	1,190,772	(15,443)	(291,957)	883,372

1 2022 numbers have been restated to disclose the impact of discontinued operations. Details are included in Note 4 – Discontinued Operations and Assets held for sale. Also as disclosed in the 2022 financial statements, effective 1 July 2022, Link Group realigned its organisation structure whereby the Australian Fund Solutions business (Link Fund Solutions Pty Limited) became part of the Corporate Markets Operating Segment (formerly part of the Fund Solutions Operating Segment). This was because the Australian Fund Solutions business is highly complementary to existing Corporate Markets clients. The comparative information reflects this realignment.

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OPERATING RESULTS (CONTINUED)

(b) Contract balances

The following table provides information about contract assets and contract liabilities from contracts with clients.

	2023 $'000 CONTINUING OPERATIONS	2022 $'000
Contract assets (included in trade and other receivables)	–	–
Contract liabilities – non-current (included in trade and other payables)	**(1,511)**	(4,102)
Contract liabilities – current (included in trade and other payables)	**(13,957)**	(22,068)
	(15,468)	(26,170)

Contract assets primarily relate to Link Group's rights to consideration for work completed but not billed at the reporting date. Contract assets are transferred to trade receivables when Link Group's contractual entitlement to the consideration becomes unconditional. This usually occurs when Link Group has a contractual right to issue an invoice to the client.

Contract liabilities primarily relate to consideration received in advance from client for services for which revenue is recognised over time. Revenue recognised during the financial year ended 30 June 2023 that was included in contract liabilities at the beginning of the financial year was $14.3 million (2022: $28.3 million).

(c) Unsatisfied performance obligations

The following table shows unsatisfied performance obligations resulting from client contracts.

	2023 $'000 CONTINUING OPERATIONS	2022 $'000
Aggregate amount of revenue allocated to client contracts that are partially or fully unsatisfied as at year end, which will be recognised on a straight-line basis consistent with the length of each client contract.	**891,196**	1,157,761

Link Group expects that approximately 38% of revenue allocated to the unsatisfied contracts as at 30 June 2023 (2022: 45%) will be recognised during the next financial year. The majority of the remaining 62% (2022: 55%) will be recognised as revenue between 1 July 2024 and 30 June 2028 (2022: 1 July 2023 and 30 June 2027).

As permitted under AASB 15, revenue allocated to unsatisfied performance obligations is not disclosed for contracts that are for periods of one year or less. Unsatisfied performance obligations also exclude client contracts entered into subsequent to 30 June 2023 or any future contract renewals that may occur.

(d) Contract fulfilment costs

The following table provides information about contract fulfilment costs.

	2023 $'000 CONTINUING OPERATIONS	2022 $'000
Contract fulfilment costs (included in non-current other assets)	**5,902**	12,962

Costs directly related to a contract that generate or enhance Link Group's resources to satisfy performance obligations in the future, and that are expected to be recovered, are recognised as an asset. Contract fulfilment costs are amortised on a straight-line basis over the expected life of the contract.

Any recoveries of those contract fulfilment costs from clients are classified as contract liabilities and amortised over the same period where they do not relate to a separate performance obligation.

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OPERATING RESULTS (CONTINUED)

7. ADMINISTRATIVE AND GENERAL EXPENSES

	2023 $'000 CONTINUING OPERATIONS	2022[1] $'000
Costs recharged to clients	**(57,163)**	(59,289)
Professional and consulting expenses	**(22,198)**	(21,867)
Office expenses	**(5,988)**	(6,785)
Insurance expenses	**(17,048)**	(17,608)
Travel expenses	**(5,119)**	(2,953)
Other expenses	**(21,833)**	(13,596)
	(129,349)	(122,268)

1 2022 numbers have been restated to disclose the impact of discontinued operations. Details are Included in Note 4 – Discontinued Operations and Assets held for sale.

8. EARNINGS PER SHARE

(a) Basic earnings per share

Basic earnings per share is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period. Ordinary shares on issue have been adjusted for the bonus element of new shares issued at a discount to market value during the year.

	2023 $'000	2022 $'000
Loss for the year attributable to owners of the Company		
Continuing operations	**(20,240)**	(11,595)
Discontinuing operations	**(397,137)**	(56,295)
Loss for the year attributable to owners of the Company	**(417,377)**	(67,890)

	NUMBER OF SHARES '000	NUMBER OF SHARES '000
Weighted average number of ordinary shares (basic)		
Issued ordinary shares at the beginning of the financial year	**511,285**	532,423
Effect of allotments, issuances and buybacks	**–**	(16,794)
Effect of treasury shares acquired	**(353)**	1,025
Weighted average number of ordinary shares (basic)	**510,932**	516,654
Basic earnings per share (cents) – continuing operations	**(3.96)**	(2.24)
Basic earnings per share (cents) – discontinued operations	**(77.73)**	(10.90)
Total Basic earnings per share (cents)	**(81.69)**	(13.14)

(b) Diluted earnings per share

Diluted earnings per share is determined by adjusting the profit and loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding, for the effects of all dilutive potential ordinary shares, which comprise Performance Share Rights (PSRs) and Share Rights (SRs) granted to employees. Dilutive securities have been adjusted for the bonus element of new shares issued at a discount to market value during the year.

	2023 $'000	2022 $'000
Loss for the year attributable to owners of the Company		
Continuing operations	**(20,240)**	(11,595)
Discontinued operations	**(397,137)**	(56,295)
Loss for the year attributable to owners of the Company	**(417,377)**	(67,890)

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OPERATING RESULTS (CONTINUED)

	NUMBER OF SHARES '000	NUMBER OF SHARES '000
Weighted average number of ordinary shares (diluted)		
Basic weighted average number of ordinary shares	**510,932**	516,654
Effect of dilutive PSRs and SRs	**9,262**	8,589
Weighted average number of ordinary shares (diluted)	**520,194**	525,243
Diluted earnings per share (cents) – continuing operations	**(3.96)**	(2.24)
Diluted earnings per share (cents) – discontinued operations	**(77.73)**	(10.90)
Total Diluted earnings per share (cents)	**(81.69)**	(13.14)

Potential ordinary shares, which comprise Performance Share Rights (PSRs) and Share Rights (SRs), are anti-dilutive when their conversion to ordinary shares would increase earnings per share or decrease loss per share from continuing operations. The calculation of diluted earnings per share does not assume conversion, exercise, or other issue of potential ordinary shares that would have an antidilutive effect on earnings per share.

Dilutive PSRs and SRs do not have an impact on diluted EPS because Australian accounting standards state that a loss cannot be diluted.

9. TAXATION

(a) Income tax expense

	2023 $'000	2022[1] $'000
Current tax expense		
Current year	**(26,264)**	(11,275)
Adjustment for prior years	**278**	1,470
	(25,986)	(9,805)
Deferred tax benefit/(expense)		
Origination and reversal of temporary differences	**84,273**	7,762
Adjustment for prior years	**(2,388)**	142
	81,885	7,904
Tax benefit /(expense) on continuing operations	**55,899**	(1,901)
Loss before income tax from continuing operations	**(76,453)**	(9,374)
Prima facie income tax expense calculated at 30% on operating profit from ordinary activities:	**22,936**	2,808
Effect of tax rates in foreign jurisdictions	**(24,057)**	235
Non-deductible expenses	**(18,787)**	(8,874)
Non-assessable income	**150,510**	4,203
Current year losses not recognised	**(72,902)**	(1,913)
Effect of change in UK tax rates	**528**	29
(Under)/over provision of tax in respect of prior years	**(2,329)**	1,612
Income tax benefit/(expense) on continuing operations	**55,899**	(1,901)
Total consolidated income tax expense	**55,899**	(1,901)

1 2022 numbers have been restated to disclose the impact of discontinued operations. Details are included in Note 4 – Discontinued Operations and Assets held for sale.

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OPERATING RESULTS (CONTINUED)

Link Group has adopted a low-risk approach for tax risk. Link Group seeks to maintain open, co-operative and transparent relationships with revenue authorities in the jurisdictions it operates. Link Group is committed to transparently complying with and disclosing all its tax obligations in all jurisdictions. Link Group focuses on integrity in compliance, reporting, engaging with tax authorities and enhancing shareholder value. The Board does not sanction or support any activities which seek to aggressively structure the tax affairs of Link Group. Specifically, Link Group:

- does not artificially shift and/or accumulate profits in low tax jurisdictions;
- does not use the secrecy rules of jurisdictions to hide assets or income;
- pays tax where the underlying economic activity occurs; and
- applies carried forward tax losses where tax legislation enables Link Group to do so.

For more information, please refer to Link Group's Tax Risk Governance Policy published on its website (www.linkgroup.com/corporategovernance.html).

(c) Tax recognised in other comprehensive income and equity

	2023			2022		
	BEFORE TAX $'000	TAX BENEFIT $'000	NET OF TAX $'000	BEFORE TAX $'000	TAX EXPENSE $'000	NET OF TAX $'000
Foreign Currency Translation Reserve	**29,700**	**(3,063)**	**26,637**	(31,027)	1,682	(29,345)
	29,700	**(3,063)**	**26,637**	(31,027)	1,682	(29,345)

(d) Deferred tax assets/(liabilities)

	2023 (CONTINUING) $'000	2022 $'000
Deferred tax asset:		
Provisions & accruals	**37,022**	36,324
Other	**20,615**	16,401
Tax losses	**43,698**	7,812
	101,335	60,537
Deferred tax liability:		
Intangible assets	**(35,206)**	(47,817)
Plant, equipment & software	**2,077**	(1,691)
Equity-accounted investments	**–**	(36,778)
Other	**(25,695)**	(20,783)
	(58,824)	(107,069)

	BALANCE AT 1 JULY 2022 $'000	OPENING BALANCE ADJUSTMENT $'000	ACQUIRED IN BUSINESS COMBINATION/ IMPAIRMENT $'000	RECOGNISED IN PROFIT OR LOSS $'000	RECOGNISED IN OCI $'000	RECLASSIFIED TO HELD FOR SALE $000	BALANCE AT 30 JUNE 2023 $'000
Deferred tax asset:							
Provisions & Accruals	**36,324**	**–**	**–**	**698**	**–**	**–**	**37,022**
Other	**16,401**	**–**	**(1,908)**	**6,016**	**106**	**–**	**20,615**
Tax losses	**7,812**	**–**	**–**	**35,630**	**256**	**–**	**43,698**
	60,537	**–**	**(1,908)**	**42,344**	**362**	**–**	**101,335**
Deferred tax liability:							
Intangible assets	**(47,817)**	**–**	**(7,671)**	**(1,324)**	**–**	**21,606**	**(35,206)**
Plant, equipment & software	**(1,691)**	**–**	**–**	**4,667**	**–**	**(899)**	**2,077**
Equity-accounted investments	**(36,778)**	**–**	**–**	**36,778**	**–**	**–**	**–**
Other	**(20,783)**	**(163)**	**–**	**(516)**	**(3,851)**	**(382)**	**(25,695)**
	(107,069)	**(163)**	**(7,671)**	**39,605**	**(3,851)**	**20,325**	**(58,824)**

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OPERATING RESULTS (CONTINUED)

	BALANCE AT 1 JULY 2021 $'000	ACQUIRED IN BUSINESS COMBINATION $'000	RECOGNISED IN PROFIT OR LOSS $'000	RECOGNISED IN OCI $'000	BALANCE AT 30 JUNE 2022 $'000
Deferred tax asset:					
Provisions & Accruals	37,294	–	(1,024)	54	36,324
Other	20,793	–	(3,712)	(680)	16,401
Tax losses	7,188	–	418	206	7,812
	65,275	–	(4,318)	(420)	60,537
Deferred tax liability:					
Intangible assets	(65,808)	(837)	16,677	2,151	(47,817)
Plant, equipment & software	(4,476)	–	2,361	424	(1,691)
Equity-accounted investments	(33,974)	–	(2,804)	–	(36,778)
Other	(16,484)	–	(4,013)	(286)	(20,783)
	(120,742)	**(837)**	**12,221**	**2,289**	**(107,069)**

(e) Unrecognised tax losses

As at 30 June 2023, Link Group had carried forward tax losses unrecognised for deferred tax purposes available to offset against taxable income in future years in the following jurisdictions:

- Australian tax losses of $168.2 million (2022: $172.8 million);
- United Kingdom tax losses of $282.7 million (2022: nil);
- European tax losses of $47.3 million (2022: $22.6 million); and
- other jurisdiction tax losses of $0 million (2022: $0.1 million).

The tax losses do not expire under current tax legislation. Deferred tax assets have not been recognised in respect of these losses because it is not probable that conditions will permit their utilisation in the foreseeable future.

Significant accounting estimate and judgement

Judgement is required in determining whether it is probable future conditions will permit utilisation of carried forward tax losses. Deferred tax assets in respect of Link Group's carried forward tax losses have not been recognised to the extent it is not probable that conditions will permit their utilisation in the foreseeable future.

(f) Franking credits

	2023 $'000	2022 $'000
Amount of franking credits available to shareholders for subsequent financial years	**5,269**	23,072

The ability to use the franking credits is dependent on the ability to declare dividends. The Company seeks to maintain a surplus franking credit balance at 30 June each year by considering the amount of current year income tax related payments when determining the franking of dividends.

Current tax

Current tax is the expected tax payable or receivable on the taxable income for the current year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

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OPERATING RESULTS (CONTINUED)

Deferred tax

Deferred tax is recognised using the balance sheet method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for the following temporary differences:

- the initial recognition of goodwill;
- the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit; and
- differences relating to investments in subsidiaries and jointly controlled entities to the extent it is probable that they will not reverse in the foreseeable future.

The measurement of deferred tax reflects the tax consequences that would follow the manner in which Link Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. A deferred tax asset is recognised for unused tax losses, tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Offsetting deferred tax balances

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

Tax consolidation or grouping

Australia

The Company and its wholly owned Australian subsidiaries are part of a tax consolidated group. As a consequence, all members of the tax-consolidated group are taxed as a single entity. The head entity within the tax consolidated group is Link Administration Holdings Limited. Members of the Australian tax-consolidated group have entered into a tax sharing agreement that requires wholly owned subsidiaries to make contributions to the head entity for current tax liabilities. Under the tax funding agreement, the subsidiaries reimburse the Company for their portion of Link Group's current tax liability and recognise this payment as an inter-entity payable/receivable in their financial statements. The Company reimburses the subsidiaries for any deferred tax asset arising from unused tax losses and/or tax credits.

Overseas

The Company also has wholly owned subsidiaries in the following foreign jurisdictions which have made the following elections with the relevant local taxation authority:

- United Kingdom and Jersey subsidiaries have elected to apply tax grouping rules to share tax losses and/or tax payments in the United Kingdom and Jersey; and
- other countries' subsidiaries have elected to form a tax group (or adopt fiscal unity) in relevant European countries.

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OPERATING ASSETS AND LIABILITIES

10. TRADE AND OTHER RECEIVABLES

	2023 $'000 CONTINUING OPERATIONS	2022 $'000
Current		
Trade receivables	**138,734**	159,228
Less: Expected credit losses	**(3,741)**	(3,501)
	134,993	155,727
Investment management debtors	**–**	71,111
Contract assets	**–**	–
Lease receivables	**–**	12
Other receivables	**14,778**	10,077
	149,771	236,927
Non-current		
Lease receivables	**6,469**	6,237
Other receivables	**–**	1,403
	6,469	7,640

Trade receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised costs less provision for doubtful debts. Trade receivables are generally due after 7 to 30 days. Link Group has no significant concentration of credit risk. Trade and other receivables are spread across a large number of different clients.

As at 30 June 2023, management have assessed the expected credit losses for trade and other receivables. A provision for credit losses has been made for the expected non-recoverable trade receivable amounts arising from services provided.

