

24 February 2023

**ASX ANNOUNCEMENT**

**APPENDIX 4D – INTERIM FINANCIAL REPORT FOR THE SIX MONTHS ENDED 31 DECEMBER 2022**

The Directors of Link Administration Holdings Limited (**Company**) (ASX: LNK) present the results of Link Group (Link Administration Holdings Limited and its controlled entities) for the six months ended 31 December 2022 as follows:

<b>Results for announcement to the market</b>			<b>31 December 2022 \$'000</b>	31 December 2021 \$'000
Revenue from ordinary activities	Down	(0.2%)	<b>592,474</b>	593,700
Loss from ordinary activities after tax	Down	(nmf) <sup>1</sup>	<b>(410,147)</b>	(81,739)
Loss for the period attributable to owners of the Company	Down	(nmf) <sup>1</sup>	<b>(409,908)</b>	(81,640)
<b>Earnings per share</b>				
Basic earnings (cents per share)			<b>(80.19)</b>	(15.64)
Diluted earnings (cents per share)			<b>(80.19)</b>	(15.64)
<b>Net tangible assets<sup>2</sup></b>				
Net tangible assets per security (cents per share)			<b>(181.2)</b>	(29.1)

Link Group defines net tangible assets as net assets less intangible assets. A large proportion of Link Group's assets are classified as intangible assets including goodwill, client lists, software and deferred tax assets (net of deferred tax liabilities). Intangible assets have been excluded from the calculation of net tangible assets, resulting in a negative net tangible asset per security.

**Dividends**

Dividends paid by the Company during the six months ended 31 December 2022 were:

	<b>Cents per share</b>	<b>Total amount</b>	<b>Franked/ Unfranked</b>	<b>Record date</b>	<b>Payment date</b>
<b>Special Dividend</b>	8.0	\$41,038,998	100% Franked	30 September 2022	14 October 2022

An interim dividend of \$23.1 million (80% franked), which equates to 4.5 cents per share, in respect of the six months ended 31 December 2022 was declared by the Directors of the Company on 24 February 2023 (**Interim Dividend**). A provision was not recognised in the financial statements for the six months ended 31 December 2022 as the dividend declaration is considered as a subsequent event. The record date for determining entitlements to the dividend is 2 March 2023. Payment of the Interim Dividend will occur on 11 April 2023.

The Link Group Dividend Reinvestment Plan (DRP) will not operate in respect of the 2023 interim dividend.

<sup>1</sup> Denotes not meaningful. Loss for the period is largely attributable to a higher impairment expense in the current period of \$448.9 million in respect of the Fund Solutions business and \$15.4 million in respect of the Banking & Credit Management business (31 December 2021: \$81.6 million). This was partially offset by a \$47.9 million (31 December 2021: \$Nil) gain on sale of 10% of Link Group's equity accounted investment in PEXA for \$101.9 million.

<sup>2</sup> The net tangible assets include right-of-use assets as defined by AASB 16 Leases.

**Commentary on results for the period**

Additional commentary on results for the period can be found in the Media Release and Investor Presentation also released to the ASX today (24 February 2023). Details of entities of which control was gained during the period are included in Note 23 of the Interim Financial Report.

**Other information**

The information in this Appendix 4D should be read in conjunction with Link Group's Interim Financial Report for the six months ended 31 December 2022 and the annual financial report for the financial year ended 30 June 2022. The interim financial statements have been reviewed by KPMG.

This release has been authorised by the Link Group Board.

Further information about the results is included in the Half Year Results Presentation and can be obtained via the ASX website or by visiting the Link Group website at [www.linkgroup.com](http://www.linkgroup.com).



# Interim Financial Report

ACN 120 964 098

**Link Administration Holdings Limited  
and its controlled entities**

31 December 2022



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# 01 Directors' Report

## DIRECTORS

The Directors present their report together with the consolidated interim financial statements of Link Group, being Link Administration Holdings Limited ("the Company") and its Controlled Entities, for the six months ended 31 December 2022 (the interim period) and the auditor's review report thereon.

The Directors of the Company at any time during or since the end of the interim period are:

DIRECTOR	EXPERIENCE
 <p><b>Michael Carapiet</b> Independent Chair and Non-Executive Director Appointed 26.06.2015</p>	<p>Michael Carapiet was appointed as a Director and Chair of the Company in 2015. He is an ex-officio member of all Board Committees.</p> <p>Michael is Chair of Smartgroup Corporation Limited. He was previously Chair of Insurance &amp; Care NSW (icare), Chair of SAS Trustee Corporation and a Director of Southern Cross Media Group Limited.</p> <p>Michael has also served on Commonwealth Government boards including Infrastructure Australia, Clean Energy Finance Corporation and Export Finance Insurance Corporation.</p> <p>Michael has over 30 years of experience in banking and financial services and holds a Master of Business Administration from Macquarie University, Sydney.</p>
 <p><b>Vivek Bhatia</b> Chief Executive Officer &amp; Managing Director Appointed 02.11.2020</p>	<p>Vivek Bhatia joined Link Group in 2020 as CEO and Managing Director.</p> <p>Vivek has over two decades of experience in financial services, government and management consulting.</p> <p>Vivek 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 Chief Executive Officer and Managing Director. Prior to this, he co-led the Asia-Pacific Restructuring and Transformation practice at McKinsey &amp; 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.</p> <p>Vivek serves as a Non-Executive Director on the Board of PEXA, which operates Australia's leading digital property settlement platform.</p> <p>Vivek holds an undergraduate degree in engineering, a post graduate in business administration and is a Chartered Financial Analyst (ICFAI).</p>

# 01 Directors' Report

## DIRECTOR

## EXPERIENCE



### Glen Boreham, AM

Independent Non-Executive Director

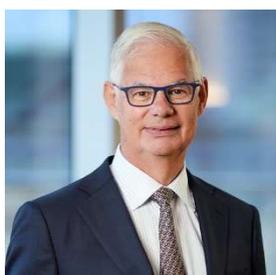
Appointed 23.09.2015

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 Limited.

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 as 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.

Andy is a Commissioner at the UK's National Infrastructure Commission, Chair of WaterAid UK, Vice Chair of The Disasters Emergency Committee 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 Non-Executive Director of the Company in 2016. He is a member of each of the Risk and Audit Committees.

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 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.

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.

# 01 Directors' Report

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## DIRECTOR

## EXPERIENCE



### 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.

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 was previously Chair of Specialty Fashion Group, and is a Non-Executive Director of St Vincent's Health Australia Limited, Transport Asset Holding Entity of New South Wales, Smartgroup Corporation Limited, Spark Infrastructure Group, GPT Group and a number of other businesses.

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

Dr 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 has 25 years of experience as a Non-Executive Director and board member across a wide range of industries in both private and public sectors, including listed companies, highly regulated industries, professional services and commercialisation of new technology.

She is Chair of Super Retail Group Limited and a Fellow of the Australian Institute of Company Directors.

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.



### 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 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 is a Director of Perpetual Limited, Eclix Group Limited, Prospa Group Ltd, and chairs the Audit and Risk committees at Prospa and Eclix. Fiona is also a Director of Victorian Funds Management Corporation.

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.

# 01 Directors' Report

## PRINCIPAL ACTIVITIES

Link Group's principal activities during the course of the interim period 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.

There were no significant changes in the nature of the activities of Link Group during the interim period.

## DIVIDENDS

Dividends paid by the Company during the interim period were:

	CENTS PER SHARE	TOTAL AMOUNT	FRANKED/UNFRANKED	DATE OF PAYMENT
<b>Special Dividend</b>	8.0	\$41,038,998	100% franked	14.10.2022

On 24 February 2023, the Directors approved an interim dividend of \$23,084,437, which equates to 4.5 cents per share, 80% franked (2021: \$15,389,624, 3.0 cents per share, 100% franked). The record date for determining entitlements to the final dividend is 2 March 2023. Payment of the final dividend will occur on 11 April 2023.

The Link Group Dividend Reinvestment Plan (DRP) will not operate in respect of the 2023 interim dividend.

## REVIEW OF OPERATIONS

Consistent with previous disclosures, this review of operations uses certain measures to report on Link Group's performance that are not recognised under Australian Accounting Standards or International Financial Reporting Standards (IFRS), collectively referred to as 'non-IFRS measures'. These non-IFRS measures are defined in Link Group's Annual Report for the year ended 30 June 2022 (FY22 Annual Report) and have not been subject to audit or review in accordance with Australian Auditing Standards.

Statutory net loss of Link Group for the interim period (1H FY23) was \$410.1 million (1H FY22: Net loss of \$81.7 million), due mainly to a higher impairment expense in 1H FY23 of \$448.9 million in respect of the Fund Solutions business and \$15.4 million in respect of the Banking & Credit Management business (1H FY22: \$81.6 million). This was partially offset by a \$47.9 million gain on sale of 10% of Link Group's equity accounted investment in PEXA (1H FY22: \$Nil) for \$101.9 million.

Revenue for 1H FY23 was \$592.5 million in 2022 (1H FY22: \$593.7 million) which is broadly consistent with the prior period. Operating expenses decreased to \$463.9 million in 1H FY23 (1H FY22: \$474.6 million), benefitting from the full year impact of the now completed Global Transformation Program (completed in FY 2022) and the India Hub strategy. Link Group also incurred significant items expenses associated with business combinations/acquisitions and divestments and other one-off costs amounting to \$14.4 million in 1H FY23 (1H FY22: \$37.2 million). Significant items are separately disclosed in Note 3 to the interim financial statements to assist understanding of Link Group's results.

Operating EBIT, which excludes certain significant items and acquired amortisation, for the six months ended 31 December 2022 was \$80.2 million (1H FY22: \$70.2 million). A reconciliation of Operating EBIT to the net profit of Link Group is included in Note 3 to the interim financial statements.

Operating NPATA, which excludes certain significant items and acquired amortisation, for the six months ended 31 December 2022 was \$48.0 million (1H FY22: \$55.9 million). Excluding the impact of PEXA earnings, 1H FY23 Operating NPATA was \$38.2 million (1H FY22: \$36.4 million).

Link Group continues to be resilient in response to the challenges brought on by global macroeconomic and geopolitical risks across all global markets. During this period, Link Group maintained a focus on safeguarding the well-being of employees, clients and other stakeholders as well as ensuring continuity of service for clients.