Investment management debtors

Investment management debtors consist of amounts owed by the authorised funds to Link Fund Solutions Limited in respect of managing the assets of the authorised funds for which Link Fund Solutions Limited acts as the ACD. This has been reclassified to held for sale in the current year (Note 4).

Lease receivables

Lease receivables relate to finance leases in which Link Group has sub-leased assets it had previously recognised as right-of-use assets. Finance leases transfer substantially all the risks and rewards incidental to ownership of the underlying asset. At commencement date, Link Group recognises a lease receivable at the present value of future lease payments to be received, discounted using the interest rate implicit in the lease, or Link Group's incremental borrowing rate. A corresponding amount is derecognised from the existing right-of-use asset. Lease receivables are subsequently measured using the effective-interest method, with lease payments applied as repayments of the receivable, and periodic interest income recognised in finance income. The following table sets out a maturity analysis of lease receivables, showing the undiscounted lease payments to be received after the reporting date:

	2023 $'000 CONTINUING OPERATIONS	2022 $'000
Within one year	**–**	12
One to two years	**1,426**	–
Two to three years	**1,779**	1,426
Three to four years	**1,841**	1,779
Four to five years	**1,905**	1,841
Beyond five years	**325**	2,229
Unearned finance income	**(807)**	(1,038)
Lease receivables	**6,469**	6,249

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OPERATING ASSETS AND LIABILITIES (CONTINUED)

11. TRADE AND OTHER PAYABLES

	2023 $'000 CONTINUING OPERATIONS	2022 $'000
Current		
Trade creditors	**41,559**	28,388
Investment management creditors	**–**	132,425
Accrued operational expenses	**25,496**	54,285
Contract liabilities	**13,957**	22,068
IT related creditors	**15,220**	13,653
Indemnified payables	**4,711**	4,409
Other creditors and accruals	**49,484**	33,108
	150,427	288,336
Non-current		
Contract liabilities	**1,511**	4,102
Other creditors	**14,796**	1,014
	16,307	5,116

Trade and other payables

Trade and other payables are recognised initially at fair value and subsequently measured at amortised cost.

Investment management creditors consist of amounts owed to the appointed investment manager delegates, in respect of their services in managing the assets of the authorised funds for which Link Fund Solutions Limited acts as the ACD. This has been reclassified to held for sale in the current year (Note 4).

12. FUND ASSETS AND LIABILITIES

	2023 $'000 CONTINUING OPERATIONS	2022 $'000
Fund assets		
Fund receivables	**–**	756,163
	–	756,163
Fund liabilities		
Fund payables	**–**	(754,558)
	–	(754,558)

Fund assets and liabilities

These balances relate to investors' purchase or redemption of units in authorised funds of which Link Fund Solutions Limited (Link Asset Services' collective investment scheme administration business) is the ACD. Link Fund Solutions Limited acts in the role of principal in the transactions, and the balances are due to and from the investors and investment funds. The majority of funds need to be settled within a 4-day settlement period. This has been reclassified to held for sale in the current year (Note 4).

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OPERATING ASSETS AND LIABILITIES (CONTINUED)

13. PROVISIONS

	2023 $'000 CONTINUING OPERATIONS	2022 $'000
Current		
Provisions	**438,155**	22,079
Non-current		
Provisions	**23,038**	19,722

A reconciliation of the carrying amount of each material class of provisions is set out below.

	CLAIMS $'000	INTEGRATION $'000	REDRESS $'000	ONEROUS CONTRACTS $'000	OTHER $'000	TOTAL $'000
Balance at 1 July 2022	**19,427**	**12,741**	**–**	**4,608**	**5,025**	**41,801**
Provisions acquired through business combinations	**309**	**–**	**–**	**–**	**97**	**406**
Provisions made during the year	**6,628**	**1,731**	**428,952**	**3,678**	**855**	**441,844**
Provisions used during the year	**(4,606)**	**(4,665)**	**–**	**(2,207)**	**(857)**	**(12,335)**
Provisions reversed during the year	**(2,356)**	**(7,026)**	**–**	**(610)**	**(575)**	**(10,567)**
Provisions account reclass	**–**	**–**	**–**	**–**	**–**	**–**
Foreign exchange translation difference	**785**	**78**	**–**	**238**	**328**	**1,429**
Reclassification to liabilities held for sale	**–**	**–**	**–**	**–**	**(1,385)**	**(1,385)**
Balance at 30 June 2023	**20,187**	**2,859**	**428,952**	**5,707**	**3,488**	**461,193**
Current	**4,912**	**1,776**	**428,952**	**2,515**	**–**	**438,155**
Non-current	**15,275**	**1,083**	**–**	**3,192**	**3,488**	**23,038**

Significant accounting estimate and judgement

Judgement is required in determining the expected outflow of economic benefits required to settle provisions. Provisions are based on expected obligations at reporting date under current legal and contractual requirements and using estimates based on past experience.

A provision is recognised if, as a result of a past event, Link Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is treated as a finance expense.

Claims: Link Group recognises a provision for claims arising from processing errors and other corporate events associated with the handling of administration activities for and on behalf of clients and investors. Provisions are measured at the cost that Link Group expects to incur in settling the claim. The provision also includes an estimate of claims that have been incurred but are not yet reported.

Integration: The integration provision includes restructuring costs. The restructuring provision is based on estimates of the future costs associated with redundancies. The provision calculation includes assumptions around the timing and costs of redundancies. A provision for restructuring is recognised when Link Group has approved a detailed and formal restructuring plan and the restructuring either has commenced or has been announced publicly. Future operating costs are not included in the provision.

Onerous contracts: A provision for onerous contracts is recognised when the expected benefits to be derived by Link Group from a contract are lower than the unavoidable cost of meeting its obligations under the contract. The provision is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before a provision is established, Link Group recognises any impairment loss on the assets associated with that contract.

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OPERATING ASSETS AND LIABILITIES (CONTINUED)

Redress: Link Group made an ASX announcement on 20 April 2023 that Link Group and LFSL had reached a conditional agreement for the sale of the FS business, excluding its Luxembourg and Swiss entities, and excluding Woodford related liabilities, on a debt and cash free and normalised working capital adjustment basis, to the Waystone Group for an aggregate consideration between £110 million and £140 million (the Sale). Refer to Note 4, *Discontinued operations and Assets held for sale*.

At the same time, Link Group and LFSL announced that it had reached a conditional agreement with the FCA to settle the FCA's enforcement action against LFSL in respect of its role as ACD of the WEIF (the Settlement).

The Settlement is conditional on, amongst other things, completion of the Sale and the English High Court sanctioning a scheme of arrangement proposed under Part 26 of the Companies Act 2006 addressing WEIF related redress and claims against LFSL (the Scheme).

The FCA has confirmed its intention to support the Scheme and that it intends to support its approval by WEIF Investors (refer to the FCA announcement on 2 June 2023).

Link Group's and the FCA's announcements on 20 April 2023 about the conditional Sale and Settlement gave rise to a constructive obligation, which resulted in the recognition of a $429.0 million pre-tax provision ($390.9 million post tax), after discounting for the time value of money. The key components of the redress are as follows:

- the net balance of LFSL's cash and regulatory capital resources. As at 30 June 2023, LFSL's cash and regulatory capital resources were $89.1 million (£46.8 million);
- any proceeds LFSL receives or is anticipated to receive in respect of insurance in relation to redress, which amounted to $91.4 million (£48 million) as at 30 June 2023;
- proceeds from the sale of the FS business – as at 30 June 2023, it was anticipated that the percentage of clients (in revenue terms) that agree to transfer their business to Waystone group would result in $266.7 million (£140 million) being received by Link Group and LFSL; and
- any sale proceeds received by Link Group in respect of the Luxembourg and Swiss entities which form part of the FS Business prior to the date on which the distribution under the Scheme takes place.

The Bank of England Bank cash rate of 5% as at 30 June 2023 was applied as the discount rate to reflect the market assessment of the time value of money. It had the effect of reducing the provision by $21.5 million (£11.3 million) as at 30 June 2023. The discount will be unwound (and the provision increased) in the financial year ending 30 June 2024.

In the event that the Scheme is sanctioned by the English High Court and becomes effective, the Settlement and the Scheme together are expected to provide for the full and final settlement of the FCA's enforcement action against LFSL and it is proposed will provide for the full and final settlement of WEIF-related exposures of LFSL including relevant potential class actions. Specifically, the Scheme will provide that the payment of amounts to WEIF Investors, in accordance with the Scheme, will be in return for a full and final release from relevant WEIF Investors to LFSL and the wider Group.

A contingent asset in respect of insurance proceeds in relation to the redress is disclosed in Note 20(b).

Other: Other provisions are for contractual obligations relating make-good obligations and remediation costs. Make good provisions relate to Link Group's future obligation to remove fixtures and fittings or reinstate leaseholds back to original condition. Remediation cost provisions relate to contractual obligations under client contracts to remediate errors on claims.

14. EMPLOYEE BENEFITS

	2023 $'000 CONTINUING OPERATIONS	2022 $'000
Current		
Employee entitlements	**47,146**	50,397
Non-current		
Employee entitlements	**5,715**	5,546

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OPERATING ASSETS AND LIABILITIES (CONTINUED)

Long-term employee benefits

Link Group's net obligation in respect of long-term employee benefits is the amount of future benefit that employees have earned in return for their service in the current and prior periods plus related on-costs. That benefit is discounted to determine its present value and the fair value of any related assets is deducted.

Short-term employee benefits

Liabilities for employee benefits for wages, salaries, and annual leave represent present obligations resulting from employees' services provided to reporting date and are calculated at undiscounted amounts based on remuneration wage and salary rates that Link Group wholly expects to pay as at the reporting date including related on-costs (where applicable).

15. PLANT AND EQUIPMENT

	PLANT & EQUIPMENT $'000	FIXTURES & FITTINGS $'000	RIGHT-OF-USE $'000	TOTAL $'000
Cost				
Balance at 1 July 2022	**106,414**	**102,287**	**300,495**	**509,196**
Acquisitions through business combinations	**132**	**–**	**315**	**447**
Additions	**8,784**	**8,286**	**9,654**	**26,724**
Reclassification to assets held for sale	**(5,883)**	**(3,731)**	**(18,608)**	**(28,222)**
Effects of movements in exchange rates	**1,813**	**1,187**	**6,646**	**9,646**
Disposals/write offs	**(11,121)**	**(14,139)**	**(46,472)**	**(71,732)**
Balance at 30 June 2023	**100,139**	**93,890**	**252,030**	**446,059**
Depreciation and impairment losses				
Balance at 1 July 2022	**(77,295)**	**(44,673)**	**(113,056)**	**(235,024)**
Depreciation charge for the year	**(12,902)**	**(7,070)**	**(23,449)**	**(43,421)**
Impairment expense for the year[1]	**(461)**	**(5,884)**	**(22,421)**	**(28,766)**
Reclassification to assets held for sale	**1,423**	**915**	**6,430**	**8,768**
Effects of movements in exchange rates	**(969)**	**(266)**	**(2,848)**	**(4,083)**
Disposals/write offs	**8,460**	**9,298**	**33,439**	**51,197**
Balance at 30 June 2023	**(81,744)**	**(47,680)**	**(121,905)**	**(251,329)**
Carrying amount at 30 June 2023	**18,395**	**46,210**	**130,125**	**194,730**

1 Impairment expense for the year on the Statement of profit or loss and other comprehensive income includes $2.0 million related to the impairment of deferred tax assets.

	PLANT & EQUIPMENT $'000	FIXTURES & FITTINGS $'000	RIGHT-OF-USE $'000	TOTAL $'000
Cost				
Balance at 1 July 2021	95,084	77,656	251,987	424,727
Acquisitions through business combinations	72	–	118	190
Additions	16,200	31,037	119,277	166,514
Effects of movements in exchange rates	(1,008)	(278)	(3,064)	(4,350)
Disposals/write offs	(3,934)	(6,128)	(67,823)	(77,885)
Balance at 30 June 2022	106,414	102,287	300,495	509,196
Depreciation and impairment losses				
Balance at 1 July 2021	(66,140)	(35,958)	(106,918)	(209,016)
Depreciation charge for the year	(15,407)	(6,531)	(27,139)	(49,077)
Impairment expense for the year	–	(5,434)	(17,002)	(22,436)
Effects of movements in exchange rates	543	185	1,009	1,737
Disposals/write offs	3,709	3,065	36,994	43,768
Balance at 30 June 2022	(77,295)	(44,673)	(113,056)	(235,024)
Carrying amount at 30 June 2022	29,119	57,614	187,439	274,172

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OPERATING ASSETS AND LIABILITIES (CONTINUED)

Recognition and measurement

Items of plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses. Cost includes expenditures that are directly attributable to the acquisition of the asset. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

The expected useful life and the depreciation methods are listed below:

ITEM	USEFUL LIFE	DEPRECIATION METHOD
Plant & equipment	3–8 years	Straight-line
Fixtures & fittings	2–10 years	Straight-line
Right-of-use assets	Non-cancellable lease period	Straight-line

Depreciation methods, useful lives and residual values are reassessed at the reporting date.

Right-of-use assets

At the inception of a contract, Link Group assesses whether the contract is, or contains, a "lease" in accordance with the requirements of AASB 16 Leases. Criteria include that:

- the contract must convey the right to control the use of an identifiable asset;
- Link Group must have the right to obtain substantially all the economic benefits from the asset; and
- Link Group must have the right to direct the use of the asset.

Link Group recognises a right-of-use asset at commencement date. Right-of-use assets are initially measured at cost, which comprises:

- the right-of-use lease liability (refer Note 18);
- plus identifiable initial direct costs incurred to enter the lease;
- less lease incentives received; and
- plus estimated costs to dismantle/make-good at the end of the lease.

Right-of-use assets are subsequently depreciated on a straight-line basis over the useful life of the asset, and are periodically reduced by impairment losses where the carrying value exceeds future benefits. Right-of-use assets are recognised as a separate category within plant and equipment in Link Group's consolidated statement of financial position.

Short-term leases and leases of low value assets

Link Group has elected not to recognise right-of-use assets and lease liabilities for short-term leases that have a term of 12 months or less, and leases of low value assets. Link Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

Impairment

During the financial year, Link Group conducted an internal review of its expected usage of certain right-of-use premises assets following the strategic decision and announcement to move to a blended working model for staff globally and through consideration of actual premises utilisation levels that are surplus to requirement. The decision means that, until alternative arrangements can be made, certain right-of-use premises assets will be underutilised and are therefore considered not fully recoverable. Link Group estimated the value in use (recoverable amount) of these specific assets and an impairment expense of $28.8 million was recognised in relation to right-of-use premises and fixture & fittings assets as a result of the assessment. A further $2.5 million of onerous premises related outgoings were expensed under Occupancy expenses on the Statement of profit and loss and other comprehensive income.