# 01 Directors' Report

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The net assets of Link Group decreased to \$253.7 million as at 31 December 2022 from \$1,509.1 million as at 30 June 2022. The decrease was due mainly to the \$815 million PEXA distribution payable recorded at 31 December 2022 and an impairment charge of \$448.9 million and \$15.4 million related to the Fund Solutions and the Banking & Credit Management cash generating units respectively.

Further information about the results is included in the Half Year Results Presentation and can be obtained via the ASX website or by visiting the Link Group website at [www.linkgroup.com](http://www.linkgroup.com).

## OTHER INFORMATION

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### Significant Changes in State of Affairs

#### Woodford matter

On 17 June 2019, the Financial Conduct Authority (FCA) notified Link Fund Solutions Limited (LFSL, a wholly owned subsidiary of Link Group) that it was commencing an investigation (the "Woodford Investigation") into its role as Authorised Corporate Director (ACD) of the LF Woodford Equity Income Fund, now known as the LF Equity Income Fund (the "Fund"). On 20 September 2022, the FCA issued a draft Warning Notice to LFSL following its investigation into the circumstances leading to the suspension of the Fund. This triggered the beginning of the Stage 1 settlement period which continues to date. If settlement is reached within this period, LFSL can receive a discount on any financial penalty the FCA seeks to impose on it). The draft Warning Notice included a proposed penalty of £50,000,000 (prior to taking into account any settlement discount), in addition to a restitution payment of £306,096,527.

Link Group and LFSL are in advanced confidential settlement discussions with the FCA. Link Group and LFSL are also in exclusive discussions with a potential purchaser of the LFSL business and of the non-LFSL Fund Solutions (FS) subsidiaries (including regulated entities), which in total comprise the FS Business Unit. The net result of such a settlement and of such a sale would likely result in Link Group receiving no net consideration for the sale of the whole of the FS Business Unit after settlement cost. Any settlement would resolve the current FCA enforcement action and would also be contingent on a scheme of arrangement of LFSL to resolve all Woodford-related liabilities and redress obligations of LFSL. Any sale of the FS regulated entities will require FCA approval and other regulatory approvals and a change of ACD for those investment funds in LFSL will require notification to the FCA under the COLL rules.

On 16 January 2023, LFSL was served by Leigh Day with claims brought on behalf of 985 investors in the Fund. On 18 January 2023, LFSL was served by Marcus Parker with claims brought on behalf of a further 1,912 investors. LFSL is also aware that: (i) claims have been issued against it by Wallace on behalf of 3,215 investors, and (ii) a second set of claims have been issued against it by Leigh Day on behalf of a further 8,073 investors, although LFSL has not, as at the date of this Interim Financial Report, been served with these proceedings. In addition, LFSL has received correspondence on behalf of other investors in the Fund, but it is not aware of any other claims having been issued in respect of these matters. The FCA has been advised of all these matters.

Further, LFSL has also received complaints from investors in the Fund, a number of which have been referred to the Financial Ombudsman Service (the "FOS"). LFSL has not been notified of any determination by the FOS in respect of these complaints. No other enquiries, complaints or claims have been received against LFSL regarding its role in relation to other funds which Link Group considers to be relevant.

As noted above, as at the date of this Interim Financial Report, there are ongoing settlement discussions with the FCA, the outcome of which is uncertain. In addition, there are also exclusive discussions with a potential purchaser of the FS Business Unit, the outcome of which is also uncertain (see below). In a scenario where LFSL is unable to reach a settlement with the FCA, it will explore all options including challenging any Warning Notice that may be issued at the Regulatory Decisions Committee and further through the Upper Tribunal. Link Group does not have a legal or constructive obligation as a result of the draft Warning Notice, group claims or FOS complaints.

#### Potential sale of Fund Solutions

On 20 October 2022, Link Group announced that it intended to commence a process to explore divestment options for the FS business, including LFSL.

On 20 February 2023, Link Group announced that that it was in exclusive negotiations with the Waystone Group in respect of the sale of the whole of its FS Business, excluding Woodford related liabilities. Any transaction with Waystone would be subject to successful finalisation of due diligence, finalisation of detailed legal agreements, board and other approvals.

# 01 Directors' Report

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At the same time, Link Group and LFSL are in advanced confidential discussions with the FCA to settle the FCA investigation against LFSL. The likely outcome of the sale to Waystone and of settlement with the FCA, if both are concluded, is that Link Group would receive no net proceeds of the sale of its FS business. If a settlement is agreed with the FCA, it would resolve the current FCA investigation and would also be contingent on a scheme of arrangement of LFSL to resolve all Woodford related contingent liabilities and redress obligations of LFSL.

A sale of the FS Business to Waystone would not be contingent on the scheme of arrangement or any FCA settlement becoming unconditional. No legally binding agreement has been reached with either Waystone or the FCA and at present there can be no certainty that any of such agreements will ultimately be concluded, as there are a number of conditions to be resolved and negotiated by all parties.

Accordingly, Link Group recognised an impairment charge of \$448.9 million in its financial results for the six months ended 31 December 2022 to ensure the FS cash generating unit carrying value did not exceed the fair value less costs to sell. This had the impact of reducing the carrying value of the FS cash generating unit to \$nil.

## Potential sale of Banking & Credit Management

Link Group has had discussions with a number of interested qualified parties since the proposed Dye and Durham acquisition discussions in respect of Corporate Markets and BCM were terminated in early December 2022 which have provided indications of fair value less costs to sell.

Accordingly, Link Group recognised an impairment charge of \$15.4 million in relation to the BCM cash generating unit to ensure that its carrying value did not exceed its fair value less cost to sell as at 31 December 2022.

## Dye and Durham (“D&D”) non-binding, conditional, indicative proposal to acquire CM and BCM

On 21 October 2022, Link Group engaged with Dye & Durham Corporation on a non-exclusive basis following the receipt of a non-binding, conditional and indicative proposal from D&D to acquire the Corporate Markets (CM) business and all of the BCM business, for total cash consideration of A\$1.27 billion on a cash and debt free basis and based on a normalised level of working capital (conditional non-binding proposal).

On 8 December 2022, Link Group ceased discussions on the conditional non-binding proposal and no transaction occurred.

## Events Subsequent to Reporting Date

### Implementation of PEXA in-specie distribution

Link Group shareholders, at the Extraordinary General Meeting (EGM) held on 23 December 2022, voted in favour of the proposed in-specie distribution of Link Group's shareholding in PEXA Group Limited (PEXA) to Link Group shareholders.

On 10 January 2023, the in-specie distribution of Link Group's shareholding in PEXA Group Limited (PEXA) (the **Distribution**) to Eligible Shareholders (as defined in the Explanatory Memorandum in connection with the Distribution dated 22 November 2022), was implemented.

Link Group expects to recognise a one-off gain of \$321.9 million in its full year result, given the implementation date of 10 January 2023 occurred in the second half of the financial year. This does not include Link Group's share of PEXA's result for the period from 1 January 2023 to the implementation date of 10 January 2023 and is in addition to a one-off gain of \$47.9 million recognised in 1H FY23.

## HSBC's Occupational Retirement Scheme Ordinance (ORSO)

On 7 February 2023, Link Group signed a 10 year agreement with HSBC for the provision of digital pension administration and value-added services to HSBC's Occupational Retirement Scheme Ordinance (ORSO) clients in Hong Kong. This provides an immediate footprint and entry into the Asian market for Link Group's RSS business.

## Extension of partnership with Rest Super

On 22 February 2023, Link Group announced that it and long-standing client Rest had agreed in-principle to extend their 30-year partnership by a further five years, subject to finalisation of agreed terms and conditions and targeting a new contract period commencing in May 2023. Upon finalisation of a binding agreement, Link Group's RSS business will continue to deliver core administration and experience-led customer engagement services to the fund, including selected digital solutions to provide significant digital and data capability, member experience uplift and information security for members and employers.

# 01 Directors' Report

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## Impact of macroeconomic environment on post balance date trading

Whilst the Directors note the uncertain global economic environment, escalating geopolitical risks and the COVID-19 pandemic's continued impact on global markets, including jurisdictions that Link Group operates in, Link Group has shown resilience and has been proactive in response to these challenges. The future impact of these macroeconomic conditions remains uncertain.

Other than the matters described above, 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 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.

## 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 interim period financial statements and Directors' Report have been rounded off to the nearest thousand dollars, unless otherwise stated.

The Lead Auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 10 and forms part of the Directors' Report for the interim period ended 31 December 2022.

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

Dated 24 February 2023 at Sydney.



**Michael Carapiet**  
Chair



**Vivek Bhatia**  
Chief Executive Officer & Managing Director



# 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 review of Link Administration Holdings Limited for the half-year ended 31 December 2022 there have been:

- i. no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the review; and
- ii. no contraventions of any applicable code of professional conduct in relation to the review.

A stylized signature of the KPMG logo in black ink.

KPMG

A handwritten signature in black ink that reads 'Eileen Hoggett'.

Eileen Hoggett

*Partner*

Sydney

24 February 2023

## 02 Interim Financial Statements

### CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

for the interim period ended 31 December 2022

	NOTE	31 DECEMBER 2022 \$'000	31 DECEMBER 2021 \$'000
<b>Revenue – contracts with clients</b>	6	<b>592,474</b>	593,700
<b>Expenses:</b>			
Employee expenses		(312,293)	(325,067)
Occupancy expenses		(8,608)	(10,858)
IT costs		(59,033)	(59,030)
Administrative and general expenses		(84,230)	(94,790)
Acquisition and capital management related expenses		(14,410)	(22,146)
		(478,574)	(511,891)
Depreciation expense	13	(22,710)	(22,933)
Intangibles amortisation expense	14	(42,256)	(44,945)
Contract fulfilment cost amortisation expenses		(3,599)	(3,474)
		(68,565)	(71,352)
(Loss)/gain on financial assets held at fair value through profit and loss		(195)	499
Gain on sale of equity accounted investment	4	47,859	–
Share of profit of equity-accounted investees, net of tax		1,555	4,133
Impairment expense	13, 14	(464,306)	(81,551)
Finance income		1,703	513
Finance costs		(25,078)	(16,322)
Net finance costs		(23,375)	(15,809)
<b>Loss before tax</b>		<b>(393,127)</b>	(82,271)
Income tax (expense)/benefit	8(a)	(17,020)	532
<b>Loss for the interim period</b>		<b>(410,147)</b>	(81,739)
<b>Other comprehensive income</b>			
<b>Items that may be reclassified subsequently to profit or loss:</b>			
Foreign currency translation differences for foreign operations		8,497	6,429
<b>Other comprehensive income, net of tax</b>		<b>8,497</b>	6,429
<b>Total comprehensive loss for the interim period</b>		<b>(401,650)</b>	(75,310)