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OPERATING ASSETS AND LIABILITIES (CONTINUED)

16. INTANGIBLE ASSETS

	GOODWILL $'000	CLIENT RELATIONSHIPS $'000	SOFTWARE $'000	BRAND NAMES $'000	TOTAL $'000
Cost					
Balance at 1 July 2022	**1,537,888**	**492,342**	**707,464**	**4,421**	**2,742,115**
Acquisitions through business combinations (Note 26).	**32,673**	**39,726**	**2,084**	**–**	**74,483**
Additions	**–**	**–**	**65,960**	**–**	**65,960**
Reclassification to assets held for sale	**(660,475)**	**(173,099)**	**(43,233)**	**–**	**(876,807)**
Effects of movements in exchange rates	**77,582**	**24,389**	**15,595**	**314**	**117,880**
Disposals/Assets written off	**–**	**–**	**(15,895)**	**–**	**(15,895)**
Balance at 30 June 2023	**987,668**	**383,358**	**731,975**	**4,735**	**2,107,736**
Amortisation and impairment losses					
Balance at 1 July 2022	**(329,096)**	**(271,662)**	**(462,103)**	**(3,632)**	**(1,066,493)**
Amortisation charge	**–**	**(37,707)**	**(44,073)**	**(331)**	**(82,111)**
Impairment expense[1]	**(391,804)**	**–**	**(904)**	**–**	**(392,708)**
Reclassification to assets held for sale	**659,120**	**98,436**	**19,940**	**–**	**777,496**
Effects of movements in exchange rates	**(52,515)**	**(13,235)**	**(6,230)**	**(270)**	**(72,250)**
Disposals/Assets written off	**–**	**–**	**13,990**	**–**	**13,990**
Balance at 30 June 2023	**(114,295)**	**(224,168)**	**(479,380)**	**(4,233)**	**(822,076)**
Carrying amount at 30 June 2023	**873,373**	**159,190**	**252,595**	**502**	**1,285,660**

1 Included in impairment expense is a non-cash impairment charge of $366.6 million related to the sale of Fund Solutions (FS) assets. FS also impaired a deferred tax asset of $2.0 million bringing the total FS impairment charge to $368.6 million. A further non-cash impairment charge of $26.1 million related to BCM assets is also included (of which $25.3 million related to Goodwill).

	GOODWILL $'000	CLIENT RELATIONSHIPS $'000	SOFTWARE $'000	BRAND NAMES $'000	TOTAL $'000
Cost					
Balance at 1 July 2021	1,568,041	501,669	683,023	4,593	2,757,326
Acquisitions through business combinations	11,370	3,489	1	–	14,860
Additions	–	–	50,708	–	50,708
Effects of movements in exchange rates	(41,523)	(12,816)	(8,017)	(172)	(62,528)
Disposals/Assets written off	–	–	(18,251)	–	(18,251)
Balance at 30 June 2022	1,537,888	492,342	707,464	4,421	2,742,115
Amortisation and impairment losses					
Balance at 1 July 2021	(282,147)	(237,366)	(435,977)	(3,400)	(958,890)
Amortisation charge	–	(39,989)	(47,583)	(369)	(87,941)
Impairment expense	(60,663)	–	–	–	(60,663)
Effects of movements in exchange rates	13,714	5,693	3,206	137	22,750
Disposals/Assets written off	–	–	18,251	–	18,251
Balance at 30 June 2022	(329,096)	(271,662)	(462,103)	(3,632)	(1,066,493)
Carrying amount at 30 June 2022	1,208,792	220,680	245,361	789	1,675,622

Goodwill

Goodwill arises on business combinations and represents the excess of the cost of the acquisition over Link Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities of the acquiree. Subsequent to initial measurement, goodwill is measured at cost less accumulated impairment losses.

Client relationships

Client relationships acquired in business combinations are recognised initially at fair value and are subsequently amortised according to the expected useful life of these relationships.

OPERATING ASSETS AND LIABILITIES (CONTINUED)

Software

Link Group capitalises in-house developed software that meets business and client needs and enables operational efficiencies to be achieved.

Development expenditure is capitalised only if development costs are directly attributable, can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable and Link Group intends to, and has sufficient resources to, complete development and to use or sell the asset. Other software development costs are expensed as incurred.

Brand Names

Brand names acquired in business combinations are recognised initially at fair value and are subsequently amortised according to the expected useful life of the brand name.

Amortisation

Amortisation is charged on a straight-line basis over the estimated useful lives of intangible assets, except when another systematic basis measuring the pattern in which the economic benefits of a software asset are consumed can be reliably measured. In such cases, amortisation is charged on that systematic basis over the estimated useful life of that asset. The estimated useful lives for the current and comparative periods are as follows.

ITEM	USEFUL LIFE	AMORTISATION METHOD
Software	2–5 years	Straight-line
Client relationships	3–20 years	Straight-line
Brand Names	5–10 years	Straight-line

Significant accounting estimate and judgement

Judgement is required in estimating useful lives of intangible assets. Estimated useful lives were determined using the past experiences of Link Group and an assessment of current strategic plans and economic conditions.

(a) Impairment testing for CGUs containing goodwill

For the purposes of impairment testing, goodwill is allocated to Link Group's cash generating units (CGUs). The CGUs align with Link Group's Operating Segments as disclosed in Note 3 and are consistent with the comparative period. The aggregate carrying amounts of goodwill allocated to each CGU are as follows.

CGUS FOR THE YEAR ENDED 30 JUNE	2023 $'000	2022 $'000
Retirement & Superannuation Solutions (RSS)	**326,995**	306,167
Corporate Markets (CM)	**546,378**	519,692
Banking & Credit Management (BCM)[1]	**–**	20,663
Fund Solutions (FS)	**–**	362,270
Total goodwill	**873,373**	1,208,792

1 Note BCM Goodwill is disclosed in Note 4 as the Goodwill has been classified as held for sale. FS had a $nil Goodwill balance as at 30 June 2023.

The carrying amounts of Link Group's goodwill and intangible assets are tested annually for impairment and whenever there is an indication that the CGU is impaired.

For the purposes of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs. The goodwill and any other intangible assets with indefinite lives acquired in a business combination, for the purpose of impairment testing, is allocated to CGUs that are expected to benefit from the synergies of the combination.

An impairment loss is recognised in profit and loss if the carrying amount of an asset or its CGU exceeds its recoverable amount. Impairment losses recognised in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amount of the other assets in the unit (group of units) on a pro rata basis.

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OPERATING ASSETS AND LIABILITIES (CONTINUED)

The recoverable amounts of CGUs were determined through value in use calculations for RSS and CM. The value in use calculations applied a post-tax discounted cash flow model, based on five-year cash flow forecasts endorsed by the Board and an appropriate terminal value. Management has considered the prevailing economic conditions when determining the cash flow forecasts. The forecast assumptions are based on the information available as at 30 June 2023.

Growth rates for cash flows after the fifth year and the pre-tax discount rates used in the value in use calculations are presented below.

	TERMINAL GROWTH RATES		PRE-TAX DISCOUNT RATES	
CGUS FOR THE YEAR ENDED	2023	2022	2023	2022
Retirement & Superannuation Solutions (RSS)	**2.6%**	2.6%	**9.6%**	9.5%
Corporate Markets (CM)	**2.4%**	2.4%	**10.8%**	9.9%

The pre-tax discount rates relate to the risks in the respective segments and countries in which they operate. The discount rate used reflects management's estimate of the time value of money and Link Group's weighted average cost of capital (WACC), which is calculated separately for each CGU.

Cash flow forecasts are based on Link Group's five-year (FY2024 to FY2028) budget approved by the Board of Directors. Cash flows beyond the period in 2028 are extrapolated using estimated terminal growth rates (refer above).

If the discount rate and terminal growth rates were held constant the cash flow forecast would have to reduce by the following amounts in years 1-5 for there to be an impairment:

- RSS: approximately 63%,
- CM: approximately 33%.

Sensitivity analysis

Management considered, for all CGUs, the following reasonably possible changes in the key assumptions, leaving all other assumptions held constant, and concluded that none individually would result in the carrying amount exceeding the value in use for any of the cash generating units. The sensitivity analysis was done on the basis that a reasonably possible change in each key assumption would not have a consequential impact on other assumptions. A reasonable possible change has been ascertained through consideration of past and forecast movements in underlying inputs in the rates below:

- Plus/minus 1% change in pre-tax discount rates;
- Plus/minus 5% change in Year 1-5 forecast cash flows; and
- Plus/minus 0.5% change in terminal growth rates.

Significant accounting estimate and judgement

Judgement is required in estimating recoverable amounts of cash generating units (CGUs) to which intangible assets with an indefinite useful life (goodwill) are allocated. All key assumptions applied in value in use calculations were determined using the past experiences of Link Group and an assessment of current economic conditions. Where possible, assumptions were validated against external sources of information.

Banking & Credit Management CGU impairment

Link Group had recognised an impairment charge of $15.4 million in relation to the BCM CGU at 31 December 2022, all of which was allocated to goodwill.

On 17 March 2023, Link Administration Holdings Limited (Link Group) made an ASX announcement that it had entered into a Share Purchase Agreement with LC Financial Holdings Limited (LCFH) for the sale of its Banking & Credit Management (BCM) business. The transaction is expected to complete on 1 September 2023. Refer to Note 31 for subsequent events.

Link Group calculated the fair value less cost of disposal, with reference to the executed Share Purchase Agreement with (LCFH) for the sale of its BCM business for cash consideration of up to $49.2 million (€30 million). Link Group will receive $32.8 million (€20 million) cash consideration at completion plus (a) deferred cash consideration of $8.2 million (€5 million) payable within 12 months of completion; and (b) a cash earn-out of $8.2 million (€5 million) subject to BCM meeting certain financial targets by the second anniversary of completion. Link Group has discounted the deferred cash consideration and cash earn-out to account for the time value of money and probability weighted the cash earn-out to account for the probability of reaching the Target EBITDA. This has formed the basis of the estimate of fair value less cost of disposal for the BCM CGU of $43.8 million. Whilst the offer price was received during the financial year, the Group's view based on current market conditions and revenue-multiples is that this remains a reasonable basis upon which to measure the fair value of the CGU.

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OPERATING ASSETS AND LIABILITIES (CONTINUED)

Accordingly, Link Group recognised an additional impairment charge at 30 June 2023 of $9.9 million in relation to the BCM CGU, all of which has been allocated to goodwill for the CGU. The total impairment charge for the year ended 30 June 2023 was $25.3 million.

Note that as required by Australian accounting standards, Link Group ceased amortising BCM's non-current assets when it was classified as held for sale on 17 March 2023. Accordingly, the impairment charge is $5.4 million higher than it would have been if Link Group had amortised the assets using their previously estimated useful life in the period between 17 March and 30 June 2023.

FAIR VALUE LESS COST OF DISPOSAL TESTING RESULT AT 30 JUNE 2023	BCM $'000
Fair value less costs of disposal (recoverable amount)	43,760
Carrying amount as at 30 June 2023 (post half-year impairment of $15.4 million)	53,600
Additional impairment as at 30 June 2023	**9,840**
Total impairment for the year ended 30 June 2023	**25,300**

Fund solutions CGU impairment

Link Group recognised an impairment charge at 31 December 2022 of $448.9 million, including goodwill, client relationships and software of $439.6 million, plant and equipment of $2.0 million, as well as amounts prescribed by other accounting standards including contract fulfilment costs of $5.3 million and deferred tax assets of $2.0 million.

Link Group impaired the non-current assets of the FS CGU at 31 December 2022 to a nil dollar value. As disclosed in the interim financial statements , this was done on the basis that the likely outcome of the sale to Waystone and settlement with the FCA was that Link would receive no net proceeds for the sale of the FS business. Accordingly, the fair value less costs of disposal for the FS business was estimated to be zero as the resolution of the FCA matter was deemed to be intrinsically linked to the sale.

On 20 April 2023, Link Group made an ASX announcement regarding the conditional sale of the FS business to Waystone and conditional settlement with the FCA. Further details are as set out in Note 4. Based on the final agreement reached with Waystone on 20 April 2023, the legal construct of the Business Transfer Agreements (BTA) was such that LFSL and LFMS(I)L are not disposing of certain of their respective liabilities. The carrying value of the assets subject to sale have therefore been re-evaluated based on the agreed terms of sale with Waystone as at 30 June 2023. That is, based on the conditional sale agreements with Waystone, there is evidence that a market participant is willing to pay a higher fair value for the FS business of up to $266.7 million (£140 million) compared to the previous estimate in December 2022 of $nil (£nil factoring the potential Redress provision) given the liability will not transfer to Waystone. The fair value less cost of disposal was calculated with reference to the cash consideration of up to $266.7 million (£140 million). After adjusting for costs of disposal, the fair value less cost of disposal was $248.1 million. Whilst the offer price was received during the financial year, Link Group's view based on current market conditions and revenue-multiples is that this remains a reasonable basis upon which to measure the fair value of the CGU.

Therefore, in accordance with accounting standards on impairment, the revised assumption about the sale of the business is considered a change in estimate at 30 June 2023 that requires the reversal of impairment against those previously impaired assets at 31 December 2022. The impairment of Goodwill cannot be reversed under Australian accounting standards.

Accordingly, Link Group recognised an impairment reversal at 30 June 2023 of $80.3 million ($73.1 million Intangible assets, $2.0 million Plant and equipment, $5.2 million Contract fulfilment costs) in relation to the FS cash generating unit, effectively reversing the impairment at 31 December 2022, except for the Deferred tax assets and Goodwill.

The total impairment charge, in relation to the FS CGU, for the financial year ended 30 June 2023 (net of the impairment reversal) was $368.6 million.

Significant accounting estimate and judgement

Judgement is required in estimating recoverable amounts of cash generating units (CGUs) to which intangible assets with an indefinite useful life (goodwill) are allocated. All key assumptions applied in fair value less costs to sell calculations were determined with reference to the Business Transfer/Share purchase agreements and discounting and probability assumptions (where variables exist) in the completion proceeds used to determine the fair value have been estimated. Where possible, assumptions were validated against external sources of information.

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OPERATING ASSETS AND LIABILITIES (CONTINUED)

17. NOTES TO THE STATEMENT OF CASH FLOWS

(a) Reconciliation of net profit after tax to net cash inflow from operating activities

	2023 $'000	2022 $'000
Loss after income tax	**(417,691)**	(67,571)
Add/(less) non-cash items		
Depreciation expense	**43,421**	49,077
Intangibles amortisation expense	**82,111**	87,941
Contract fulfilment costs amortisation expense	**6,361**	6,775
Impairment expense	**423,534**	83,099
Gain on in-specie distribution/divestment of equity-accounted investment	**(369,735)**	–
Share of profit of equity-accounted investees, net of tax	**(1,554)**	(8,931)
Equity-settled share-based payment expense	**9,638**	16,118
Loss on financial assets held at fair value through profit & loss	**37,412**	64
Unrealised foreign exchange loss	**(1,533)**	(553)
Borrowing cost amortisation	**1,827**	3,864
Loss on disposal/write-off of plant and equipment	**7,565**	106
Net cash (outflow)/inflow from operating activities before changes in assets and liabilities	**(178,644)**	169,989
Change in operating assets and liabilities		
Change in trade and other receivables	**(25,480)**	21,057
Change in other assets	**(11,664)**	(12,359)
Change in fund assets and fund liabilities	**8,284**	2,231
Change in trade and other payables	**21,641**	(57,618)
Change in employee benefits	**(643)**	467
Change in provisions	**418,996**	(8,828)
Change in current and deferred tax balances	**(70,552)**	(43,645)
Net cash inflow from operating activities	**161,938**	71,294

(b) Reconciliation of movement in liabilities to cash flows arising from financing activities

			NON-CASH			
	30 JUNE 2022 $'000	FINANCING CASH FLOWS $'000	BORROWING COST AMORTISATION $'000	OTHER NON-FINANCING ACTIVITIES[1] $'000	FOREIGN EXCHANGE MOVEMENT $'000	30 JUNE 2023 $'000
Interest-bearing loans and borrowings – Current	**36,366**	**(3,958)**	**–**	**48**	**4,299**	**36,755**
Interest-bearing loans and borrowings – Non-current	**1,137,453**	**(45,395)**	**1,827**	**(7,353)**	**28,086**	**1,114,618**
Total liabilities from financing activities	**1,173,819**	**(49,353)**	**1,827**	**(7,305)**	**32,385**	**1,151,373**

1 Other non-financing activities relate primarily to the addition of right-of-use assets during the financial year ended 30 June 2023, refer Note 15.