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

## 02 Interim Financial Statements

### CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

for the interim period ended 31 December 2022 (continued)

	NOTE	31 DECEMBER 2022 \$'000	31 DECEMBER 2021 \$'000
<b>Loss attributable to:</b>			
Owners of the Company		(409,908)	(81,640)
Non-controlling interest		(239)	(99)
<b>Loss for the interim period</b>		<b>(410,147)</b>	<b>(81,739)</b>
<b>Total comprehensive loss attributable to:</b>			
Owners of the Company		(401,411)	(75,211)
Non-controlling interest		(239)	(99)
<b>Total comprehensive loss for the interim period</b>		<b>(401,650)</b>	<b>(75,310)</b>
<b>EARNINGS PER SHARE</b>			
		<b>CENTS PER SHARE</b>	<b>CENTS PER SHARE</b>
Basic earnings per share from continuing operations	7	(80.19)	(15.64)
Diluted-earnings per share from continuing operations	7	(80.19)	(15.64)

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

# 02 Interim Financial Statements

## CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION as at 31 December 2022

	NOTE	31 DECEMBER 2022 \$'000	30 JUNE 2022 \$'000
<b>Current assets</b>			
Cash and cash equivalents		235,184	193,278
Trade and other receivables	9	256,923	236,927
Other assets		42,908	44,879
Current tax assets		13,255	17,288
Equity-accounted investment held for distribution	5	491,753	–
Fund assets	11	524,494	756,163
<b>Total current assets</b>		<b>1,564,517</b>	<b>1,248,535</b>
<b>Non-current assets</b>			
Trade and other receivables	9	7,439	7,640
Investments	18	111,234	110,587
Equity-accounted investments	4	–	551,335
Plant and equipment	13	243,894	274,172
Intangible assets	14	1,238,296	1,675,622
Deferred tax assets		53,522	60,537
Other assets		9,423	13,735
<b>Total non-current assets</b>		<b>1,663,808</b>	<b>2,693,628</b>
<b>Total assets</b>		<b>3,228,325</b>	<b>3,942,163</b>
<b>Current liabilities</b>			
Trade and other payables	10	324,879	288,336
Distribution payable to shareholders	5	815,005	–
Interest bearing loans and borrowings	16	35,688	36,366
Provisions	12	9,002	22,079
Employee benefits		49,307	50,397
Current tax liabilities		3,081	6,389
Fund liabilities	11	523,389	754,558
<b>Total current liabilities</b>		<b>1,760,351</b>	<b>1,158,125</b>
<b>Non-current liabilities</b>			
Trade and other payables	10	5,859	5,116
Interest-bearing loans and borrowings	16	1,074,116	1,137,453
Provisions	12	20,233	19,722
Employee benefits		5,652	5,546
Deferred tax liabilities		108,401	107,069
<b>Total non-current liabilities</b>		<b>1,214,261</b>	<b>1,274,906</b>
<b>Total liabilities</b>		<b>2,974,612</b>	<b>2,433,031</b>
<b>Net assets</b>		<b>253,713</b>	<b>1,509,132</b>
<b>Equity</b>			
Contributed equity	19	1,000,978	1,815,983
Reserves		(104,775)	(73,496)
Accumulated losses	21	(642,808)	(233,926)
<b>Total equity attributable to equity holders of the parent</b>		<b>253,395</b>	<b>1,508,561</b>
Non-controlling interest		318	571
<b>Total equity</b>		<b>253,713</b>	<b>1,509,132</b>

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

## 02 Interim Financial Statements

### CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY for the interim period ended 31 December 2022

	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
<b>Balance at 30 June 2022</b>	<b>1,815,983</b>	<b>(73,496)</b>	<b>(233,926)</b>	<b>1,508,561</b>	<b>571</b>	<b>1,509,132</b>
<b>Net loss after tax</b>	<b>-</b>	<b>-</b>	<b>(409,908)</b>	<b>(409,908)</b>	<b>(239)</b>	<b>(410,147)</b>
Foreign currency translation differences, net of tax	-	8,497	-	8,497	-	8,497
<b>Total other comprehensive income, net of income tax</b>	<b>-</b>	<b>8,497</b>	<b>-</b>	<b>8,497</b>	<b>-</b>	<b>8,497</b>
<b>Total comprehensive income for the interim period</b>	<b>-</b>	<b>8,497</b>	<b>(409,908)</b>	<b>(401,411)</b>	<b>(239)</b>	<b>(401,650)</b>
<b>Transactions with shareholders</b>						
Dividends declared during the interim period	-	(41,039)	-	(41,039)	(103)	(41,142)
Return of capital to shareholders	(815,005)	-	-	(815,005)	-	(815,005)
Equity settled share based payments	-	6,899	1,026	7,925	-	7,925
Treasury shares acquired	-	(3,758)	-	(3,758)	-	(3,758)
Transactions with non- controlling interests without a change in control	-	(1,878)	-	(1,878)	(231)	(2,109)
Acquisition of subsidiary with non-controlling interests	-	-	-	-	320	320
<b>Total contributions by and distributions to owners</b>	<b>(815,005)</b>	<b>(39,776)</b>	<b>1,026</b>	<b>(853,755)</b>	<b>(14)</b>	<b>(853,769)</b>
<b>Balance at 31 December 2022</b>	<b>1,000,978</b>	<b>(104,775)</b>	<b>(642,808)</b>	<b>253,395</b>	<b>318</b>	<b>253,713</b>

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

## 02 Interim Financial Statements

### CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY for the interim period ended 31 December 2022 (continued)

	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
<b>Balance at 30 June 2021</b>	1,917,748	(11,172)	(167,815)	1,738,761	834	1,739,595
<b>Net loss after tax</b>	–	–	(81,640)	(81,640)	(99)	(81,739)
Foreign currency translation differences, net of tax	–	6,429	–	6,429	–	6,429
<b>Total other comprehensive income, net of income tax</b>	–	6,429	–	6,429	–	6,429
<b>Total comprehensive income for the interim period</b>	–	6,429	(81,640)	(75,211)	(99)	(75,310)
<b>Transactions with shareholders</b>						
Dividends declared during the interim period	–	(29,492)	–	(29,492)	–	(29,492)
Equity settled share based payments	–	7,864	1,396	9,260	–	9,260
Treasury shares acquired	–	(3,133)	–	(3,133)	–	(3,133)
Buy-back and cancellation of share capital, net of costs	(101,765)	–	–	(101,765)	–	(101,765)
<b>Total contributions by and distributions to owners</b>	<b>(101,765)</b>	<b>(24,761)</b>	<b>1,396</b>	<b>(125,130)</b>	<b>–</b>	<b>(125,130)</b>
<b>Balance at 31 December 2021</b>	1,815,983	(29,504)	(248,059)	1,538,420	735	1,539,155

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

## 02 Interim Financial Statements

### CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS for the interim period ended 31 December 2022

	NOTE	31 DECEMBER 2022 \$'000	31 DECEMBER 2021 \$'000
<b>Cash flows from operating activities</b>			
Cash receipts in the course of operations		636,803	628,496
Cash payments in the course of operations		(486,369)	(502,810)
		150,434	125,686
Cash payments for acquisition/divestment and other one-off costs		(26,948)	(33,958)
Interest received		859	660
Dividends received		174	171
Borrowing costs paid		(24,281)	(13,644)
Income taxes paid, net of tax refund		(10,088)	(35,679)
<b>Net cash provided by operating activities</b>	15(a)	90,150	43,236
<b>Cash flows from investing activities</b>			
Payments for plant and equipment		(4,749)	(8,033)
Payments for software		(29,110)	(23,883)
Acquisition of subsidiaries, net of cash acquired		(14,161)	(14,313)
Acquisition of equity-accounted investments		–	(20,631)
Proceeds from derivatives		–	189
Payment for investments		–	(18,646)
Proceeds from investments		102,376	284
Sub-lease receipts		–	468
<b>Net cash provided by/(used in) investing activities</b>		54,356	(84,565)
<b>Cash flows from financing activities</b>			
Proceeds from borrowings		79,578	226,408
Repayment of borrowings		(112,219)	(176,078)
Payment of borrowing transaction costs		–	(6,401)
Repayment of lease liabilities		(22,594)	(17,653)
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		(41,039)	(29,492)
Dividends paid to non-controlling interest		(103)	–
<b>Net cash used in financing activities</b>		(100,135)	(108,114)
<b>Net increase/(decrease) in cash and cash equivalents</b>		44,371	(149,443)
<b>Cash and cash equivalents at the beginning of the interim period</b>		193,278	395,024
Effect of exchange rate fluctuations on cash held		(2,465)	546
<b>Cash and cash equivalents at the end of the interim period</b>		235,184	246,127

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

# 03 Notes to the Interim Financial Statements

## 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 interim financial statements of Link Group as at and for the six months ended 31 December 2022 (the interim period) comprise the Company and its subsidiaries and Link Group’s interest in associates. Link Group is a for-profit entity. Link Group’s purpose is 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.

### 2. BASIS OF PREPARATION

#### (a) Statement of compliance

The consolidated interim financial statements are general purpose condensed financial statements which have been prepared in accordance with AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001*. The consolidated interim financial statements comply with IAS 34 *Interim Financial Reporting* adopted by the International Accounting Standards Board (IASB).

The consolidated interim financial statements do not include all of the information required for a complete set of annual financial statements and should be read in conjunction with Link Group’s consolidated annual financial statements for the year ended 30 June 2022 (2022 Annual Report). However, selected explanatory notes are included to explain events and transactions that are significant to understanding changes in Link Group’s financial position and performance since the 2022 Annual Report.

Link Group had a net current liability position of \$195.8 million as at 31 December 2022, which was due mainly to a non-cash distribution payable to shareholders of \$815.0 million as a result of the PEXA in-specie distribution (refer to Note 5). Excluding this non-cash distribution payable to shareholders, the Link Group had a net current asset position of \$619.2 million as at 31 December 2022. The consolidated interim financial statements have been prepared on a going concern basis.

Link Group continues to be resilient in response to the challenges brought on by global macroeconomic and geopolitical risks across all global markets. During the period, Link Group maintained a focus on safeguarding the well-being of employees, clients and other stakeholders as well as ensuring continuity of service for clients. Link Group’s response was aided by the following.

- Continued investment in new technology and products to enable better servicing of our clients;
- A resilient earnings profile supporting operating cash flow, with approximately 83% of 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 Link Administration Holdings Limited consider 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 interim financial statements should be prepared on a going concern basis.

These interim period financial statements were authorised for issue by the Board of Directors on 24 February 2023.

#### (b) Basis of measurement

The consolidated interim 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 interim 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 were the same as those that applied to the 2022 Annual Report.

## 03 Notes to the Interim Financial Statements

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### (d) Use of estimates and judgements

Preparation of the consolidated interim 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.

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 8(d) Utilisation of tax losses;
- Note 12 Provisions;
- Note 14 Key assumptions in impairment testing for cash generating units (CGUs) containing goodwill;
- Note 17 Contingent liabilities
- Note 18 Fair value of level 3 financial instruments;
- Note 22 Share-based payments; and
- Note 23 Business combinations

### (e) 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.

### (f) Changes in accounting policies

The principal accounting policies adopted by Link Group are consistent with those applied to the 2022 Annual Report.

### (g) New standards and interpretations not yet adopted

There are no new standards, amendments to standards and interpretations effective for annual periods beginning on or after 1 July 2022 that have been applied in preparing these consolidated financial statements. No new standards are expected to be relevant to the Group, and the Group does not intend to adopt any standards early.

# 03 Notes to the Interim Financial Statements

## OPERATING RESULTS

### 3. OPERATING SEGMENTS

#### (a) Reportable segments

Consistent with the prior period, the 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 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")** – provides core member and employer administration services, combined with a full range of value-added services including an integrated clearing house, financial planning and advice, direct investment options and trustee services.
- **Corporate Markets ("CM")** – provides a uniquely integrated range of corporate markets capabilities including shareholder management and analytics, stakeholder engagement, share and unit registry, employee share plans, company secretarial support, as well as various specialist offerings such as insolvency solutions.
- **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.
- **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.

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 in the consolidated interim financial statements has been restated to reflect this realignment.

Revenues from external clients, revenues from transactions with other segments, measure of profit or loss (Operating EBIT) and total assets are presented below for each reportable segment.

FOR THE INTERIM PERIOD ENDED 31 DECEMBER 2022	RSS \$'000	CM \$'000	BCM \$'000	FS \$'000	TOTAL REPORTABLE SEGMENTS \$'000	HEAD OFFICE \$'000	TOTAL LINK GROUP \$'000
Segment revenue	267,880	200,153	59,078	73,443	600,554	–	600,554
Inter-segment eliminations	(357)	(7,620)	(47)	(56)	(8,080)	–	(8,080)
Revenue – contracts with clients	267,523	192,533	59,031	73,387	592,474	–	592,474
Operating EBIT	55,344	43,642	(7,695)	5,920	97,211	(17,044)	80,167
Impairment expense <sup>1</sup>	–	–	(15,425)	(448,881)	(464,306)	–	(464,306)
Total assets at 31 December 2022	820,107	979,794	90,388	791,299	2,681,588	546,737	3,228,325

<sup>1</sup> Refer to Note 13 Plant and Equipment and Note 14 Intangible Assets.

# 03 Notes to the Interim Financial Statements

FOR THE INTERIM PERIOD ENDED 31 DECEMBER 2021 <sup>1</sup>	RSS \$'000	CM <sup>1</sup> \$'000	BCM \$'000	FS <sup>1</sup> \$'000	TOTAL REPORTABLE SEGMENTS \$'000	HEAD <sup>2</sup> OFFICE \$'000	TOTAL LINK GROUP \$'000
Segment revenue	252,217	200,184	66,951	82,970	602,322	–	602,322
Inter-segment eliminations	(6,627)	(1,948)	(37)	(10)	(8,622)	–	(8,622)
<b>Revenue – contracts with clients</b>	<b>245,590</b>	<b>198,236</b>	<b>66,914</b>	<b>82,960</b>	<b>593,700</b>	<b>–</b>	<b>593,700</b>
<b>Operating EBIT</b>	<b>46,249</b>	<b>25,450</b>	<b>(8,073)</b>	<b>17,111</b>	<b>80,737</b>	<b>(10,494)</b>	<b>70,243</b>
Impairment expense	–	–	–	–	–	–	–
<b>Total assets at 30 June 2022</b>	<b>794,564</b>	<b>965,159</b>	<b>104,126</b>	<b>1,420,645</b>	<b>3,284,494</b>	<b>657,669</b>	<b>3,942,163</b>

## (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.

	31 DECEMBER 2022 \$'000	31 DECEMBER 2021 \$'000
<b>Operating EBIT</b>	<b>80,167</b>	<b>70,243</b>
Significant items/One-off costs:		
• Global transformation costs	–	(15,046)
• Business combination/acquisition & divestment costs	(14,410)	(22,146)
<b>Total significant items</b>	<b>(14,410)</b>	<b>(37,192)</b>
Depreciation expense – non-operating	(60)	(278)
Intangibles amortisation expense – non-operating	(41)	(45)
Intangibles amortisation expense – acquisition related	(20,321)	(22,271)
(Loss)/gain on financial assets held at fair value through profit and loss	(195)	499
Gain on sale of equity accounted investment	47,859	–
Share of profit of equity-accounted investees (excluding acquired amortisation), net of tax	9,741	12,568
Share of acquired amortisation of equity-accounted investees, net of tax	(8,186)	(8,435)
Impairment expense	(464,306)	(81,551)
Finance income	1,703	513
Finance expense	(25,078)	(16,322)
<b>Loss before tax</b>	<b>(393,127)</b>	<b>(82,271)</b>
Income tax expense/(benefit)	(17,020)	532
<b>Loss for the interim period</b>	<b>(410,147)</b>	<b>(81,739)</b>

## Segment reporting

Segment results that are reported to Link Group's Managing Director (the chief operating decision maker) include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

<sup>1</sup> Comparative information has been restated for the Australian Fund Solutions business, which became part of Corporate Markets, effective 1 July 2022.

<sup>2</sup> Comparative information has been restated to reflect the change in operating model such that the head office has a lower asset base.

# 03 Notes to the Interim Financial Statements

## 4. EQUITY-ACCOUNTED INVESTMENTS

Equity accounted investments are those over which Link Group has significant influence, but not control. Set out below are the equity-accounted investments of Link Group as at 31 December 2022.

EQUITY-ACCOUNTED INVESTMENTS	PLACE OF BUSINESS	% OWNERSHIP INTEREST 31 DECEMBER 2022	% OWNERSHIP INTEREST 30 JUNE 2022	31 DECEMBER 2022 \$'000	30 JUNE 2022 \$'000
PEXA Group Limited	Australia	–	42.8%	–	544,592
Moneysoft Pty Limited	Australia	–	47.9%	–	6,743
<b>Total equity-accounted investments</b>				<b>–</b>	<b>551,335</b>

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 gain of \$47.9 million.

On 13 October 2022, Link Group increased its share in Moneysoft Pty Limited from 47.9% to 79.34% 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 23.

### (a) Reconciliation of movements in carrying values of material equity-accounted investments

PEXA	31 DECEMBER 2022 \$'000	31 DECEMBER 2021 \$'000
<b>Carrying value at beginning of the interim period</b>	<b>544,592</b>	535,247
Share of profit of equity-accounted investees, net of tax	1,678	4,133
Sell down of 10% of Link's shareholding in PEXA	(54,517)	–
Share of other comprehensive income, net of tax	–	–
Transfer to equity accounted investment held for distribution	(491,753)	–
<b>Carrying value at the end of the interim period</b>	<b>–</b>	539,380

## 5. EQUITY-ACCOUNTED INVESTMENT HELD FOR DISTRIBUTION

Link Group shareholders voted in favour of the PEXA In-Specie Distribution at the Extraordinary General Meeting held on 23 December 2022. Accordingly, the PEXA equity accounted investment has been classified as held for distribution in accordance with AASB Interpretation 17 *Distributions of Non-Cash Assets to Owners* and AASB 5 *Non-Current Assets Held for Sale and Discontinued Operations*. A distribution payable of \$815 million was recognised as at 31 December 2022 based on the PEXA closing share price on 30 December 2022.

HELD FOR DISTRIBUTION	PLACE OF BUSINESS	% OWNERSHIP INTEREST 31 DECEMBER 2022	31 DECEMBER 2022 \$'000
PEXA Group Limited	Australia	38.5%	491,753

### Subsequent events

Link Group expects to recognise a one off gain of \$321.9 million in its full year result, given the implementation date of 10 January 2023 occurred in the second half of the financial 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.

# 03 Notes to the Interim Financial Statements

## 6. REVENUE

### Disaggregation of revenue

Revenue 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 INTERIM PERIOD ENDED 31 DECEMBER 2022	RSS \$'000	CM \$'000	BCM \$'000	FS \$'000	TOTAL REPORTABLE SEGMENTS \$'000	INTER-SEGMENT ELIMINATIONS \$'000	TOTAL LINK GROUP \$'000
<b>Geographic location</b>							
Australia and New Zealand	262,677	95,844	–	–	358,521	(25,670)	332,850
United Kingdom and Channel Islands	5,203	73,597	14,066	59,473	152,339	(1,268)	151,071
Ireland	–	2,219	34,579	10,431	47,229	–	47,229
Other countries	–	28,493	10,433	3,539	42,465	18,858	61,324
<b>Revenue – contracts with clients</b>	<b>267,880</b>	<b>200,153</b>	<b>59,078</b>	<b>73,443</b>	<b>600,554</b>	<b>(8,080)</b>	<b>592,474</b>
<b>FOR THE INTERIM PERIOD ENDED 31 DECEMBER 2021<sup>1</sup></b>							
<b>Geographic location</b>							
Australia and New Zealand	249,070	101,270	–	–	350,340	(19,783)	330,557
United Kingdom and Channel Islands	3,147	71,347	14,422	66,853	155,769	(740)	155,029
Ireland	–	2,384	38,624	12,047	53,055	–	53,055
Other countries	–	25,183	13,905	4,070	43,158	11,901	55,059
<b>Revenue – contracts with clients</b>	<b>252,217</b>	<b>200,184</b>	<b>66,951</b>	<b>82,970</b>	<b>602,322</b>	<b>(8,622)</b>	<b>593,700</b>

<sup>1</sup> Comparative information has been restated for the Australian Fund Solutions business, which became part of Corporate Markets, effective 1 July 2022.