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CAPITAL STRUCTURE, FINANCING AND RISK MANAGEMENT

18. INTEREST BEARING LOANS AND BORROWINGS

	2023 $'000 CONTINUING OPERATIONS	2022 $'000
Current		
Lease liabilities	**34,238**	36,366
	34,238	36,366
Non-current		
Lease liabilities	**205,433**	260,100
Loans	**900,275**	877,353
	1,105,708	1,137,453

FINANCING ARRANGEMENTS	FACILITY NOTIONAL CURRENCY	INTEREST RATE AT 30 JUNE 2023 (P.A.)	2023 $'000	2022 $'000
Total facilities available:				
Non-amortising term loan facility	AUD	5.2% – 6.0%	**630,000**	630,000
Working capital facility	AUD	1.7% – 6.0%	**30,000**	30,000
Non-amortising term loan facility	GBP	6.1% – 6.3%	**476,190**	440,839
Working capital facility	GBP	1.7% – 6.3%	**38,095**	35,267
			1,174,285	1,136,106
Facilities utilised at reporting date:				
Non-amortising term loan facility	AUD	5.2% – 6.0%	**500,650**	521,500
Working capital facility	AUD	1.7%	**11,520**	11,520
Non-amortising term loan facility	GBP	6.1% – 6.3%	**401,904**	359,725
Working capital facility	GBP	1.7%	**595**	178
			914,669	892,923
Facilities not utilised at reporting date				
Non-amortising term loan facility	AUD	0.6% – 0.7%	**129,350**	108,500
Working capital facility	AUD	0.7%	**18,480**	18,480
Non-amortising term loan facility	GBP	0.6% – 0.7%	**74,286**	81,114
Working capital facility	GBP	0.7%	**37,500**	35,089
			259,616	243,183

Facilities utilised at reporting date includes $12.1 million (2022: $11.7 million) of guarantees provided to external parties, which have not been drawn down. Refer to Note 20.

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CAPITAL STRUCTURE, FINANCING AND RISK MANAGEMENT (CONTINUED)

Link Group's syndicated loan agreement comprises the following facilities:

- $315 million of the non-amortising term loan facility is available until 29 October 2024;
- $315 million of the non-amortising term loan facility is available until 29 October 2026;
- £110 million of the non-amortising term loan facility is available until 29 October 2024;
- £140 million of the non-amortising term loan facility is available until 29 October 2026;
- $30 million working capital facility available until 29 October 2026; and
- £20 million working capital facility available until 29 October 2026.

Link Group complied with all debt covenants and reporting obligations throughout the financial year ended 30 June 2023.

Loans are initially recognised at fair value, net of transaction costs incurred. Loans 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 loans using the effective interest method. Fees paid on the establishment of loan facilities which are material and not an incremental cost relating to the actual draw down of the facility were offset against the loan and are amortised on a straight-line basis over the term of the facility.

Lease liabilities

Right-of-use lease liabilities are initially measured at the present value of future lease payments, discounted using the interest rate implicit in the lease, or Link Group's incremental borrowing rate. Right-of-use lease liabilities are subsequently measured using the effective-interest method, with lease payments applied as repayments of the liability, and periodic interest expense recognised in finance costs. Right-of-use lease liabilities are recognised in interest-bearing loans and borrowings in Link Group's consolidated statement of financial position.

Interest bearing loans and borrowings are classified as current liabilities unless Link Group has an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date.

19. FINANCE COSTS

	2023 $'000 CONTINUING OPERATIONS	2022[1] $'000
Loan interest expense	**(45,347)**	(17,455)
Lease liabilities interest expense	**(10,441)**	(11,207)
Interest from Discontinued operations[2]	**(10,256)**	(4,281)
Amortisation of capitalised borrowing costs	**(1,593)**	(3,864)
Foreign exchange gain	**2,291**	955
	(65,346)	(35,852)

1 2022 numbers have been restated to disclose the impact of discontinued operations. Details are Included in Note 4 – Discontinued Operations and Assets held for sale.

2 Related to the net interest cost on loans between continuing operations and discontinued operations. This has not eliminated on consolidation because the Statement of profit or loss and other comprehensive income has been presented on a continuing basis and therefore excludes the Interest income in the discontinued operations.

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CAPITAL STRUCTURE, FINANCING AND RISK MANAGEMENT (CONTINUED)

20. CONTINGENT LIABILITIES AND CONTINGENT ASSETS

(a) Contingent Liabilities

Link Group has granted bank guarantees, letters of credit and performance guarantees in the favour of:

TYPE/COUNTERPARTY	BENEFICIARY	REASON	2023 $'000	2022 $'000
Bank guarantee – Westpac	Pacific Custodians Pty Limited	Regulatory financial licence[1]	**10,000**	10,000
Bank guarantee – Westpac	ASX Settlement & Transfer Corp	Contractual obligation	**500**	500
Bank guarantee – Westpac	GESB Superannuation	Contractual obligation	**1,000**	1,000
Letter of credit – Westpac	Australian Securities & Investments Commission	Contractual obligation	**20**	20
Bank guarantee – HSBC	Kryalos Societa di Gestione del Risparmio S.p.A	Property lease	**193**	178
Bank guarantee – HSBC	Kildress Property Co. Limited	Property lease	**402**	–

1 A Guarantee for $10 million (2022: $10 million) is held with Westpac on behalf of a subsidiary of Link Group, Pacific Custodians Pty Limited, as a requirement of the subsidiary's Australian Financial Services Licence (AFSL) requirements (AFSL Performance Bond).

(b) Contingent Assets

As disclosed in Note 13, insurers have conditionally agreed to indemnify LFSL up to the remaining insurance cover of approximately £48 million (equivalent to $91.4 million as at 30 June 2023) for amounts it would be liable to pay as restitution. Their agreement is, in particular, contingent on creditors voting in favour of the Scheme and the English High Court approving the Scheme of Arrangement. The remaining insurance cover would also be eroded by any successful costs claims made by LFSL.

21. INVESTMENT AND FINANCIAL RISK MANAGEMENT

(a) Investments

	2023 $'000	2022 $'000
Listed equity securities – at fair value through profit or loss	**3,074**	3,952
Unlisted investments – at fair value through profit or loss	**78,961**	106,635
	82,035	110,587

The equity securities have been designated at fair value through profit or loss because they are managed on a fair value basis and their performance is actively monitored.

Link Group continues to account for its 11.5% (2022: 11.7%) ownership interest in Smart Pension Limited (Smart) within unlisted investments at fair value, with gains or losses recognised through profit or loss given Link Group does not have significant influence over Smart. As at 30 June 2023, the investment had a fair value of $78.6 million (2022: $106.2 million) after accounting for foreign exchange fluctuations. The investment in Smart was written down by $36.2 million (pre-tax) in the year to 30 June 2023. Refer to Note 21(d) for further detail.

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CAPITAL STRUCTURE, FINANCING AND RISK MANAGEMENT (CONTINUED)

(b) Financial Risk Management Overview

Link Group has exposure to the following risks arising from financial instruments:

- credit risk;
- liquidity risk; and
- market risk.

Risk Management Framework

The Company's Board of Directors has overall responsibility for the establishment and oversight of the risk management framework.

Link Group has established risk management policies that identify and analyse the risks faced by Link Group, set appropriate risk limits and controls, and monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly.

Credit Risk

Credit risk is the risk of financial loss to Link Group if a client or counterparty to a financial instrument fails to meet its contractual obligations. The carrying amount of financial assets less any provisions for impairment represents Link Group's maximum credit exposure.

Link Group's exposure to credit risk arises predominantly through its cash and cash equivalents, trade and other receivables, and fund assets.

- Cash and cash equivalent amounts as well as transactions involving derivative financial instruments are all held or maintained by banks and financial institutions with high credit ratings. Link Group monitors counterparty credit exposure on a daily basis to ensure compliance with pre-determined credit limits to minimise credit risk.
- Trade Receivables are monitored in line with Link Group's credit policy. The credit quality of clients is assessed by taking into account their financial position, past experience and other relevant factors. Based on the above process, Link Group considers that all unimpaired trade and other receivables are collectible in full.
- Fund assets relate to investors' purchase or redemption of units in investment funds of which Link Fund Solutions Limited (Link Group's collective investment scheme administration business) is an ACD. Link Group has a limited exposure to credit risk as fund assets and fund liabilities are usually settled within four business days. Link Group has rights regarding net settlement, enabling uncollectable balances to be recovered, refer to Note 12.

The maximum exposure to credit risk for current trade and other receivables at the end of the reporting period was as follows.

	2023 $'000 CONTINUING OPERATIONS	2022 $'000
Neither past due nor impaired	**132,480**	217,903
Past due 1–30 days	**8,668**	9,148
Past due 31–60 days	**2,983**	5,178
Past due over 61 days	**5,640**	4,698
	149,771	236,927

Movements in the allowance for impairment in respect of trade and other receivables during the year are disclosed in Note 10.

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CAPITAL STRUCTURE, FINANCING AND RISK MANAGEMENT (CONTINUED)

Liquidity Risk

Liquidity risk is the risk that Link Group will encounter difficulties in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. Link Group manages its liquidity risk by maintaining adequate cash reserves and available committed credit lines combined with continuous monitoring of actual and forecast cash flows on a short, medium and long term basis. See Note 18 for details of Link Group's unused facilities at year end.

Remaining contractual maturities at the end of the reporting period of financial liabilities, including estimated interest payments were as follows. The amounts include both interest and principal cash flows undiscounted and based on contractual maturity (without reference to the repricing schedule) and therefore the totals will differ from those disclosed in the statement of financial position. The interest repayments are based on forward interest rates and as such these amounts could vary, however it is not expected that they will do so significantly from the amounts stated below.

	CARRYING AMOUNT $'000 CONTINUING OPERATIONS	TOTAL $'000	< 1 YEAR $'000	1–2 YEARS $'000	2–5 YEARS $'000	> 5 YEARS $'000
30 June 2023						
Non-interest bearing						
Trade and other payables	**166,734**	**166,734**	**164,166**	**2,568**	**–**	**–**
Fund liabilities	**–**	**–**	**–**	**–**	**–**	**–**
Interest bearing						
Lease liabilities	**239,671**	**252,893**	**36,604**	**35,008**	**92,238**	**90,043**
Loans	**900,275**	**1,029,042**	**52,669**	**563,630**	**412,743**	**–**
Total non-derivative liabilities	**1,306,680**	**1,448,669**	**252,439**	**601,206**	**504,981**	**90,043**
30 June 2022						
Non-interest bearing						
Trade and other payables	293,452	293,452	288,336	2,717	1,895	504
Fund liabilities	754,558	754,558	754,558	–	–	–
Interest bearing						
Lease liabilities	296,466	335,739	46,703	43,738	122,326	122,972
Loans	877,353	961,344	24,759	24,778	911,807	–
Total non-derivative liabilities	2,221,829	2,345,093	1,114,356	71,233	1,036,028	123,476

The Company and a number of the subsidiaries are guarantors to Link Group's loans and borrowings.

Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect Link Group's income or carrying value of its holdings of financial instruments as at the year end.

Foreign currency risk

Foreign currency risk is the risk that the carrying value or future cash flows associate with a financial instrument will fluctuate because of changes in foreign exchange rates.

Specific foreign currency items

Link Group has designated its GBP non-amortising term loan facility (refer Note 18) as a hedge of the net investment in its UK subsidiaries. The drawn amount of the term loan facility of £211 million had a fair value and carrying amount at 30 June 2023 of $401.9 million (2022: $359.7 million). A foreign exchange gain of $30.1 million (2022: loss of $17.9 million) on translation of the term loan facility to AUD at the end of the financial year is recognised in other comprehensive income and accumulated in the foreign currency translation reserve on consolidation. The hedge was considered 100% effective throughout the year.

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CAPITAL STRUCTURE, FINANCING AND RISK MANAGEMENT (CONTINUED)

Other foreign currency items

In addition to the specific items mentioned above, entities within Link Group typically enter into transactions and recognise assets and liabilities that are denominated in their functional currency. Whilst a number of entities within Link Group hold financial instruments in a currency which is not their local functional currency, these balances are not considered material and do not expose Link Group to significant foreign currency risk.

Link Group is exposed to foreign currency risk when net investments in foreign subsidiaries are translated to Link Group's reporting currency, the Australian Dollar (AUD). The effects of any exchange rate movements in respect of the net investment in foreign subsidiaries are recognised in the foreign currency translation reserve on consolidation.

Sensitivity testing was performed by flexing the value of the AUD against foreign currencies to which Link Group is exposed by 10% (2022: 10%). The assumed 10% change was chosen based on historical and reasonably possible movements of official exchange rates.

	PROFIT/(LOSS) AFTER TAX		NET ASSETS	
	2023 (CONTINUING) $'000	2022 $'000	2023 (CONTINUING) $'000	2022 $'000
AUD +10%/GBP	**40,585**	2,037	**12,807**	(28,927)
AUD -10%/GBP	**(40,585)**	(2,037)	**(12,807)**	28,927
AUD +10%/EUR	**2,055**	6,491	**(14,271)**	(14,686)
AUD -10%/EUR	**(2,055)**	(6,491)	**14,271**	14,686
AUD +10%/Other currencies	**(1,935)**	(1,475)	**(11,151)**	(8,547)
AUD -10%/Other currencies	**1,935**	1,475	**11,151**	8,587

Interest rate risk

Interest rate risk arises from the possibility that changes in interest rates will affect future cash flows or the fair value of financial instruments. Link Group is exposed to interest rate risk attaching specifically to Link Group's financial assets and liabilities as well as through the maintenance of paying agent and escrow bank accounts administered on behalf of clients. Link Group's primary financial assets impacted by changes in variable interest rates include cash and cash equivalents. Link Group's primary financial liabilities impacted by interest rate movements include interest bearing loans and borrowings.

A sensitivity analysis was performed to assess the impact interest rates have on Link Group's statement of financial performance, including the impact of hedging and escrow bank accounts. Sensitivity testing was performed by increasing interest rates by 1.0% (2022: 1.0%) as at reporting date which would result in a favourable impact on Link Group's loss/profit before tax of $3.7 million (2022: favourable impact of $4.8 million). A decrease of 1.0% (2022: 1.0%) would have an adverse impact on Link Group's loss/profit before tax of $3.7 million (2022: adverse impact of $3.2 million). The assumed 1.0% (2022: 1.0%) change was chosen based on historical and reasonably possible movements of official interest rates. The method of calculation has not changed from the prior period.

Price risk

Price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Link Group's exposure to price risk arises primarily from the listed and unlisted equity securities it holds, which have been designated at fair value through profit or loss.

A 10% increase/(decrease) (2022: 10%) in the fair value of Link Group's listed and unlisted investments would increase/(decrease) Link Group's profit before tax by $8.2 million (2022: $11.1 million). The assumed 10% (2022: 10%) change was chosen based on historical and reasonably possible movements in equity markets. Smart is a significant unlisted investment that was written down as per Note 21(a). The recent Smart investment write down to its fair value at the end of June 2023, to reflect the most recent equity raising (May 2023), means the risk of a further significant write down is substantially reduced. The write-down most likely reflects the bottom of the market, with interest rates at a recent high and inflation showing sustained signs of receding. With inflationary pressures reducing the need for further significant rate rises is substantially reduced and therefore funding availability and pressure on equity prices are likely to reduce. On this basis a +/- 10% is a reasonable possible movement based on risk inherent from the current valuation.

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CAPITAL STRUCTURE, FINANCING AND RISK MANAGEMENT (CONTINUED)

(c) Capital management

The Board's policy is to maintain a capital base to provide confidence to shareholders and other stakeholders and to sustain future development of the business. Capital consists of total equity less amounts accumulated in equity in relation to dividend reserves and other reserves.