# 03 Notes to the Interim Financial Statements

## 7. 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 interim period.

	31 DECEMBER 2022 \$'000	31 DECEMBER 2021 \$'000
Loss for the interim period attributable to owners of the Company	<b>(409,908)</b>	(81,640)
	NUMBER OF SHARES '000	NUMBER OF SHARES '000
<b>Weighted average number of ordinary shares (basic)</b>		
Issued ordinary shares at the beginning of the interim period	<b>511,285</b>	532,423
Effect of allotments, issuances and buybacks	–	(10,455)
Effect of treasury shares (acquired)/utilised	<b>(132)</b>	7
Effect of bonus entitlement offer on ordinary shares	–	–
<b>Weighted average number of ordinary shares (basic)</b>	<b>511,153</b>	521,975

### (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) granted to employees. Dilutive securities have been adjusted for the bonus element of new shares issued at a discount to market value during the interim period.

	31 DECEMBER 2022 \$'000	31 DECEMBER 2021 \$'000
Loss for the interim period attributable to owners of the Company	<b>(409,908)</b>	(81,640)
	NUMBER OF SHARES '000	NUMBER OF SHARES '000
<b>Weighted average number of ordinary shares (diluted)</b>		
Basic weighted average number of ordinary shares	<b>511,153</b>	521,975
Effect of dilutive securities	<b>7,963</b>	8,314
Effect of bonus entitlement offer on dilutive securities	–	–
<b>Weighted average number of ordinary shares (diluted)</b>	<b>519,116</b>	530,289
	CENTS PER SHARE	CENTS PER SHARE
<b>Basic earnings per share</b>	<b>(80.19)</b>	(15.64)
<b>Diluted earnings per share</b>	<b>(80.19)</b>	(15.64)

# 03 Notes to the Interim Financial Statements

## 8. TAXATION

### (a) Income tax expense

	31 DECEMBER 2022 \$'000	31 DECEMBER 2021 \$'000
<b>Current tax expense</b>		
Current interim period	(10,698)	(5,454)
Adjustment for prior periods	(2,037)	283
	(12,735)	(5,171)
<b>Deferred tax (expense)/benefit</b>		
Origination and reversal of temporary differences	(3,162)	7,446
Adjustment for prior periods	(1,123)	(1,743)
	(4,285)	5,703
<b>Income tax (expense)/benefit</b>	(17,020)	532
<b>Loss before income tax from continuing operations</b>	(393,127)	(82,271)
<b>Prima facie income tax benefit calculated at 30% on operating loss from ordinary activities:</b>	117,938	24,681
Effect of tax rates in foreign jurisdictions	(1,222)	632
Non-deductible expenses <sup>1</sup>	(143,541)	(28,102)
Non-assessable income	12,858	5,262
Change in tax rate	126	–
Under provision of tax in respect of prior interim periods	(3,179)	(1,941)
<b>Income tax (expense)/benefit</b>	(17,020)	532

### (b) Effective tax rates for Australian and overseas continuing operations

	31 DECEMBER 2022			31 DECEMBER 2021		
	PROFIT/ (LOSS) BEFORE TAX \$'000	INCOME TAX EXPENSE \$'000	EFFECTIVE TAX RATE	LOSS BEFORE TAX \$'000	INCOME TAX (EXPENSE)/ BENEFIT \$'000	EFFECTIVE TAX RATE
Australian operations	77,964	(12,194)	15.64%	(13,724)	2,417	17.61%
Overseas operations	(471,091)	(4,826)	-1.02%	(68,547)	(1,885)	-2.75%
<b>Link Group</b>	(393,127)	(17,020)	-4.33%	(82,271)	532	0.65%

### (c) Tax recognised in other comprehensive income and equity

	31 DECEMBER 2022			31 DECEMBER 2021		
	BEFORE TAX \$'000	TAX BENEFIT \$'000	NET OF TAX \$'000	BEFORE TAX \$'000	TAX EXPENSE \$'000	NET OF TAX \$'000
Foreign Currency Translation Reserve	8,497	–	8,497	6,429	–	6,429
	8,497	–	8,497	6,429	–	6,429

<sup>1</sup> Includes tax effect of impairment charge of \$464.3 million (2021: \$81.6 million), which is not deductible.

## 03 Notes to the Interim Financial Statements

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### (d) Unrecognised tax losses

As at 31 December 2022, Link Group had carried forward tax losses unrecognised for deferred tax purposes, available to offset against taxable income in future interim periods, in the following jurisdictions:

- Australian tax losses of \$170.6 million (30 June 2022: \$172.8 million);
- European tax losses of \$31.9 million (30 June 2022: \$22.6 million);
- United Kingdom tax losses of \$24.3 million (30 June 2022: Nil); and
- Other jurisdiction tax losses of Nil (30 June 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.

## 03 Notes to the Interim Financial Statements

### OPERATING ASSETS AND LIABILITIES

#### 9. TRADE AND OTHER RECEIVABLES

	31 DECEMBER 2022 \$'000	30 JUNE 2022 \$'000
<b>Current</b>		
Trade receivables	173,127	159,228
Less: Expected credit losses	(3,564)	(3,501)
	<b>169,563</b>	155,727
Investment management debtors	70,970	71,111
Lease receivables	–	12
Other receivables	16,390	10,077
	<b>256,923</b>	236,927
<b>Non-Current</b>		
Lease receivables	6,351	6,237
Other receivables	1,088	1,403
	<b>7,439</b>	7,640

#### 10. TRADE AND OTHER PAYABLES

	31 DECEMBER 2022 \$'000	30 JUNE 2022 \$'000
<b>Current</b>		
Trade creditors	27,782	28,388
Investment management creditors	189,575	132,425
Deferred consideration	496	–
Accrued operational expenses	41,081	54,285
Contract liabilities	18,528	22,068
IT related creditors	21,667	13,653
Indemnified payables	4,445	4,409
Other creditors and accruals	21,305	33,108
	<b>324,879</b>	288,336
<b>Non-current</b>		
Contract liabilities	4,837	4,102
Other creditors	1,022	1,014
	<b>5,859</b>	5,116

# 03 Notes to the Interim Financial Statements

## 11. FUND ASSETS AND LIABILITIES

	31 DECEMBER 2022 \$'000	30 JUNE 2022 \$'000
<b>Fund assets</b>		
Fund receivables	524,494	756,163
<b>Fund liabilities</b>		
Fund payables	(523,389)	(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 Group's collective investment scheme administration business) is the Authorised Corporate Director. 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. As at 31 December 2022, \$1.1 million (\$524.5 million assets net of \$523.4 million liabilities) of net cash was due from investors and investment funds. The net receivable position arose because Link Fund Solutions Limited was yet to receive settlement from some investors and/or funds. The majority of funds need to be settled within a 4-day settlement period.

## 12. PROVISIONS

	31 DECEMBER 2022 \$'000	30 JUNE 2022 \$'000
<b>Current</b>		
Provisions	9,002	22,079
<b>Non-current</b>		
Provisions	20,233	19,722

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

	CLAIMS \$'000	INTEGRATION \$'000	ONEROUS CONTRACTS \$'000	OTHER \$'000	TOTAL \$'000
<b>Balance at 1 July 2022</b>	19,427	12,741	4,608	5,025	41,801
Provisions made during the interim period	2,002	–	536	204	2,742
Provisions used during the interim period	(2,944)	(3,469)	(930)	(600)	(7,943)
Provisions reversed during the interim period	(1,368)	(5,933)	(41)	(320)	(7,662)
Foreign exchange translation difference	201	(7)	20	83	297
<b>Balance at 31 December 2022</b>	17,318	3,332	4,193	4,392	29,235
<b>Current</b>	4,915	2,273	1,243	571	9,002
<b>Non-current</b>	12,403	1,059	2,950	3,821	20,233

## 03 Notes to the Interim Financial Statements

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### Provisions

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.

**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.

# 03 Notes to the Interim Financial Statements

## 13. PLANT AND EQUIPMENT

	PLANT & EQUIPMENT \$'000	FIXTURES AND FITTINGS \$'000	RIGHT- OF-USE \$'000	TOTAL \$'000
<b>Cost</b>				
<b>Balance at 1 July 2022</b>	106,414	102,287	300,495	509,196
Acquisitions through business combinations (Note 23)	106	1	–	107
Additions	1,931	1,165	4,936	8,032
Effects of movements in exchange rates	(5)	241	1,031	1,267
Disposals/write offs	(66)	(10,325)	(43,202)	(53,593)
<b>Balance at 31 December 2022</b>	<b>108,380</b>	<b>93,369</b>	<b>263,260</b>	<b>465,009</b>
<b>Depreciation and impairment losses</b>				
<b>Balance at 1 July 2022</b>	(77,295)	(44,673)	(113,056)	(235,024)
Depreciation charge for the interim period	(6,192)	(3,556)	(12,962)	(22,710)
Impairment expense for the interim period	(1,975)	(10)	–	(1,985)
Effects of movements in exchange rates	129	(41)	(124)	(36)
Disposals/write offs	65	6,856	31,719	38,640
<b>Balance at 31 December 2022</b>	<b>(85,268)</b>	<b>(41,424)</b>	<b>(94,423)</b>	<b>(221,115)</b>
<b>Carrying amount at 31 December 2022</b>	<b>23,112</b>	<b>51,945</b>	<b>168,837</b>	<b>243,894</b>

	PLANT & EQUIPMENT \$'000	FIXTURES AND FITTINGS \$'000	RIGHT- OF-USE \$'000	TOTAL \$'000
<b>Cost</b>				
<b>Balance at 1 July 2021</b>	95,084	77,656	251,987	424,727
Acquisitions through business combinations	72	–	118	190
Additions	6,462	29,887	117,905	154,254
Effects of movements in exchange rates	334	162	1,359	1,855
Disposals/write offs	(1,339)	(786)	(31,056)	(33,181)
<b>Balance at 31 December 2021</b>	<b>100,613</b>	<b>106,919</b>	<b>340,313</b>	<b>547,845</b>
<b>Depreciation and impairment losses</b>				
<b>Balance at 1 July 2021</b>	(66,140)	(35,958)	(106,918)	(209,016)
Depreciation charge for the interim period	(6,389)	(3,169)	(13,375)	(22,933)
Impairment expense for the interim period	–	(4,883)	(16,005)	(20,888)
Effects of movements in exchange rates	354	71	(621)	(196)
Disposals/write offs	1,331	784	30,440	32,555
<b>Balance at 31 December 2021</b>	<b>(70,844)</b>	<b>(43,155)</b>	<b>(106,479)</b>	<b>(220,478)</b>
<b>Carrying amount at 31 December 2021</b>	<b>29,769</b>	<b>63,764</b>	<b>233,834</b>	<b>327,367</b>

### Impairment

During the interim period, Link Group reassessed the recoverable amount of the Fund Solutions (FS) cash generating unit. As a result, \$2.0 million of Plant & Equipment was impaired.