Link Group monitors the ratio of net financial indebtedness to operating earnings in accordance with the terms of its Syndicated Loan Agreement. Net debt is calculated as interest bearing liabilities less cash and cash equivalents. Link Group also monitors the interest cover ratio, which is calculated by dividing operating earnings by interest expense.

(d) Fair value of financial instruments

The following table details Link Group's fair value amounts of financial instruments categorised by the following levels.

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

	LEVEL 1 $'000	LEVEL 2 $'000	LEVEL 3 $'000	TOTAL $'000
30 June 2023				
Assets				
Listed investments designated at fair value through profit and loss	**3,074**	**–**	**–**	**3,074**
Unlisted equity securities designated at fair value through profit and loss	**–**	**390**	**78,571**	**78,961**
	3,074	**390**	**78,571**	**82,035**
30 June 2022				
Assets				
Listed investments designated at fair value through profit and loss	3,952	–	–	3,952
Unlisted equity securities designated at fair value through profit and loss	–	403	106,232	106,635
	3,952	403	106,232	110,587

There have been no assets transferred between levels during the year (2022: none).

Level 1 investments consist of financial instruments traded in active markets and are valued based on quoted market prices at the end of the reporting period.

Level 2 investments consist of unlisted managed investment schemes and derivative financial instruments. Unlisted managed investment schemes are valued based on daily quoted unit redemption prices derived using observable market data. Derivative financial instruments are valued using quoted forward exchange rates at the reporting date and present value calculations based on high credit quality yield curves in the respective currencies.

Level 3 investments include unlisted investments held by Link Group, the valuation for which is deemed to have one or more significant inputs which are not based on observable market data. Significant increases or decreases in future cash flows would increase or decrease, respectively, the fair value of the investments. As at 30 June 2023, the Group held an unlisted equity investment in Smart Pension Limited measured on a recurring basis at fair value through profit and loss of $78.6 million (30 June 2022: $106.2 million). The valuation of the investment as at 30 June 2023 was based on a methodology of ascertaining the implied value of SMART from the Series E fund raise, being the most recent arm's length valuation of SMART, and then back solving for the value of Link Group's investment in SMART. Given the complex nature and capital structure of SMART, an option pricing model back-solve method (OPM back-solve) was used, which is forward looking and: 1) considers the back solved current equity value using the share price of recent transactions; 2) allocates that back solved equity value through a waterfall structure to the various classes of shares considering the rights and preferences of each type of security holders; and 3) uses a continuous distribution of outcomes, rather than focusing on distinct future scenarios.

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CAPITAL STRUCTURE, FINANCING AND RISK MANAGEMENT (CONTINUED)

RECONCILIATION OF MOVEMENTS IN LEVEL 3 INVESTMENTS	2023 $'000	2022 $'000
Opening level 3 investments at the beginning of the financial year	**106,232**	98,630
Acquisitions	**–**	19,461
Fair value (loss)/gain recognised in profit or loss	**(36,179)**	260
Investments reclassified to equity-accounted investments	**–**	(7,158)
Foreign currency retranslation	**8,518**	(4,961)
Closing level 3 investments at the end of the financial year	**78,571**	106,232

Significant accounting estimate and judgement

Judgement is required in measuring level 3 investments at fair value. All key assumptions applied in fair value measurements were determined using the past experiences of Link Group and management. Where possible, assumptions were validated against external sources of information such as independent arms-length transactions, or independent expert valuations.

The following table sets out the carrying amount and fair value of financial assets and financial liabilities.

	2023		2022	
FAIR VALUE VS CARRYING AMOUNTS	FAIR VALUE $'000	CARRYING AMOUNT (CONTINUING) $'000	FAIR VALUE $'000	CARRYING AMOUNT $'000
Assets				
Financial assets measured at fair value through profit and loss				
Investments	**82,035**	**82,035**	110,587	110,587
Financial assets measured at amortised cost				
Cash and cash equivalents	**124,465**	**124,465**	193,278	193,278
Trade and other receivables	**156,240**	**156,240**	244,567	244,567
Fund assets	**–**	**–**	756,163	756,163
	362,740	**362,740**	1,304,595	1,304,595
Liabilities				
Financial liabilities measured at amortised cost				
Trade and other payables	**166,734**	**166,734**	293,452	293,452
Interest bearing loans and borrowings	**1,139,946**	**1,139,946**	1,173,819	1,173,819
Fund liabilities	**–**	**–**	754,558	754,558
	1,306,680	**1,306,680**	2,221,829	2,221,829

The fair values of interest-bearing loans and borrowings are the same as their carrying amounts as interest payable on those borrowings is floating at current market rates.

Financial instruments – Recognition/derecognition

A financial instrument is recognised when Link Group becomes a party to the contractual provisions of the instrument.

Financial assets are derecognised if Link Group's contractual rights to the cash flows from the financial assets expire or if Link Group transfers the financial asset to another party without retaining control or substantially all the risks and rewards of the asset. Financial liabilities are derecognised if Link Group's obligations specified in the contract expire or are discharged or cancelled.

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CAPITAL STRUCTURE, FINANCING AND RISK MANAGEMENT (CONTINUED)

Measurement

Financial assets measured at fair value through profit or loss

Financial instruments at fair value through profit or loss are recognised initially at fair value, and are subsequently measured at fair value with changes recognised in the statement of comprehensive income under "gains or losses on financial assets held at fair value through profit and loss".

Financial assets measured at amortised cost

Other financial instruments are recognised initially at fair value plus any directly attributable transaction costs, and are subsequently measured at amortised cost using the effective interest method, less any impairment losses.

Trade and other payables and interest-bearing loans and borrowings are classified as financial liabilities. Trade and other receivables and cash and cash equivalents are classified as financial assets. Cash and cash equivalents comprise cash balances and call deposits.

Impairment

A financial asset is assessed at each reporting date to determine whether there is any objective evidence that it is impaired. Any impairment losses are recognised in profit or loss.

Environment, Social and Governance Risk

The Directors and Management understand and continually reassess existing and emerging risks (both short-term and long-term) that may be applicable to the Link Group's business, including Environment, Social and Governance (ESG) risk. Link Group acknowledges the impacts that climate change could have on our business, that its impact may increase in the future, and that it is increasing in significance for clients, investors and regulators globally.

22. CONTRIBUTED EQUITY

ISSUED AND PAID-UP CAPITAL	2023 $'000	2022 $'000
Balance at the beginning of the year	**1,815,983**	1,917,748
Equity bought back and cancelled	**–**	(101,723)
Equity raising and share buy-back costs, net of tax	**–**	(42)
Return of capital to shareholders (PEXA in-specie distribution)	**(813,272)**	–
Balance at the end of the year	**1,002,711**	1,815,983

NUMBER OF SHARES ISSUED:	2023 '000	2022 '000
Balance at the beginning of the year	**512,987**	536,226
Equity bought back and cancelled	**–**	(23,239)
Balance at the end of the year	**512,987**	512,987

Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issuance of ordinary shares are recognised as a deduction from equity, net of any related income tax benefit.

Ordinary shares

The Company does not have authorised capital or par value in respect of its issued shares. All issued shares are fully paid. Holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at shareholders' meetings.

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CAPITAL STRUCTURE, FINANCING AND RISK MANAGEMENT (CONTINUED)

23. RESERVES

CONSOLIDATED	SHARE COMPEN-SATION RESERVE $'000	TREASURY SHARE RESERVE $'000	DISTRIBUTABLE PROFITS RESERVE $'000	FOREIGN CURRENCY TRANSLATION RESERVE $'000	ACQUISITION RESERVE $'000	DEFINED BENEFIT RESERVE $'000	PRE-ACQUISITION PROFITS PAID RESERVE $'000	TOTAL $'000
Balance at 1 July 2022	**19,317**	**(7,907)**	**58,943**	**555**	**(13,519)**	**(1,152)**	**(129,733)**	**(73,496)**
Other comprehensive income	**–**	**–**	**–**	**26,637**	**–**	**(93)**	**–**	**26,544**
Transfer from retained earnings to reserves	**–**	**–**	**344,755**	**–**	**–**	**–**	**–**	**344,755**
Transactions with shareholders								
Dividends declared from distributable profits reserve	**–**	**–**	**(64,123)**	**–**	**–**	**–**	**–**	**(64,123)**
Equity settled share-based payments	**315**	**8,153**	**–**	**–**	**–**	**–**	**–**	**8,468**
Treasury shares acquired	**–**	**(3,758)**	**–**	**–**	**–**	**–**	**–**	**(3,758)**
Transactions with non-controlling interest with change in control	**–**	**–**	**–**	**–**	**(1,878)**	**–**	**–**	**(1,878)**
Balance at 30 June 2023	**19,632**	**(3,512)**	**339,575**	**27,192**	**(15,397)**	**(1,245)**	**(129,733)**	**236,512**

CONSOLIDATED	SHARE COMPEN-SATION RESERVE $'000	TREASURY SHARE RESERVE $'000	DISTRIBUTABLE PROFITS RESERVE $'000	FOREIGN CURRENCY TRANSLATION RESERVE $'000	ACQUISITION RESERVE $'000	DEFINED BENEFIT RESERVE $'000	PRE-ACQUISITION PROFITS PAID RESERVE $'000	TOTAL $'000
Balance at 1 July 2021	18,382	(18,563)	103,825	29,900	(13,519)	(1,464)	(129,733)	(11,172)
Other comprehensive income	–	–	–	(29,345)	–	312	–	(29,033)
Transactions with shareholders								
Dividends declared from distributable profits reserve	–	–	(44,882)	–	–	–	–	(44,882)
Equity settled share-based payments	935	13,789	–	–	–	–	–	14,724
Treasury shares acquired	–	(3,133)	–	–	–	–	–	(3,133)
Balance at 30 June 2022	19,317	(7,907)	58,943	555	(13,519)	(1,152)	(129,733)	(73,496)

CAPITAL STRUCTURE, FINANCING AND RISK MANAGEMENT (CONTINUED)

Share compensation reserve

The reserve for own shares represents the cost of ordinary shares held by an equity compensation plan that will be issued to settle entitlements under share-based payment plans. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

Treasury share reserve

The treasury share reserve comprises the cost of the Company's shares held by Link Group. Treasury shares are carried at cost and held for the purposes of the settling share-based payment arrangements at a future date. At 30 June 2023, Link Group held 1,135,926 (2022: 1,702,747) of the Company's shares.

Distributable profits reserve

The distributable profits reserve is available to enable the payment of future dividends.

Foreign currency translation reserve

The foreign currency translation reserve comprises all foreign exchange differences arising from the translation of the financial statements of foreign operations where their functional currency is different to the presentation currency of Link Group. Where Link Group hedges foreign currency risk on net investments in foreign subsidiaries, foreign exchange gains/losses on translation of the hedging instrument are recognised in other comprehensive income and accumulated in the foreign currency translation reserve on consolidation.

Acquisition reserve

The acquisition reserve represents the purchase of non-controlling interests where there is no change in control. The accounting standards prescribe that the value of such acquisitions should be accounted for as equity transactions instead of accounting for them as an adjustment to goodwill.

Defined benefit reserve

The defined benefit reserve represents the re-measurement of the net defined benefit liability and comprises the actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest).

Pre-acquisition profits paid reserve

The pre-acquisition profits paid reserve represents dividends paid on consolidation from pre and post-acquisition profits in a prior period.

Dividends

	2023 INTERIM	2023 SPECIAL	2022 INTERIM	2021 FINAL
Dividend cents per share	**4.5**	**8.0**	3.0	5.5
Franking percentage	**80%**	**100%**	100%	100%
Total dividend ($'000)	**23,084**	**41,039**	15,390	29,492
Record date	**02.03.2023**	**30.09.2022**	03.03.2022	01.09.2021
Payment date	**11.04.2023**	**14.10.2022**	08.04.2022	20.10.2021

Dividends are recognised as a liability in the period in which they are declared.

The Directors have determined an 60% franked FY2023 final dividend of 4.0 cents per share amounting to $20.5 million.

The dividend will be payable on 20 September 2023 to shareholders on the register at 5pm AEST on 4 September 2023. The ex-dividend date is 1 September 2023.

In determining the dividend, the Board considered a range of factors in accordance with the Company's dividend policy including paying cash dividends at a sustainable level and maximising returns to shareholders by utilising available franking credits.

As outlined in the PEXA in-specie distribution Explanatory Memorandum, the Link Group Board (post PEXA in-specie distribution) intends to target a dividend payout ratio of 60–80% of NPATA range. Link Group's (post PEXA in-specie distribution) approach to dividends will be determined by the Link Group Board and will remain at the discretion of the Board and may change over time.

The FY2023 total Dividend of 8.5 cents per share equates to approximately 80% of NPATA. The dividend payout ratio is likely to be at the bottom end of the 60%–80% of NPATA until leverage is lower than 2.5x.

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CAPITAL STRUCTURE, FINANCING AND RISK MANAGEMENT (CONTINUED)

24. ACCUMULATED LOSSES

	2023 $'000 CONTINUING OPERATIONS	2022 $'000
Accumulated loss at the beginning of the financial year	**(233,926)**	(167,815)
Net loss attributable to equity holders	**(417,377)**	(67,890)
Transfer from retained earnings to distributable profits reserve[1]	**(344,755)**	–
Gain on settlement of equity settled share-based payments recognised in retained earnings	**1,170**	1,394
Transactions with non-controlling interest without a change in control	**–**	385
Accumulated loss at the end of the year	**(994,888)**	(233,926)

1 This relates mainly to the profit made by the Parent company in relation to the PEXA in-specie distribution that occurred on 10 January 2023. Refer to Note 28.

25. SHARE-BASED PAYMENT ARRANGEMENTS

The fair value of the equity settled share-based payments is determined at grant/service commencement date and is recognised as an expense, with a corresponding increase in reserves, over the vesting period. The amount expensed is adjusted based on the related service and non-market performance conditions which are expected to be met, resulting in the amount recognised being based on the number of awards that meet the related service and non-market performance conditions at the vesting date. The impact of any changes to the estimates of non-market vesting conditions are adjusted each reporting period to reflect the most current expectation of vesting.

(a) Description of share-based payment arrangements

At 30 June 2023, Link Group had the following shared-based payment arrangements.

Omnibus equity plan

The Omnibus equity plan (OEP) entitles Executive KMPs, Senior Executives and Senior Leaders to receive Performance Share Rights (PSRs) which, subject to the satisfaction of service-based conditions and performance hurdles, will, if vested, allow participants to receive fully paid ordinary shares in the Company. During the financial year and in accordance with the OEP, LTI PSRs were granted to Executive KMPs, Senior Executives and Senior Leaders. The PSRs are divided into two tranches of 75% and 25% and subject to testing against an operating earnings per share (EPS) target and relative total shareholder return (relative TSR) respectively.

The terms and conditions of the PSRs granted during the financial year ended 30 June 2023 were as follows.

GRANT DATE/ EMPLOYEES ENTITLED	NUMBER OF PSRS	VESTING CONDITIONS	CONTRACTUAL LIFE OF PSRS
LTI issued to Executive KMPs, Senior Executives and Senior Leaders on 5 December 2022	**3,004,008**	75% against an EPS target and 25% against relative TSR for the three-year performance period commencing 1 July 2022.	Seven years, with last exercise occurring September 2029 (unless the PSRs lapse earlier in accordance with the terms of the invitation).
LTI issued to Executive KMPs on 1 February 2023	**286,885**	75% against an EPS target and 25% against relative TSR for the three-year performance period commencing 1 July 2022.	Seven years, with last exercise occurring September 2029 (unless the PSRs lapse earlier in accordance with the terms of the invitation).

The number of PSRs issued to each participant was calculated with reference to the 20-day Volume Weighted Average Price (VWAP) from 31 August 2022 and accounted for at fair value in accordance with accounting standards from grant date.

The expense recognised in the consolidated statement of profit or loss and other comprehensive income in relation to the LTI PSRs during the year ended 30 June 2023 was $5.7 million (2022: $4.7 million).

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CAPITAL STRUCTURE, FINANCING AND RISK MANAGEMENT (CONTINUED)

Under the terms of the OEP, Executive KMPs, Senior Executives and Senior Leaders had a portion of their FY2022 short term incentive deferred (Deferred STI). On 5 December 2022, restricted shares (RSs) or share rights (SRs) were issued to Deferred STI participants. The RSs or SRs entitle participants to receive fully paid ordinary shares in the Company subject to continuing employment for a one or two-year service period.

The terms and conditions of the Deferred STI granted during the financial year ended 30 June 2023 were as follows.

GRANT DATE	NUMBER OF RSS/SRS	VESTING CONDITIONS
Restricted shares issued 5 December 2022	**771,435**	Subject to continuing employment, 50% vesting on 31 August 2023, 50% vesting on 31 August 2024
Share rights issued 5 December 2022	**310,441**	Subject to continuing employment, 50% vesting on 31 August 2023, 50% vesting on 31 August 2024

The expense recognised in the consolidated statement of profit or loss and other comprehensive income in relation to the Deferred STI during the year ended 30 June 2023 was $6.7 million (2022: $3.0 million).

Special equity grant

On 1 December 2020, the Board, at its discretion, offered restricted shares (RSs) or share rights (SRs) as compensation to employees who participated in the voluntary temporary pay reduction in FY2020. The RSs or SRs entitle participants to receive fully paid ordinary shares in the Company subject to continuing employment for a one or two-year service period. On 1 December 2022, 327,954 RSs and SRs vested in accordance with the terms of the grant.

The expense recognised in the consolidated statement of profit or loss and other comprehensive income in relation to the special equity grant during the financial year ended 30 June 2023 was $0.3 million (2022: $5.7 million).

Retention scheme

Certain Executive KMP, Senior Executives and Senior Leaders have received equity grants as part of a retention scheme to retain key talent during a critical period for Link Group. On 5 December 2022, share rights (SRs) were issued to retention scheme participants. The SRs entitle participants to receive fully paid ordinary shares in the Company subject to continuing employment for a specified service period.

GRANT DATE	NUMBER OF RSS/SRS	VESTING CONDITIONS
Share rights issued 5 December 2022	**1,328,179**	Subject to continuing employment, 50% vesting on 5 December 2024, 50% vesting on 5 December 2025.

The expense recognised in the consolidated statement of profit or loss and other comprehensive income in relation to the retention scheme during the financial year ended 30 June 2023 was $3.5 million (2022: $2.7 million).

(b) Measurement of grant date fair values

The following inputs were used in the measurement of the fair values at grant date of the LTI PSRs issued during the year ended 30 June 2023 (refer below for the fair value implications of the modification which occurred as a result of the PEXA in-specie distribution).

	5 DECEMBER 2022
Fair value at grant date:	
i. EPS tranche at grant date	**$3.16**
ii. TSR tranche fair value at grant date	**$1.62**
Share price at grant date	**$3.47**
Exercise price	**–**
Expected volatility (weighted average volatility)	**35.0%**
PSR life (expected weighted average life)	**3 years**
Holding lock discount:	
i. 1 year	**0.0%**
ii. 2 years	**0.0%**
Expected dividends	**3.42%**
Risk-free interest rate (based on government bonds)	**2.98%**

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CAPITAL STRUCTURE, FINANCING AND RISK MANAGEMENT (CONTINUED)

The fair value of services received in return for LTI PSRs is based on the fair value of LTI PSRs granted, measured using a Monte Carlo valuation model. Expected volatility is estimated taking into account historic average share price volatility of the Company and certain other ASX listed companies.

The fair value of services received in return for Deferred STI and Retention Scheme restricted share or share rights is based on the market price of Link Group's ordinary shares at grant date, being $3.48.

Significant accounting estimate and judgement

Judgement is required in determining the fair value of PSRs, which was determined at grant date based upon an independent valuation. The amount expensed is adjusted based on the related service and non-market performance conditions which are expected to be met.

(c) Modification

As a result of the PEXA in-specie distribution, the terms of each share-based payment arrangement have been amended, and a modification has occurred. The modification date was assessed to be 23 December 2022, being the date of shareholder approval for the distribution. The fair value of the share-based payment arrangement was measured immediately before and immediately after the modification date, to determine the fair value impact of the modification. Where the modification resulted in an increase to fair value, the incremental increase is recognised as an expense over the remaining vesting period, with a corresponding increase in reserves.

The impact of the modification on each arrangement is summarised in the following tables.

INSTRUMENT GRANT DATE	LTI PSR 30 NOVEMBER 2020		LTI PSR 2 DECEMBER 2021		LTI PSR 5 DECEMBER 2022	
	EPS	TSR	EPS	TSR	EPS	TSR
Modification date	23 December 2022					
Modified terms	Additional cash payment of $1.80 per PSR, subject to the same vesting and service conditions as the original grant (as compensation for the dilution in value of Link Group shares as a result of the PEXA in-specie distribution)					
Performance period end	30 June 2023		30 June 2024		30 June 2025	
Vesting dates (50/25/25)	29 August 2023/4/5		29 August 2024/5/6		29 August 2025/6/7	
Rights at modification (000's)	1,662	554	1,620	540	2,253	751
Fair value before modification	$3.32	$0.26	$3.21	$0.98	$3.10	$1.58
Fair value after modification	$3.65	$0.28	$3.47	$1.02	$3.30	$1.52
Incremental fair value	**$0.33**	**$0.02**	**$0.26**	**$0.04**	**$0.20**	**($0.06)**

The expense recognised in the consolidated statement of profit or loss and other comprehensive income in relation to the LTI PSRs during the year ended 30 June 2023 includes $0.5 million related to the modification in connection with the PEXA in-specie distribution (2022: nil). The future $1.80 cash payment resulted in a reclassification of $2.7 million from the share-based payments reserve to current liabilities ($1.8 million to non-current liabilities).

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CAPITAL STRUCTURE, FINANCING AND RISK MANAGEMENT (CONTINUED)

INSTRUMENT	DEFERRED STI – RESTRICTED SHARES			DEFERRED STI – SHARE RIGHTS		
GRANT DATE	2 DECEMBER 2021 (T2)	5 DECEMBER 2022 (T1)	5 DECEMBER 2022 (T2)	2 DECEMBER 2021 (T2)	5 DECEMBER 2022 (T1)	5 DECEMBER 2022 (T2)
Modification date	23 December 2022					
Modified terms	Received PEXA shares as part of the PEXA in-specie distribution (1 PEXA share for every 7.52 Link share held)			Additional cash payment of $1.80 per right, as compensation for the dilution in value of Link Group shares as a result of the PEXA in-specie distribution		
Vesting date	31 August 2023	31 August 2023	31 August 2024	31 August 2023	31 August 2023	31 August 2024
Shares/Rights at modification (000's)	328	386	386	110	155	155
Fair value before modification	$3.41	$3.41	$3.41	$3.41	$3.41	$3.41
Fair value after modification	$3.54	$3.54	$3.54	$3.78	$3.78	$3.78
Incremental fair value	**$0.13**	**$0.13**	**$0.13**	**$0.37**	**$0.37**	**$0.37**

The expense recognised in the consolidated statement of profit or loss and other comprehensive income in relation to the Deferred STI during the year ended 30 June 2023 includes $0.2 million related to the modification in connection with the PEXA in-specie distribution (2022: nil).

INSTRUMENT GRANT DATE	RETENTION – SHARE RIGHTS 2 DECEMBER 2021 (T2)	RETENTION – SHARE RIGHTS 5 DECEMBER 2022 (T1)	RETENTION – SHARE RIGHTS 5 DECEMBER 2022 (T2)
Modification date	23 December 2022		
Modified terms	Additional cash payment of $1.80 per right, subject to the same vesting and service conditions as the original grant (as compensation for the dilution in value of Link Group shares as a result of the PEXA in-specie distribution)		
Vesting date	1 December 2023	5 December 2024	5 December 2025
Rights at modification (000's)	409	664	664
Fair value before modification	$3.30	$3.18	$3.08
Fair value after modification	$3.61	$3.43	$3.26
Incremental fair value	**$0.31**	**$0.25**	**$0.18**

The expense recognised in the consolidated statement of profit or loss and other comprehensive income in relation to the retention scheme during the year ended 30 June 2023 includes $0.1 million related to the modification in connection with the PEXA in-specie distribution (2022: nil). The future $1.80 cash payment resulted in a reclassification of $0.6 million from the share-based payments reserve to current liabilities ($0.6 million to non-current liabilities).

(d) Reconciliation of share rights

The number of performance and other share rights on issue during the financial year ended 30 June 2023 was as follows.

	LTI PSRS		SEG SRS		DEFERRED STI SRS		RETENTION SRS	
	2023 '000	2022 '000	2023 '000	2022 '000	2023 '000	2022 '000	2023 '000	2022 '000
On issue at beginning of the year	**6,016**	5,505	**38**	469	**276**	–	**912**	–
Granted during the year	**3,290**	2,242	**-**	–	**310**	276	**1,328**	948
Lapsed during the year	**(1,924)**	(1,731)	**-**	(21)	**(2)**	–	**(59)**	(33)
Vested during the year	**-**	–	**(38)**	(410)	**(172)**	–	**(506)**	(3)
On issue at the end of the year	**7,382**	6,016	**-**	38	**412**	276	**1,675**	912

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GROUP STRUCTURE

26. BUSINESS COMBINATIONS

In addition to organic growth, Link Group seeks to grow through acquisitions and leverage the existing systems, skill sets and processes to improve client satisfaction and obtain synergies to drive positive returns for shareholders.

All business combinations are accounted for by applying the acquisition method. Judgement is applied in determining the acquisition date and determining whether control is transferred from one party to another.

Link Group measures goodwill as the fair value of the consideration transferred including the recognised amount of any non-controlling interest in the acquiree, less the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed, all measured as at the acquisition date.

Consideration transferred includes the fair values of the assets, liabilities and contingent liabilities, including liabilities incurred by Link Group to the previous owners of the acquiree and equity interests issued by Link Group. Consideration transferred also includes the fair value of any contingent consideration and share-based payment awards of the acquiree that are replaced mandatorily in the Business Combination.

Significant accounting estimate and judgement

Judgement is required in measuring the fair value of identifiable assets acquired and liabilities assumed for each acquisition. All key assumptions applied in fair value measurements were determined using the past experiences of Link Group and management. Where possible, assumptions were validated against external sources of information.

Acquisitions

During the period, the Group entered into five separate transactions deemed to be business combinations.

- On 13 October 2022, Link Group increased its share in Moneysoft (previously equity accounted) from 47.9% to 79.3% at a cost of $2.2 million. This resulted in Moneysoft being consolidated in Link Group's financial statements from 13 October 2022.
- On 2 November 2022, Link Group acquired 100% of HS Pensions Limited (an RSS business) in the United Kingdom for a cash free, debt free consideration of $11.3 million (£6.3 million). HS Pensions administers pensions for around 380,000 members and has an established team of experts delivering an end-to-end pension service.
- On 1 March 2023, Link Group acquired the net assets of HSBC's Occupational Retirement Schemes administration business in Hong Kong (an RSS business) for a total consideration of $30.5 million (US$25.0 million). An initial consideration amount of $11.9 million was paid during the period to 30 June 2023 and the remaining amount will be paid over the next two years. The acquisition supports Link Group's offshore expansion by entering the Hong Kong pensions administration services market.
- On 4 May 2023, Link Group acquired 100% of Better Orange IR & HV AG (a CM business) in Germany for a cash free, debt free consideration of $8.7 million (€5.2 million). Better Orange provides AGM services, including meeting organisation, share register management, investor relations consulting and international IR services. The acquisition will deliver scale and increased market share in the AGM facilitation space and enables Link Group to significantly broaden its consulting expertise and capability in Germany.
- On 1 June 2023, Link Group acquired the net assets of Allens LinkLaters' company secretarial business in Australia (a CM business) for a cash free, debt free consideration of $5.4 million. As part of this transaction, Allens LinkLaters and Link Group have also entered a long-term partnership to provide ongoing company secretarial services to clients of Allens LinkLaters in Australia. The acquisition will enhance Link Group's existing company secretarial and corporate administration services, expand its presence into the Melbourne market and broaden its client base.

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GROUP STRUCTURE (CONTINUED)

Provisional acquisition accounting

The fair values of assets and liabilities for the business combinations have been recognised on a provisional basis in the consolidated financial statements as follows.

	$'000
Cash consideration	39,465
Deferred consideration	6,654
Contingent consideration	11,992
Total consideration transferred	58,111
Fair value of pre-existing interest[1]	6,617
Less: fair value of net identifiable assets acquired	(32,055)
Goodwill	32,673
Identifiable assets acquired and liabilities assumed:	
Cash and cash equivalents	1,111
Trade and other receivables	2,254
Other assets	26
Current tax assets	224
Plant and equipment	447
Intangible assets – Client relationships	39,726
Intangible assets – Software	2,084
Trade and other payables	(5,309)
Interest bearing loans and borrowings	(223)
Provisions	(406)
Employee benefits	(257)
Current tax liabilities	(177)
Deferred tax liabilities	(7,445)
Net assets	32,055

1 Fair value of Link Group's 47.9% interest in Moneysoft immediately before the acquisition.

The fair values of assets and liabilities recognised on a provisional basis may be revised in accordance with AASB 3 *Business Combinations*, as follows.

- Intangible assets (excluding goodwill), predominantly client relationships, have been determined provisionally pending completion of fair value calculation.
- The fair value of net identifiable assets acquired may be impacted by the completion of the newly acquired subsidiaries 30 June 2023 financial statement audits and tax returns.
- Goodwill is calculated as the difference between purchase consideration and the fair value of net identifiable assets acquired. The goodwill is attributable to the experience and employment of key management, the assembled workforce of existing employees, as well as the synergies expected to be achieved from integrating the acquisitions into Link Group's existing operating segments.

Where new information obtained within one year of the acquisition about the facts and circumstances that existed at the date of acquisition identifies adjustments to the above amounts, or any additional provisions that existed at the date of acquisition, the accounting for the acquisition will be revised.

Acquisition related costs

Business acquisition costs of $1.5 million comprising legal fees and due diligence costs were included in the Group's consolidated statement of profit or loss.

Contingent consideration

The contingent consideration relates to the acquisition of HSBC's Occupational Retirement Schemes administration business. Link Group has agreed to pay additional consideration of US$12.5 million upon operational completion, which is expected to occur during the financial year ending 30 June 2025 and is subject to certain funds under management targets being achieved. Link Group has included $12.0 million as contingent consideration related to the additional consideration, which represents its fair value at the date of acquisition post-discounting for the time value of money.

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GROUP STRUCTURE (CONTINUED)

Contribution to the Group's results

The acquisitions contributed $16.7 million of revenue and $3.2 million of profit (excluding acquisition and integration costs) to the Group's profit before tax for the period between the date of acquisition and the reporting date.

If the acquisitions had occurred on 1 July 2022, Group revenue contribution for the year ended 30 June 2023 would have been $48.6 million and Group profit before tax contribution (excluding acquisition and integration costs) would have been $5.9 million. The Directors of the Group consider these 'pro-forma' numbers to represent an approximate measure of the performance of the combined Group for the year ended 30 June 2023 and to provide a reference point for comparison in future years.