Refer to Note 14 for more information.

# 03 Notes to the Interim Financial Statements

## 14. INTANGIBLE ASSETS

	GOODWILL \$'000	CLIENT RELATIONSHIPS \$'000	SOFTWARE \$'000	BRAND NAMES \$'000	TOTAL \$'000
<b>Cost</b>					
<b>Balance at 1 July 2022</b>	<b>1,537,888</b>	<b>492,342</b>	<b>707,464</b>	<b>4,421</b>	<b>2,742,115</b>
Acquisitions through business combinations (Note 23)	15,446	4,329	1,266	–	21,041
Additions	–	–	32,536	–	32,536
Effects of movements in exchange rates	15,225	4,680	2,889	51	22,845
Disposals/Assets written off	–	–	(117)	–	(117)
Transfers	–	–	(3,939)	–	(3,939)
<b>Balance at 31 December 2022</b>	<b>1,568,559</b>	<b>501,351</b>	<b>740,099</b>	<b>4,472</b>	<b>2,814,481</b>
<b>Amortisation and impairment losses</b>					
<b>Balance at 1 July 2022</b>	<b>(329,096)</b>	<b>(271,662)</b>	<b>(462,103)</b>	<b>(3,632)</b>	<b>(1,066,493)</b>
Amortisation charge for the interim period	–	(19,286)	(22,808)	(162)	(42,256)
Impairment expense for the interim period	(381,915)	(68,280)	(4,862)	–	(455,057)
Effects of movements in exchange rates	(7,965)	(3,508)	(977)	(46)	(12,496)
Disposals/Assets written off	–	–	117	–	117
<b>Balance at 31 December 2022</b>	<b>(718,976)</b>	<b>(362,736)</b>	<b>(490,633)</b>	<b>(3,840)</b>	<b>(1,576,185)</b>
<b>Carrying amount at 31 December 2022</b>	<b>849,583</b>	<b>138,615</b>	<b>249,466</b>	<b>632</b>	<b>1,238,296</b>
<b>Cost</b>					
<b>Balance at 1 July 2021</b>	<b>1,568,041</b>	<b>501,669</b>	<b>683,023</b>	<b>4,593</b>	<b>2,757,326</b>
Acquisitions through business combinations	11,370	3,489	1	–	14,860
Additions	–	–	24,279	–	24,279
Effects of movements in exchange rates	4,377	1,500	1,149	24	7,050
Disposals/Assets written off	–	–	(9,709)	–	(9,709)
<b>Balance at 31 December 2021</b>	<b>1,583,788</b>	<b>506,658</b>	<b>698,743</b>	<b>4,617</b>	<b>2,793,806</b>
<b>Amortisation and impairment losses</b>					
<b>Balance at 1 July 2021</b>	<b>(282,147)</b>	<b>(237,366)</b>	<b>(435,977)</b>	<b>(3,400)</b>	<b>(958,890)</b>
Amortisation charge for the interim period	–	(20,390)	(24,354)	(201)	(44,945)
Impairment expense for the interim period	(60,663)	–	–	–	(60,663)
Effects of movements in exchange rates	855	(1)	(230)	(12)	612
Disposals/Assets written off	–	–	9,703	–	9,703
<b>Balance at 31 December 2021</b>	<b>(341,955)</b>	<b>(257,757)</b>	<b>(450,858)</b>	<b>(3,613)</b>	<b>(1,054,183)</b>
<b>Carrying amount at 31 December 2021</b>	<b>1,241,833</b>	<b>248,901</b>	<b>247,885</b>	<b>1,004</b>	<b>1,739,623</b>

## 03 Notes to the Interim Financial Statements

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### Impairment

As at 31 December 2022, Link Group reassessed the recoverable amount of the Fund Solutions (FS) and Banking & Credit Management (BCM) Cash Generating Units (CGU) because there were indicators of impairment. Other CGUs were not tested for impairment because there were no impairment indicators as at 31 December 2022.

#### *Fund Solutions*

On 20 October 2022, Link Group announced that it intended to commence a process to explore divestment options for the FS business, including Link Fund Solutions Limited (LFSL).

On 20 February 2023, Link Group announced that it was in exclusive negotiation with the Waystone Group in respect of the sale of the whole of its FS Business, excluding Woodford related liabilities. Any transaction with Waystone would be subject to successful finalisation of due diligence, finalisation of detailed legal agreements, board and other approvals.

At the same time, Link Group and LFSL are in advanced confidential discussions with the FCA to settle the FCA investigation against LFSL (refer to Note 17). The likely outcome of the sale to Waystone and of settlement with the FCA, if both are concluded, is that Link Group would receive no net proceeds of the sale of its FS business. Accordingly, the fair value less cost of disposal (Level 3 fair value hierarchy) for the FS business is estimated to be zero as the resolution of the FCA matter is intrinsically linked to the sale of the business. If a settlement is agreed with the FCA, it would resolve the current FCA investigation and would also be contingent on a scheme of arrangement of LFSL to resolve all Woodford related contingent liabilities and redress obligations of LFSL.

A sale of the FS Business to Waystone would not be contingent on the scheme of arrangement or any FCA settlement becoming unconditional. No legally binding agreement has been reached with either Waystone or the FCA and at present there can be no certainty that any of such agreements will ultimately be concluded.

Link Group recognised an impairment charge 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.

#### *Banking & Credit Management*

Link Group has had discussions with a number of interested qualified parties since the proposed Dye and Durham acquisition discussions in respect of Corporate Markets and BCM were terminated in early December 2022.

This has formed the basis of the estimate of fair value less cost of disposal for the Banking and Credit Management cash generating unit of \$44.3 million. The fair value measurement was categorised as a Level 3 fair value, due to the valuation having one or more significant inputs which are not based on observable market data. The valuation technique was based on leveraging revenue multiples for comparable companies and referencing other external market-based data points.

Any potential sale would be subject to regulatory approvals.

Accordingly, Link Group recognised an impairment charge of \$15.4 million in relation to the BCM cash generating unit, all of which has been allocated to goodwill for the CGU.

# 03 Notes to the Interim Financial Statements

## 15. NOTES TO THE STATEMENT OF CASH FLOWS

### (a) Reconciliation of net profit after tax to net cash inflow from operating activities

	31 DECEMBER 2022 \$'000	31 DECEMBER 2021 \$'000
<b>Loss after income tax</b>	<b>(410,147)</b>	<b>(81,739)</b>
<b>Add/(less) non-cash items</b>		
Depreciation expense	22,710	22,933
Intangibles amortisation expense	42,256	44,945
Contract fulfilment costs amortisation expense	3,599	3,474
Impairment expense	464,306	81,551
Gain on sale of equity accounted investment	(47,859)	
Gain on financial assets held at fair value through profit & loss	195	(499)
Share of profit of equity-accounted investees, net of tax	(1,555)	(4,133)
Equity-settled share based payment expense	7,925	9,261
Unrealised foreign exchange (gain)/loss	(530)	230
Borrowing cost amortisation	797	3,067
Gain on disposal/write off of plant and equipment	(1,614)	(14)
<b>Net cash inflow from operating activities before changes in assets and liabilities</b>	<b>80,083</b>	<b>79,076</b>
<b>Change in operating assets and liabilities</b>		
Change in trade and other receivables	(21,606)	(17,665)
Change in other assets	(1,778)	(4,786)
Change in fund assets and fund liabilities	4,587	2,867
Change in trade and other payables	32,262	26,026
Change in employee benefits	2,605	(843)
Change in provisions	(12,935)	(5,228)
Change in current and deferred tax balances	6,932	(36,211)
<b>Net cash inflow from operating activities</b>	<b>90,150</b>	<b>43,236</b>

### (b) Reconciliation of movement in liabilities to cash flows arising from financing activities

	30 JUNE 2022 \$'000	FINANCING CASH FLOWS \$'000	NON-CASH			31 DECEMBER 2022 \$'000
			BORROWING COST AMORTISATION \$'000	OTHER NON- FINANCING ACTIVITIES \$'000	FOREIGN EXCHANGE MOVEMENT \$'000	
Interest-bearing loans and borrowings – Current	36,366	(4,175)	–	3,472	25	35,688
Interest-bearing loans and borrowings – Non-current	1,137,453	(48,196)	797	(17,062) <sup>1</sup>	1,124	1,074,116
<b>Total liabilities from financing activities</b>	<b>1,173,819</b>	<b>(52,371)</b>	<b>797</b>	<b>(13,590)</b>	<b>1,149</b>	<b>1,109,804</b>

<sup>1</sup>: Relates to a reduction in lease liabilities

# 03 Notes to the Interim Financial Statements

## CAPITAL STRUCTURE, FINANCING AND RISK MANAGEMENT

### 16. INTEREST BEARING LOANS AND BORROWINGS

	31 DECEMBER 2022 \$'000	30 JUNE 2022 \$'000
<b>Current</b>		
Lease liabilities	35,688	36,366
	<b>35,688</b>	36,366
<b>Non-current</b>		
Lease liabilities	225,431	260,100
Loans	848,685	877,353
	<b>1,074,116</b>	1,137,453

FINANCING ARRANGEMENTS	FACILITY NOTIONAL CURRENCY	INTEREST RATE AT 31 DECEMBER 2022 (P.A.)	31 DECEMBER 2022 \$'000	30 JUNE 2022 \$'000
<b>Total facilities available:</b>				
Non-amortising term loan facility	AUD	4.9% - 5.1%	630,000	630,000
Working capital facility	AUD	1.9% - 5.1%	30,000	30,000
Non-amortising term loan facility	GBP	5.1% - 5.3%	444,444	440,839
Working capital facility	GBP	1.9% - 5.3%	35,556	35,267
			<b>1,140,000</b>	1,136,106
<b>Facilities utilised at reporting date:</b>				
Non-amortising term loan facility	AUD	4.9% - 5.1%	476,650	521,500
Working capital facility	AUD	1.9%	11,520	11,520
Non-amortising term loan facility	GBP	5.1% - 5.3%	375,111	359,725
Working capital facility	GBP	1.9%	571	178
			<b>863,852</b>	892,923
<b>Facilities not utilised at reporting date</b>				
Non-amortising term loan facility	AUD	0.7%	153,350	108,500
Working capital facility	AUD	0.7%	18,480	18,480
Non-amortising term loan facility	GBP	0.7%	69,333	81,114
Working capital facility	GBP	0.7%	34,985	35,089
			<b>276,148</b>	243,183

Facilities utilised at reporting date includes \$12.1 million (30 June 2022: \$11.7 million) of guarantees provided to external parties, which have not been drawn down.