27. CONTROLLED ENTITIES

SUBSIDIARIES	COUNTRY OF INCORPORATION	% OWNERSHIP INTEREST CONSOLIDATED 2023	% OWNERSHIP INTEREST CONSOLIDATED 2022
Australia and New Zealand			
Link Administration Pty Limited	Australia	**100**	100
Link Digital Solutions Pty Limited	Australia	**100**	100
Link Market Services Group Pty Limited	Australia	**100**	100
Link Market Services Holdings Pty Limited	Australia	**100**	100
Link Market Services Limited	Australia	**100**	100
Pacific Custodians Pty Limited	Australia	**100**	100
Link MS Services Pty Limited	Australia	**100**	100
Link Share Plans Pty Limited	Australia	**100**	100
Orient Capital Pty Limited	Australia	**100**	100
Corporate File Pty Limited	Australia	**100**	100
Open Briefing Pty Limited	Australia	**100**	100
Australian Administration Services Pty Limited	Australia	**100**	100
AAS Superannuation Services Pty Limited	Australia	**100**	100
Link Group Technology Pty Limited	Australia	**100**	100
Atune Financial Solutions Pty Limited	Australia	**100**	100
Primary Superannuation Services Pty Limited	Australia	**100**	100
The Superannuation Clearing House Pty Limited	Australia	**100**	100
Complete Corporate Solutions Pty Limited	Australia	**100**	100
Company Matters Pty Ltd	Australia	**100**	100
The Australian Superannuation Group (WA) Pty Ltd	Australia	**100**	100
Link DigiCom Pty Limited	Australia	**100**	100
Link Business Services Pty Ltd	Australia	**100**	100
Link Administration Services Pty Limited	Australia	**100**	100
Link Advice Pty Limited	Australia	**100**	100
Link Super Pty Limited	Australia	**100**	100
Link Superannuation Management Pty Ltd *(formerly P.S.I Superannuation Management Pty Limited)*	Australia	**100**	100
Empirics Marketing Pty Limited	Australia	**100**	51.3
Accrued Holdings Pty Limited	Australia	**100**	51.3
FuturePlus Financial Services Pty Limited	Australia	**100**	100
Link Property Holdings Pty Limited	Australia	**100**	100
Link Property Pty Limited	Australia	**100**	100
Link Administration RSS Pty Limited	Australia	**100**	100
Synchronised Software Pty Limited	Australia	**100**	100
Link Administration Support Services Pty Limited	Australia	**100**	100
Superpartners Pty Limited	Australia	**100**	100
Link Administration Resource Services Pty Limited	Australia	**100**	100
Link Fund Solutions Pty Limited	Australia	**100**	100
Adviser Network Pty Limited	Australia	**100**	100

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GROUP STRUCTURE (CONTINUED)

SUBSIDIARIES	COUNTRY OF INCORPORATION	% OWNERSHIP INTEREST CONSOLIDATED 2023	% OWNERSHIP INTEREST CONSOLIDATED 2022
Link Land Registry Services Pty Limited	Australia	**100**	100
WO Nominees A/C Non Taxable Pty Limited	Australia	**100**	100
WO Nominees A/C Company Pty Limited	Australia	**100**	100
WO Nominees A/C Fund Pty Limited	Australia	**100**	100
Link Administration Holdings Employee Share Trust [1]	Australia	**–**	–
Moneysoft Pty Limited [4]	Australia	**79.3**	–
Link Market Services (New Zealand) Limited	New Zealand	**100**	100
Pacific Custodians (New Zealand) Limited	New Zealand	**100**	100
Australian Administration Services Limited (incorporated 30 November 2022)	New Zealand	**100**	–
United Kingdom and Channel Islands			
Link Group Administration Limited	United Kingdom	**100**	100
Link Group Service Company Limited	United Kingdom	**100**	100
D.F. King Ltd	United Kingdom	**100**	100
Orient Capital Limited	United Kingdom	**100**	100
Link Group Corporate Director Limited	United Kingdom	**100**	100
Link Group Corporate Secretary Limited	United Kingdom	**100**	100
Crown Northcorp Limited [2]	United Kingdom	**100**	100
LFI (Nominees) Limited [2]	United Kingdom	**100**	100
Link Alternative Fund Administrators Limited [2]	United Kingdom	**100**	100
Link Asset Services (Holdings) Limited [2]	United Kingdom	**100**	100
BCMGlobal London Limited [2]	United Kingdom	**100**	100
BCMGlobal (UK) Limited [2]	United Kingdom	**100**	100
Link Company Matters Limited	United Kingdom	**100**	100
LF Solutions Holdings Limited	United Kingdom	**100**	100
Link Financial Investments Limited [2]	United Kingdom	**100**	100
Link Fund Administrators Limited [2]	United Kingdom	**100**	100
Link Fund Solutions Limited [3]	United Kingdom	**100**	100
Link Market Services Limited	United Kingdom	**100**	100
Link Market Services Trustees (Nominees) Limited	United Kingdom	**100**	100
Link Market Services Trustees Limited	United Kingdom	**100**	100
BCMGlobal Mortgage Services Limited [2]	United Kingdom	**100**	100
Link Share Plan Services Limited	United Kingdom	**100**	100
Link Treasury Services Limited	United Kingdom	**100**	100
Rooftop Mortgages Limited [2]	United Kingdom	**100**	100
Sinclair Henderson Fund Administration Limited	United Kingdom	**100**	100
Link Pension Administration Limited	United Kingdom	**100**	100
HS Pensions Limited (acquired 2 November 2022)	United Kingdom	**100**	–
Link Market Services (Guernsey) Limited	Guernsey	**100**	100
Link Market Services (Jersey) Limited	Jersey	**100**	100
Link Market Services (Isle of Man) Limited	Isle of Man	**100**	100
Europe			
BCMGlobal Germany GmbH [2]	Germany	**100**	100
Link Market Services (Frankfurt) GmbH	Germany	**100**	100
Link Market Services GmbH	Germany	**100**	100
Orient Capital GmbH	Germany	**100**	100
Better Orange IR & HV AG (acquired 4 May 2023)	Germany	**100**	–
BCMGlobal ASI Limited [2]	Ireland	**100**	100
Link CTI Limited	Ireland	**100**	100
Link Fund Administrators (Ireland) Ltd [2]	Ireland	**100**	100

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GROUP STRUCTURE (CONTINUED)

SUBSIDIARIES	COUNTRY OF INCORPORATION	% OWNERSHIP INTEREST CONSOLIDATED 2023	% OWNERSHIP INTEREST CONSOLIDATED 2022
Link Fund Manager Solutions (Ireland) Limited [3]	Ireland	**100**	100
Link IRG (BC) Limited	Ireland	**100**	100
Link Registrars Limited	Ireland	**100**	100
Link Group Administration Pty Limited	Ireland	**100**	100
Link Group Service Company Pty Limited	Ireland	**100**	100
Link Fund Solutions (Luxembourg) S.A. [2]	Luxembourg	**100**	100
Link Fund Solutions (Switzerland) Sagl [2] *(formerly Casa4Funds Sagl, acquired 4 August 2021)*	Switzerland	**100**	100
BCMGlobal Netherlands B.V. [2]	Netherlands	**100**	100
FlexFront B.V. [2]	Netherlands	**100**	100
BCMGlobal (France) SAS (dissolved 29 August 2022)	France	**–**	100
Other countries			
Link Intime India Private Limited	India	**100**	100
TSR Consultants Private Limited *(formerly TSR Darashaw Consultants Private Limited)*	India	**100**	100
Universal Capital Securities Private Limited	India	**100**	100
SKDC Consultants Limited	India	**100**	100
Link Administration Services Private Limited	India	**100**	100
Waystone Technology Solutions Private Limited (incorporated 10 April 2023) [2]	India	**100**	–
PNG Registries Limited	Papua New Guinea	**100**	100
Link Retirement Solutions HK Limited (incorporated 13 September 2022)	Hong Kong	**100**	–
Link Market Services (Hong Kong) Pty Limited	Hong Kong	**100**	100

1 Link Group has determined it controls the employee share trust that administers its share-based payment arrangements (refer Note 25), despite having no ownership interest in the entity.
2 Subsidiary part of disposal group held for sale under a Share Purchase Agreement.
3 Subsidiary whose assets and liabilities are part of the disposal group held for sale under a Business Transfer Agreement.
4 Link Group's interest in Moneysoft Pty Limited as at 30 June 2022 was 47.9% with the investment being equity-accounted.

Subsidiaries are entities controlled by the Company. Control exists when Link Group has the power to govern the financial and operating policies of an entity to obtain benefits from its activities. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases. The accounting policies of subsidiaries have been changed on acquisition when necessary to align them with the policies adopted by Link Group.

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GROUP STRUCTURE (CONTINUED)

28. PARENT ENTITY DISCLOSURES

In accordance with the *Corporations Act 2001*, these consolidated financial statements present the results of the consolidated entity only. As at, and throughout, the financial year ended 30 June 2023 the ultimate parent entity of Link Group was Link Administration Holdings Limited.

	2023 $'000	2022 $'000
Result of parent entity		
Profit/(loss) for the year[1]	**356,018**	(23,059)
Other comprehensive income	**–**	–
Total comprehensive income/(loss) for the year	**356,018**	(23,059)
Financial position of parent entity at year end		
Current assets	**7,132**	19,470
Total assets	**1,291,640**	1,822,070
Current liabilities	**3,340**	16,261
Total liabilities	**5,721**	16,261
Total equity of the parent entity comprising of:		
Contributed equity	**1,002,711**	1,815,983
Share compensation reserve	**19,632**	19,317
Distributable profits reserve	**339,598**	58,966
Accumulated losses	**(76,022)**	(88,457)
Total equity	**1,285,919**	1,805,809

1 This relates mainly to the profit made by the Parent company in relation to the PEXA in-specie distribution that occurred on 10 January 2023.

The parent entity had net current assets of $3.8 million (2022: $3.2 million), primarily due to the $1.8 million income tax receivable (2022: $9.8 million income tax receivable) it carries as head of the Link Administration Holdings tax consolidated group. The current tax asset/liability is funded by other members of the tax consolidated group, shown as inter-company receivables in non-current assets. Link Group had $222.7 million net current liabilities from continuing operations (2022: $90.4 million net current assets) and $124.5 million cash and cash equivalents from continuing operations (2022: $193.3 million) as at 30 June 2023.

Other than those disclosed in Note 20, the parent entity has no contingent liabilities, contractual commitments or guarantees with third parties as at 30 June 2023 (2022: None).

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OTHER DISCLOSURES

29. RELATED PARTIES

Key Management Personnel compensation

The aggregate Key Management Personnel (KMP) compensation comprised the following:

	2023 $	2022 $
Short term employee benefits	**7,638,231**	7,937,484
Post-employment benefits	**187,830**	182,262
Other long-term benefits	**47,884**	36,051
Share-based payments	**4,658,228**	5,124,745
Termination benefits	**–**	–
	12,532,173	13,280,542

30. AUDITOR'S REMUNERATION

	2023 $	2022 $
Audit of the financial statements		
Auditor of the Company – KPMG Australia	**1,111,204**	1,005,991
Other network firms – KPMG international	**1,951,718**	1,803,244
Assurance related services		
Auditor of the Company – KPMG Australia	**640,642**	667,511
Other network firms – KPMG international	**438,938**	431,547
Other services		
Auditor of the Company – KPMG Australia	**209,648**	326,600
Other network firms – KPMG international	**690,436**	214,865
	5,042,586	4,449,758

"Other services" includes accounting and consulting services provided during the financial year. Consulting services primarily include the provision of regulatory reporting tools, investigating accountants reports, and Link Group's fair call service.

The Auditor's remuneration relating to entities acquired in a business combination during the financial year is disclosed only in respect of the period those entities were controlled by Link Group.

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OTHER DISCLOSURES (CONTINUED)

31. SUBSEQUENT EVENTS

Banking & Credit Management (BCM)

Link Group refers to its announcement on 18 August 2023 providing an update in relation to the progress of the sale of its Banking & Credit Management business (the BCM Sale). The BCM Sale has now received all regulatory approvals. The BCM Sale is expected to complete on 1 September 2023.

Fund Solutions (FS)

Link Group refers to its announcement on 3 August 2023 providing an update in relation to the progress of the FS sale.

Link Group confirms that counterparties to contracts representing the requisite threshold majority of revenue in respect of LFSL's ACD business and Link Fund Manager Solutions (Ireland) Limited's business have agreed to those contracts being transferred to the Waystone Group on completion of the FS Sale. Satisfaction of the revenue and third-party consent conditions for the FS Sale remain subject to receiving certain regulatory approvals in the UK and Ireland. Link Group has received clearance from the Competition and Consumer Protection Commission of Ireland in respect of the FS Sale. Link Group expects that the FS Sale will complete in October 2023, subject to remaining conditions being satisfied. On 28 July 2023, LFSL informed the investors in the WEIF (WEIF Investors), that subject to the outcome of discussions with Link Group and the FCA, and the English High Court's availability, LFSL expects to issue a Practice Statement Letter in September 2023. The Practice Statement Letter will notify WEIF Investors of the formal launch of the Scheme and provide further details about the key terms of the Scheme and the first court hearing in relation to the Scheme. The Settlement contemplated by the Scheme is conditional on the completion of the FS Sale. If the Scheme becomes effective, it will provide for monies, including a contribution of up to £60 million from Link Group to LFSL, to be made available to make payments to the WEIF Investors. In return for those payments to the WEIF investors, LFSL, Link Group, and their respective affiliates and officers will receive releases from liability relating to LFSL's role as ACD of the WEIF.

Link Group also entered into a conditional sale and purchase agreement to divest Link Fund Solutions (Luxembourg) S.A. and Link Fund Solutions (Switzerland) SA. As per the announcement on 20 April 2023, Link Group has agreed to contribute any available net consideration it receives to the Scheme if it completes a sale of the Luxembourg and Swiss entities which form part of the FS Business prior to the date on which the distribution under the Scheme takes place.

In the opinion of the Directors, there has not arisen in the interval between the end of the financial year and the date of this report any other item, transaction or event of a material and unusual nature likely, in the opinion of the Directors of the Company, to affect significantly the operations of Link Group, the results of those operations, or the state of affairs of Link Group, in future financial years outside of those matters identified above.

32. NEW STANDARDS AND INTERPRETATIONS NOT YET ADOPTED

The following new and amended standards are not expected to have a significant impact on the Group's consolidated financial statements. Link Group has not early adopted the new or amended standards in preparing these consolidated financial statements.

- Deferred Tax related to Assets and Liabilities arising from a Single Transaction.
- AASB 17 *Insurance Contracts* and amendments to AASB 17 *Insurance Contracts*.
- Disclosure of Accounting Policies (Amendments to AASB 101 and IFRS Practice Statement 2).
- Definition of Accounting Estimates (Amendments to AASB 108).

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SECTION

04 Directors' Declaration

1. In the opinion of the Directors of Link Administration Holdings Limited (the Company):
   (a) the consolidated financial statements and notes that are set out on pages 109 to 166 and the Remuneration Report on pages 79 to 105 in the Directors' Report are in accordance with the *Corporations Act 2001*, including:
      (i) giving a true and fair view of Link Group's financial position as at 30 June 2023 and of its performance for the financial year ended on that date; and
      (ii) complying with Australian Accounting Standards and the Corporations Regulations 2001; and
   (b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.
2. The Directors have been given the declarations required by Section 295A of the *Corporations Act 2001* from the Managing Director and the Chief Financial Officer for the financial year ended 30 June 2023.
3. The Directors draw attention to Note 2(a) to the consolidated financial statements, which includes a statement of compliance with International Financial Reporting Standards.

Signed in accordance with a resolution of the Directors.

Michael Carapiet
Chair

Vivek Bhatia
Chief Executive Officer & Managing Director

Dated 28 August 2023 at Sydney.