## 03 Notes to the Interim Financial Statements

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### 17. CONTINGENT LIABILITIES

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There have been no significant changes in contingent liabilities from those disclosed in Link Group's financial statements for the year ended 30 June 2022 other than as described below.

From time to time, Link Fund Solutions Limited (LFSL) receives enquiries, complaints or claims from investors and third parties in relation to the funds for which it acts or has acted as Authorised Corporate Director (ACD) (in relation to authorised funds) or operator (in relation to unregulated funds).

On 17 June 2019, the Financial Conduct Authority (FCA) notified LFSL that it was commencing an investigation (the "Woodford Investigation") into its role as ACD of the LF Woodford Equity Income Fund, now known as the LF Equity Income Fund (the "Fund"). On 20 September 2022, the FCA issued a draft Warning Notice to LFSL following its investigation into the circumstances leading to the suspension of the Fund. This triggered the beginning of the Stage 1 settlement period which continues to date. If settlement is reached within this period, LFSL can receive a discount on any financial penalty the FCA seeks to impose on it). The draft Warning Notice included a proposed penalty of £50,000,000 (prior to taking into account any settlement discount), in addition to a restitution payment of £306,096,527.

Link Group and LFSL are in advanced confidential settlement discussions with the FCA. Link Group and LFSL are also in exclusive discussions with a potential purchaser of the LFSL business and of the non-LFSL FS subsidiaries (including regulated entities), which in total comprises the FS Business Unit. The net result of such a settlement and of such a sale would likely result in Link Group receiving no net consideration for the sale of the whole of the FS Business Unit after settlement cost. Any settlement would resolve the current FCA enforcement action and would also be contingent on a scheme of arrangement of LFSL to resolve all Woodford-related liabilities and redress obligations of LFSL. Any sale of the FS regulated entities will require FCA approval and other regulatory approvals and a change of ACD for those investment funds in LFSL will require notification to the FCA under the COLL rules.

On 16 January 2023, LFSL was served by Leigh Day with claims brought on behalf of 985 investors in the Fund. On 18 January 2023, LFSL was served by Marcus Parker with claims brought on behalf of a further 1,912 investors. LFSL is also aware that: (i) claims have been issued against it by Wallace on behalf of 3,215 investors, and (ii) a second set of claims have been issued against it by Leigh Day on behalf of a further 8,073 investors, although LFSL has not, as at the date of this Interim Financial Report, been served with these proceedings. In addition, LFSL has received correspondence on behalf of other investors in the Fund, but it is not aware of any other claims having been issued in respect of these matters. The FCA has been advised of all these matters.

Further, LFSL has also received complaints from investors in the Fund, a number of which have been referred to the Financial Ombudsman Service (the "FOS"). LFSL has not been notified of any determination by the FOS in respect of these complaints. No other enquiries, complaints or claims have been received against LFSL regarding its role in relation to other funds which Link Group considers to be relevant.

As noted above, as at the date of this Interim Financial Report, there are ongoing settlement discussions with the FCA, the outcome of which is uncertain. In addition, there are also exclusive discussions with a potential purchaser of the FS Business Unit, the outcome of which is also uncertain (refer to Note 14). In a scenario where LFSL is unable to reach a settlement with the FCA, it will explore all options including challenging any Warning Notice that may be issued at the Regulatory Decisions Committee and further through the Upper Tribunal. Link Group does not have a legal or constructive obligation as a result of the draft Warning Notice, group claims or FOS complaints.

# 03 Notes to the Interim Financial Statements

## 18. INVESTMENT AND FINANCIAL RISK MANAGEMENT

### (a) Investments

	31 DECEMBER 2022 \$'000	30 JUNE 2022 \$'000
Listed equity securities – at fair value through profit or loss	3,758	3,952
Unlisted investments – at fair value through profit or loss	107,476	106,635
	<b>111,234</b>	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.

### (b) Fair value of financial instruments

The following table details Link Group's financial instruments carried at fair value categorised by the fair value hierarchy level:

	LEVEL 1 \$'000	LEVEL 2 \$'000	LEVEL 3 \$'000	TOTAL \$'000
<b>31 December 2022</b>				
<b>Assets</b>				
Listed investments designated at fair value through profit and loss	3,758	–	–	3,758
Unlisted equity securities designated at fair value through profit and loss	–	376	107,100	107,476
	<b>3,758</b>	<b>376</b>	<b>107,100</b>	<b>111,234</b>
<b>30 June 2022</b>				
<b>Assets</b>				
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 interim period (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 31 December 2022, Link Group held an unlisted equity investment in Smart Pension Limited measured on a recurring basis at fair value through profit and loss of \$107.1 million (30 June 2022: \$106.2 million). The valuation of the investment as at 31 December 2022 was supported by the additional investment in Smart Pension Limited from a third party investor in January 2023 at the same share price used in the most recent, previous equity raising.

	31 DECEMBER 2022 \$'000	31 DECEMBER 2021 \$'000
<b>Reconciliation of movements in level 3 investments</b>		
<b>Opening level 3 investments at the beginning of the interim period</b>	<b>106,232</b>	98,630
Acquisitions	–	19,005
Fair value loss recognised in profit or loss	–	(272)
Foreign currency retranslation	868	868
<b>Closing level 3 investments at the end of the interim period</b>	<b>107,100</b>	118,231

# 03 Notes to the Interim Financial Statements

## 19. CONTRIBUTED EQUITY

	31 DECEMBER 2022 \$'000	31 DECEMBER 2021 \$'000
<b>Issued and paid-up capital</b>		
<b>Balance at the beginning of the interim period</b>	<b>1,815,983</b>	1,917,748
Equity bought back and cancelled	–	(101,723)
Share buy-back costs, net of tax	–	(42)
Return of capital to shareholders	<b>(815,005)</b>	–
<b>Balance at the end of the interim period</b>	<b>1,000,978</b>	1,815,983
<b>Number of shares issued:</b>		
<b>Balance at the beginning of the interim period</b>	<b>512,987</b>	536,226
Equity bought back and cancelled	–	(23,239)
<b>Balance at the end of the interim period</b>	<b>512,987</b>	512,987

# 03 Notes to the Interim Financial Statements

## 20. DIVIDENDS

### Dividends

	2023 SPECIAL DIVIDEND	2022 INTERIM	2021 FINAL
Dividend cents per share	8.0	3.0	5.5
Franking percentage	100%	100%	100%
Total dividend (\$'000)	41,039	15,390	29,492
Record date	30.09.2022	03.03.2022	01.09.2021
Payment date	14.10.2022	08.04.2022	20.10.2021

Dividends are recognised as a liability in the period in which they are declared. The interim 2023 dividend has not been declared at the reporting date and therefore is not reflected in the consolidated interim period financial statements.

On 24 February 2023, the Directors approved an interim dividend of \$23,084,437, which equates to 4.5 cents per share, 80% franked (2021: \$15,389,624, 3.0 cents per share, 100% franked). The record date for determining entitlements to the final dividend is 2 March 2023. Payment of the final dividend will occur on 11 April 2023.

The Link Group Dividend Reinvestment Plan (DRP) will not operate in respect of the 2023 interim dividend.

## 21. ACCUMULATED LOSSES

	31 DECEMBER 2022 \$'000	31 DECEMBER 2021 \$'000
<b>Accumulated loss at the beginning of the interim period</b>	<b>(233,926)</b>	(167,815)
Net loss attributable to equity holders	(409,908)	(81,640)
Gain on settlement of equity settled share based payments recognised in retained earnings	1,026	1,396
<b>Accumulated loss at the end of the interim period</b>	<b>(642,808)</b>	(248,059)

# 03 Notes to the Interim Financial Statements

## 22. SHARE-BASED PAYMENT ARRANGEMENTS

As disclosed Link Group's 2022 Annual Report, share based payments arrangements include the Omnibus Equity Plan (OEP) and the Special Equity Grant (SEG). The terms, conditions and operation of the plans have not significantly changed during the interim period ended 31 December 2022 other than described below.

### (a) Description of share-based payment arrangements

At 31 December 2022, Link Group had the following share-based payment arrangements.

#### Omnibus equity plan

##### Long Term Incentive (LTI)

The Omnibus equity plan (OEP) entitles Executive KMPs, Senior Executives and Senior Leaders to receive Performance Share Rights (PSRs) under Link Group's Long Term Incentive Plan (LTI) 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 interim period and in accordance with the OEP, LTI PSRs were granted to Executive KMPs, Senior Executives and Senior Leaders on 5 December 2022. The PSRs are divided into 2 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 interim period ended 31 December 2022 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).

The number of PSRs issued to each participant was calculated with reference to the twenty trading-day volume weighted average price (VWAP) for the Link Group Shares from 31 August 2022, the date of announcement of Link Group's full year results for the financial year ended 30 June 2022 and accounted for at fair value in accordance with accounting standards from grant date.

The expense recognised in the condensed consolidated statement of profit or loss and other comprehensive income in relation to the LTI PSRs during the interim period ended 31 December 2022 was \$4.2 million (31 December 2021: \$2.2 million).

#### Deferred Short Term Incentive (STI)

Under the terms of the OEP, Executive KMPs, Senior Executives and Senior Leaders had a portion of their FY2021 and FY2022 short term incentive deferred (Deferred STI).

On 5 December 2022, restricted shares (RSs) or share rights (SRs) relating to the FY2022 STI were issued to deferred STI participants. The RSs or SRs entitle participants to receive fully paid ordinary shares in the Company subject to continued employment for a one or two-year service period.

In August 2022, half of the FY2021 Deferred STI (509,021 SRs and RSs) vested to participants.

The terms and conditions of the deferred STI granted during the interim period ended 31 December 2022 were as follows.

GRANT DATE	NUMBER OF RSs/SRs	VESTING CONDITIONS
Restricted shares issued 5 December 2022	764,222	Subject to continued employment, 50% vesting around August 2023, 50% vesting around August 2024. Following the Link Group full year results announcement.

# 03 Notes to the Interim Financial Statements

Share rights issued 5 December 2022	310,441	Subject to continued employment, 50% vesting around August 2023, 50% vesting around August 2024. Following the Link Group full year results announcement.
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The expense recognised in the condensed consolidated statement of profit or loss and other comprehensive income in relation to the deferred STI during the interim period ended 31 December 2022 was \$1.9 million (31 December 2021: \$1.2 million).

## Special Equity Grant

On 1 December 2020 the Board, at its discretion, offered RSs or SRs as compensation to employees who participated in the voluntary temporary pay reduction. The RSs or SRs entitle participants to receive fully paid ordinary shares in the Company subject to continued 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 condensed consolidated statement of profit or loss and other comprehensive income in relation to the special equity grant during the interim period ended 31 December 2022 was \$0.3 million (31 December 2021: \$5.2 million).

## Retention Arrangements

In 2021, the company put retention arrangements in place for certain senior employees as part of a program to retain key talent during a critical period for Link Group. The SRs awarded entitled participants to receive fully paid ordinary shares in the Company subject to continued employment over a one and two-year service period. In December 2022, half of the share rights vested to participants.

On 5 December 2022, SRs were issued to select individuals (excluding the Executive Leadership Team) as part of a retention program. The share rights entitled participants to receive fully paid ordinary shares in the Company subject to continued employment over a two and three-year service period.

The conditions of the retention share rights granted during the interim period ended 31 December 2022 are outlined below.

GRANT DATE	NUMBER OF RSs/SRs	VESTING CONDITIONS
Share rights issued 5 December 2022	1,328,179	Subject to continued employment, 50% vesting on 5 December 2024, 50% vesting on 5 December 2025.

The expense recognised in the condensed consolidated statement of profit or loss and other comprehensive income in relation to the retention scheme during the interim period ended 31 December 2022 was \$2.0 million (31 December 2021: \$0.6 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 interim period ended 31 December 2022:

	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	25%
ii) 2 year	25%
Expected dividends	3.42%
Risk-free interest rate (based on government bonds)	2.98%

## 03 Notes to the Interim Financial Statements

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.

### (c) Reconciliation of share rights

The number of performance and other share rights on issue during the interim period ended 31 December 2022 was as follows:

	LTI PSRs		SEG SRs		DEFERRED STI SRs		RETENTION SRs	
	2022 '000	2021 '000	2022 '000	2021 '000	2022 '000	2021 '000	2022 '000	2021 '000
<b>On issue at beginning of the interim period</b>	<b>6,016</b>	5,505	<b>38</b>	469	<b>276</b>	–	<b>912</b>	–
Granted during the interim period	<b>3,004</b>	2,204	–	–	<b>1,075</b>	276	<b>1,328</b>	949
Lapsed during the interim period	<b>(1,763)</b>	(1,615)	<b>(2)</b>	(23)	<b>(28)</b>	–	–	–
Vested during the interim period	<b>–</b>	–	<b>(36)</b>	(394)	<b>(914)</b>	–	<b>(460)</b>	–
<b>On issue at the end of the interim period</b>	<b>7,257</b>	6,094	<b>–</b>	52	<b>409</b>	276	<b>1,780</b>	949

# 03 Notes to the Interim Financial Statements

## GROUP STRUCTURE

### 23. 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.

#### Acquisitions

On 2 November 2022, Link Group acquired 100% of HS Pensions (an RSS business) in the United Kingdom for a cash free, debt free consideration of \$10.5 million (GBP 6.3 million). HS Pensions administers pensions for around 370,000 members and has an established team of experts delivering an end-to-end pension service.

On 13 October 2022, Link Group increased its share in Moneysoft (previously equity accounted) from 47.9% to 79.34% at a cost of \$2.2 million. This resulted in Moneysoft being consolidated in Link Group's financial statements from 13 October 2022.

#### Provisional acquisition accounting

The fair values of assets and liabilities of both business combinations have been recognised on a provisional basis as at 31 December 2022, whereby the accounting balances for the acquisition may be revised in accordance with AASB 3 *Business Combinations*.

The provisional acquisition accounting for both acquisitions has been accounted for in the consolidated interim financial statements as follows:

	\$'000
Consideration on settlement	13,388
Fair value of pre-existing interest <sup>1</sup>	6,617
Less: fair value of net identifiable assets acquired	(4,559)
<b>Goodwill</b>	<b>15,446</b>
<b>Fair value of identifiable assets acquired and liabilities assumed:</b>	
Cash and cash equivalents	814
Trade and other receivables	1,224
Other assets	–
Plant and equipment	107
Client relationships	4,329
Software	1,266
Trade and other payables	(1,930)
Provisions	(180)
Current tax liabilities	–
Deferred tax liabilities	(1,071)
<b>Net assets</b>	<b>(4,559)</b>

<sup>1</sup> Fair value of Link Group's 47.9% interest in Moneysoft immediately before the acquisition.

## 03 Notes to the Interim Financial Statements

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The fair values of Moneysoft and HS Pension's assets and liabilities recognised on a provisional basis may be revised in accordance with AASB 3 *Business Combinations*.

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.

# 03 Notes to the Interim Financial Statements

## OTHER DISCLOSURES

### 24. SUBSEQUENT EVENTS

#### Implementation of PEXA in-specie distribution

Link Group shareholders, at the Extraordinary General Meeting (EGM) held on 23 December 2022, voted in favour of the proposed in-specie distribution of Link Group's shareholding in PEXA Group Limited (PEXA) to Link Group shareholders. On 10 January 2023, the in-specie distribution of Link Group's shareholding in PEXA Group Limited (PEXA) (the **Distribution**) to Eligible Shareholders (as defined in the Explanatory Memorandum in connection with the Distribution dated 22 November 2022), was implemented.

Link Group expects to recognise a one-off gain of \$321.9 million in its full year result, given the implementation date of 10 January 2023 occurred in the second half of the financial year. This does not include Link Group's share of PEXA's result for the period from 1 January 2023 to the implementation date of 10 January 2023 and is in addition to a one-off gain of \$47.9 million recognised in 1H FY23.

#### HSBC's Occupational Retirement Scheme Ordinance (ORSO)

On 7 February 2023, Link Group signed a 10 year agreement with HSBC for the provision of digital pension administration and value-added services to HSBC's Occupational Retirement Scheme Ordinance (ORSO) clients in Hong Kong. This provides an immediate footprint and entry into the Asian market for Link Group's RSS business.

#### Extension of partnership with Rest Super

On 22 February 2023, Link Group announced that it and long-standing client Rest had agreed in-principle to extend their 30-year partnership by a further five years, subject to finalisation of agreed terms and conditions and targeting a new contract period commencing in May 2023. Upon finalisation of a binding agreement, Link Group's RSS business will continue to deliver core administration and experience-led customer engagement services to the fund, including selected digital solutions to provide significant digital and data capability, member experience uplift and information security for members and employers.

#### Impact of macroeconomic environment on post balance date trading

Whilst the Directors note the uncertain global economic environment, escalating geopolitical risks and the ongoing Covid-19 pandemic continue to impact global markets, including jurisdictions that Link Group operates in, Link Group continues to be resilient and has been proactive in response to these challenges. However, the future impact of the COVID-19 pandemic remains uncertain.

Other than the matters described above, in the opinion of the Directors, there has not arisen in the interval between the end of the interim period and the date of this report any 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 periods.

## 04 Directors' Declaration

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1. In the opinion of the Directors of Link Administration Holdings Limited (the Company):
  - (a) the condensed consolidated financial statements and notes that are set out on pages 11 to 43 are in accordance with the *Corporations Act 2001*, including:
    - (i) giving a true and fair view of Link Group's financial position as at 31 December 2022 and of its performance for the interim period ended on that date; and
    - (ii) complying with Australian Accounting Standards AASB 134 *Interim Financial Reporting* 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.

Signed in accordance with a resolution of the Directors.

Dated 24 February 2023 at Sydney.



**Michael Carapiet**  
Chair



**Vivek Bhatia**  
Chief Executive Officer & Managing Director



# Independent Auditor's Review Report

To the shareholders of Link Administration Holdings Limited

## Report on the Interim Financial Report

### Conclusion

We have reviewed the accompanying **Interim Financial Report** of Link Administration Holdings Limited ("the Company").

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the Interim Financial Report of Link Administration Holdings Limited does not comply with the *Corporations Act 2001*, including:

- giving a true and fair view of the **Group's** financial position as at 31 December 2022 and of its performance for the Interim Period ended on that date; and
- complying with *Australian Accounting Standard AASB 134 Interim Financial Reporting* and the *Corporations Regulations 2001*.

The **Interim Financial Report** comprises:

- Condensed consolidated statement of financial position as at 31 December 2022;
- Condensed consolidated statement of profit or loss and other comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the Interim Period ended on that date;
- Notes 1 to 24 comprising a summary of significant accounting policies and other explanatory information; and
- The Directors' Declaration.

The **Group** comprises the Company and the entities it controlled at the Interim Period's end or from time to time during the Interim Period.

The **Interim Period** is the 6 months ended on 31 December 2022.

### Basis for Conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Financial Report* section of our report.

We are independent of the Group in accordance with the auditor independence requirements of 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 annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with these requirements.

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## Responsibilities of the Directors for the Interim Financial Report

The Directors of the Company are responsible for:

- the preparation of the Interim Financial Report that gives a true and fair view in accordance with *Australian Accounting Standards* and the *Corporations Act 2001*; and
- such internal control as the Directors determine is necessary to enable the preparation of the Interim Financial Report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

## Auditor's Responsibilities for the Review of the Interim Financial Report

Our responsibility is to express a conclusion on the Interim Financial Report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the Interim Financial Report does not comply with the *Corporations Act 2001* including:

- giving a true and fair view of the Group's financial position as at 31 December 2022 and its performance for the Interim Period ended on that date; and
- complying with *Australian Accounting Standard AASB 134 Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of an Interim Period Financial Report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with *Australian Auditing Standards* and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

KPMG

Eileen Hoggett

*Partner*

Sydney

24 February 2023

Brendan Twining

*Partner*

Sydney

24 February 2023