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Independent Auditor's Report

To the shareholders of Link Administration Holdings Limited

Report on the audit of the Financial Report

Opinion

We have audited the ***Financial Report*** of Link Administration Holdings Limited (the Company).

In our opinion, the accompanying Financial Report of the Company is in accordance with the *Corporations Act 2001*, including:

- giving a true and fair view of the ***Group's*** financial position as at 30 June 2023 and of its financial performance for the year ended on that date; and
- complying with *Australian Accounting Standards* and the *Corporations Regulations 2001*.

The ***Financial Report*** comprises:

- consolidated statement of financial position as at 30 June 2023;
- consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity, and consolidated statement of cash flows for the year then ended;
- notes including a summary of significant accounting policies; and
- Directors' Declaration.

The ***Group*** consists of the Company and the entities it controlled at the year-end or from time to time during the financial year.

Basis for opinion

We conducted our audit in accordance with *Australian Auditing Standards*. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the Financial Report* section of our report.

We are independent of the Group in accordance with the *Corporations Act 2001* and the ethical requirements of the *Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the Financial Report in Australia. We have fulfilled our other ethical responsibilities in accordance with these requirements.

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Key Audit Matters

The ***Key Audit Matters*** we identified are:

- Valuation of goodwill; and
- Revenue recognition

Key Audit Matters are those matters that, in our professional judgement, were of most significance in our audit of the Financial Report of the current period.

These matters were addressed in the context of our audit of the Financial Report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Valuation of goodwill ($873.3m)	
Refer to Note 16 to the Financial Report	
The key audit matter	**How the matter was addressed in our audit**
Valuation of goodwill is a Key Audit Matter due to: • the size of the balance (being 29% of total assets); and • the high level of judgement involved by us in assessing the inputs to the Group's annual assessment of impairment model. Specifically, for the Corporate Markets ("CM") and Retirement & Superannuation Solutions ("RSS") Cash Generating Units ("CGUs"), we focused on significant forward-looking assumptions that the Group applied in its value in use model, including: • forecast cash flows, growth rates and terminal growth rates which are influenced by duration, renewal and key terms of major client contracts and competitive market conditions. The Group operates across different geographies with varying market pressures, which increases the risk of inaccurate forecasts; • estimating the projected cash flow forecast into the future is inherently subjective and susceptible to differences in outcome; and • discount rates, which are subjective in nature and vary according to the specific conditions and environment of Cash Generating Units (CGUs). We involved valuation specialists to supplement our senior audit team members in assessing this key audit matter.	Working with our valuation specialists, our procedures included: • considering the appropriateness of the use of the value in use method applied by the Group to perform the annual test of goodwill for impairment against the requirements of the accounting standards; • assessing the integrity of the value in use method, and the accuracy of the underlying calculations; • checking the consistency of the forecast cash flows assumptions to the Board approved forecasts; • assessing the historical accuracy of the Group's forecasts by comparing to actual results, to use in our evaluation of forecasts incorporated in the model; • challenging the Group's significant forecast cash flow and growth assumptions. We compared key events to the Board approved plan and strategy. We compared forecast growth rates and terminal growth rates to published studies of industry trends and expectations and considered differences for the Group's operations. We used our knowledge of the Group, their past performance, business and customers, and our industry experience; • assessing the consistency of the forecast cash flows assumptions, including analysis of major client contracts incorporated into the forecasts, for alignment to the Group's budget and our inquiries with the Group;

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	• assessing the impact of market and business changes on the Group's key assumptions, specifically the impact of growth rates on recoverable values, for indicators of bias and inconsistent application; • using our knowledge of the Group and its industry to independently develop a discount rate range considered comparable using publicly available market data for comparable entities; • considering the sensitivity of the model by varying key assumptions, such as forecast growth rates, terminal growth rates and discount rates, within a reasonably possible range. We did this to identify those assumptions at higher risk of bias or inconsistency in application and to focus our further procedures; and • assessing the disclosures in the financial report using our understanding obtained from our testing and against the requirements of the accounting standards.
Revenue recognition ($1,228.2m)	
Refer to Note 6 to the Financial Report	
The key audit matter	**How the matter was addressed in our audit**
Revenue recognition for recurring revenue is a Key Audit Matter due to the: • significance of recurring revenue to the Group's results; • audit effort resulting from the high volume of transactions in multi geographic locations for recurring revenue derived from the Group's four operating segments; and • judgement being required with respect to the timing of revenue recognition, including complexities associated with recognition criteria for revenue derived from multi-year service contracts. The Group generates revenue across its four operating segments from a variety of services and products offerings. Significant revenue streams include fees from the:	Our procedures included: • assessing the Group's revenue recognition policy against AASB 15 *Revenue* from *Contracts with Customers* requirements; • obtaining an understanding of processes, systems and controls for recurring revenue across the four business units. This included testing key controls such as the review and manual approval by management of key recurring revenue calculations and customer invoices; • sampling transactions across key revenue streams and checking recorded revenue to customer invoices, bank statements and the relevant features of the underlying signed customer contracts to the criteria in the accounting standard, those in the Group's policy, and against what the Group identified as performance obligations; • selecting a sample of invoices across

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• provision of administration services to superannuation funds; • provision of services to corporates; • loan origination and servicing, debt work-out, compliance and regulatory oversight services to retail banks, investment banks, private equity funds and other investors; and • provision of management, third-party administration and transfer agency services to investment funds.	recurring revenue streams issued to customers prior to, and post, year-end. We checked the timing of fee revenue recorded against the details of the service description on the customer invoice and signed customer contracts, as well as the accuracy of the fee when compared to rates contained in contracts; and • assessing the disclosures in the financial report using our understanding obtained from our testing and against the requirements of the accounting standard.

Other Information

Other Information is financial and non-financial information in the Group's annual reporting which is provided in addition to the Financial Report and the Auditor's Report. The Directors are responsible for the Other Information.

The Other Information we obtained prior to the date of this Auditor's Report was the Directors' Report, Operating and Financial Review and Remuneration Report. The Messages from the Chair and Managing Director, Sustainability Report and Additional Shareholder Information are expected to be made available to us after the date of the Auditor's Report.

Our opinion on the Financial Report does not cover the Other Information and, accordingly, we do not express an audit opinion or any form of assurance conclusion thereon, with the exception of the Remuneration Report and our related assurance opinion.

In connection with our audit of the Financial Report, our responsibility is to read the Other Information. In doing so, we consider whether the Other Information is materially inconsistent with the Financial Report, or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

We are required to report if we conclude that there is a material misstatement of this Other Information, and based on the work we have performed on the Other Information that we obtained prior to the date of this Auditor's Report we have nothing to report.

Responsibilities of the Directors for the Financial Report

The Directors are responsible for:

- preparing the Financial Report that gives a true and fair view in accordance with *Australian Accounting Standards* and the *Corporations Act 2001;*
- implementing necessary internal control to enable the preparation of a Financial Report that gives a true and fair view and is free from material misstatement, whether due to fraud or error; and
- assessing the Group's and the Company's ability to continue as a going concern and whether the use of the going concern basis of accounting is appropriate. This includes disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless they either intend to liquidate the Group and the Company or to cease operations or have no realistic alternative but to do so.

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Auditor's responsibilities for the audit of the Financial Report

Our objective is:

- to obtain reasonable assurance about whether the Financial Report as a whole is free from material misstatement, whether due to fraud or error; and
- to issue an Auditor's Report that includes our opinion.

Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with *Australian Auditing Standards* will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error. They are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the Financial Report.

A further description of our responsibilities for the audit of the Financial Report is located at the *Auditing and Assurance Standards Board* website at: https://www.auasb.gov.au/admin/file/content102/c3/ar1_2020.pdf. This description forms part of our Auditor's Report.

Report on the Remuneration Report

Opinion

In our opinion, the Remuneration Report of the Group for the year ended 30 June 2023, complies with *Section 300A* of the *Corporations Act 2001*.

Directors' responsibilities

The Directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with *Section 300A* of the *Corporations Act 2001*.

Our responsibilities

We have audited the Remuneration Report included in pages 79 to 105 of the Directors' report for the year ended 30 June 2023.

Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with *Australian Auditing Standards*.

KPMG

KPMG

Eileen Hoggett
Partner

Brendan Twining
Partner

Sydney
28 August 2023

SECTION

06 Additional Shareholder Information

Additional information required by the Australian Securities Exchange (ASX) and not shown elsewhere in this report is as follows. The information is current at 22 August 2023 unless specified otherwise.

DISTRIBUTION OF SHAREHOLDERS

	ORDINARY SHARES		
RANGE	NO. OF HOLDERS	SECURITIES	% OF ISSUED CAPITAL
100,001 and Over	154	399,588,169	77.9
10,001 to 100,000	2,717	65,405,102	12.8
5,001 to 10,000	3,052	22,654,418	4.4
1,001 to 5,000	8,368	22,824,330	4.4
1 to 1,000[1]	5,292	2,515,462	0.5
Total	**19,583**	**512,987,481**	**100.00**

1 2,382 shareholders hold less than a marketable parcel of shares at a share price value of $1.38 (closing price on ASX on 22 August 2023).

There are no other classes of quoted equity securities on issue.

TOP TWENTY SHAREHOLDERS (UNGROUPED)

NAME	NUMBER OF ORDINARY SHARES	%
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	110,212,966	21.48
CITICORP NOMINEES PTY LIMITED	81,871,825	15.96
J P MORGAN NOMINEES AUSTRALIA PTY LIMITED	64,374,222	12.55
NATIONAL NOMINEES LIMITED	23,482,905	4.58
BNP PARIBAS NOMS PTY LTD	17,430,225	3.40
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED- A/C 2	12,553,061	2.45
SANDHURST TRUSTEES LTD	7,469,567	1.46
MUTUAL TRUST PTY LTD	6,191,591	1.21
BNP PARIBAS NOMINEES PTY LTD HUB24 CUSTODIAL SERV LTD	5,594,962	1.09
AYERSLAND PTY LTD	5,245,000	1.02
BOND STREET CUSTODIANS LIMITED	5,005,137	0.98
PACIFIC CUSTODIANS PTY LIMITED	3,809,410	0.74
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED-GSCO ECA	3,615,706	0.70
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	3,379,187	0.66
WILLIAM JOHN HAWKINS	2,696,416	0.53
NETWEALTH INVESTMENTS LIMITED	2,511,861	0.49
CITICORP NOMINEES PTY LIMITED	2,052,819	0.40
WOODROSS NOMINEES PTY LTD	1,541,618	0.30
NETWEALTH INVESTMENTS LIMITED	1,523,096	0.30
BOND STREET CUSTODIANS LIMITED	1,401,618	0.27
Total	**361,963,192**	**70.56**
Balance of register	**151,024,289**	**29.44**
Grand total	**512,987,481**	**100.00**

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SUBSTANTIAL SHAREHOLDERS

NAME	NUMBER OF SHARES	% OF INTEREST	DATE OF LAST SUBSTANTIAL SHAREHOLDER NOTIFICATION
Yarra Funds Management Limited	41,911,077	8.17%	12/04/2021
Allan Gray Australia Pty Ltd	37,345,486	7.28%	04/05/2023
Maple-Brown Abbott Limited	31,138,340	6.07%	25/05/2023
Vanguard Group	25,905,868	5.05%	16/06/2023
Mitsubishi UFJ Financial Group, Inc	27,855,220	5.43%	24/08/2023
First Sentier Investors Holdings Pty Limited	27,855,220	5.43%	24/08/2023

ON-MARKET BUY BACK

There is no current on-market buy back.

VOTING RIGHTS

Each holder of ordinary shares is entitled to one vote per share (on a poll) or one vote (on a show of hands) at shareholder meetings.

UNQUOTED EQUITY SECURITIES

Link Administration Holdings Limited has 9,469,963 unquoted equity securities issued under an employee incentive scheme. There are 105 holders of unquoted equity securities.

SECURITIES SUBJECT TO VOLUNTARY ESCROW

There are currently no securities subject to voluntary escrow.

SECURITIES PURCHASED ON-MARKET

During FY2023, a total of 1,228,404 ordinary shares were acquired on-market for the purposes of Link Group employee equity plans and the average price per share purchased was $3.074.

STOCK EXCHANGE LISTING

Link Administration Holdings Limited securities are only listed on the ASX under the symbol LNK.

ANNUAL GENERAL MEETING

Link Administration Holdings Limited 2023 Annual General Meeting will be held on Tuesday 28 November 2023.

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SECTION
07 Three-Year Summary

	FY2023	FY2022	FY2021
Financial performance ($m)			
Revenue	**1,228.3**	1,175.1	1,160.3
Operating EBITDA	**273.2**	252.3	256.6
Operating EBITDA margins %	**22.2%**	21.5%	22.1%
Profit before tax	**(474.8)**	(64.6)	(141.5)
NPAT (statutory)	**(417.7)**	(67.6)	(162.7)
NPATA	**49.0**	66.2	74.1
Operating NPATA	**99.1**	121.3	113.2
Operating NPATA (excluding PEXA)	**89.3**	88.2	84.7
Other Financial Performance Information			
Recurring Revenue %	**81.6%**	84.1%	84.6%
Revenue APAC %	**61.9%**	60.4%	59.7%
Revenue EMEA %	**38.1%**	39.6%	40.3%
% of Gross Revenue – Retirement and Superannuation Solutions	**44.6%**	43.0%	42.8%
% of Gross Revenue – Corporate Markets	**33.5%**	32.5%	30.8%
% of Gross Revenue – Banking and Credit Management	**9.7%**	11.1%	11.9%
% of Gross Revenue – Fund Solutions	**12.3%**	13.5%	14.4%
Financial position ($m)			
Assets	**3,024.3**	3,942.2	4,276.8
Liabilities	**2,779.7**	2,433.0	2,537.2
Net assets	**244.6**	1,509.1	1,739.6
Net (debt)/cash [1]	**681.5**	687.9	454.6
Total Equity	**244.6**	1,509.1	1,739.6
Share information			
Market capitalisation ($m)	**857**	1,944	2,703
Ordinary shares at period end (million shares)	**513.0**	513.0	536.2
Total dividends per share (cents per share)	**8.5**	11.0	10.0
Interim dividend per share (cents per share)	**4.5**	3.0	4.5
Final dividend per share (cents per share)	**4.0**	8.0	5.5
Total dividends ($m)	**43.6**	56.4	53.6
Total dividend franking %	**70.6%**	100.0%	82.0%
Share price – 30 June closing ($)	**1.67**	3.79	5.04
Share price – 30 June closing ($) adj for PEXA in-specie	**1.67**	1.97	2.62
Ratios			
Dividend payout ratio (Total Dividends/NPATA [2])	**80.5%**	85.2%	75.0%
Net operating cashflow conversion %	**101%**	81%	114%
Total leverage ratio [3]	**2.6**	2.6	1.8
Operational metrics			
Total FTE (period end)	**7,424.0**	7,169.0	7,069.0

1 Long term debt (excludes right-of-use lease liabilities).

2 For the calculation of the dividend payout ratio, NPATA adjusted to exclude the impact of the following non-cash items: FY2021 – Leveris investment fair value adjustment $17.1 million & Smart Pension fair value gain $19.7 million/FY2022 – nil adjustment/FY2023 Smart Pension fair value adjustment $31.1 million, FS redress cost $390.9m, PEXA fair value gains $406.9 million & PEXA Operating NPATA.

3 Total leverage ratio calculated in accordance with Link Group's debt agreement.

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08 Corporate Information

AUSTRALIAN COMPANY NUMBER

120 964 098

COMPANY SECRETARY

Reema Ramswarup

REGISTERED OFFICE AND PRINCIPAL ADMINISTRATIVE OFFICE

(Link Group's register of securities is held at the Registered Office)

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