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ASX ANNOUNCEMENT

28 August 2023

APPENDIX 4E – PRELIMINARY FINAL REPORT FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023

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 financial year ended 30 June 2023 as follows:

Results for announcement to the market			**30 June 2023 $'000**	30 June 2022 $'000
Revenue from continuing operations	Up	8.2%	**955,629**	883,372
Revenue from discontinued operations			**272,604**	291,957
Total revenue	Up	4.5%	**1,228,233**	1,175,329
Loss from continuing operations after tax	Up	nmf[1]	**(20,554)**	(11,275)
Loss from discontinued operations after tax			**(397,137)**	(56,296)
Loss from ordinary activities after tax	Up	nmf[1]	**(417,691)**	(67,571)
Loss for the period attributable to owners of the Company	Up	nmf[1]	**(417,377)**	(67,890)
Earnings per share				
Basic earnings (cents per share)			**(81.69)**	(13.14)
Diluted earnings (cents per share)			**(81.69)**	(13.14)
Earnings per share – continuing operations				
Basic earnings (cents per share)			**(3.96)**	(2.24)
Diluted earnings (cents per share)			**(3.96)**	(2.24)
Earnings per share – discontinued operations				
Basic earnings (cents per share)			**(77.73)**	(10.90)
Diluted earnings (cents per share)			**(77.73)**	(10.90)
Net tangible assets[2]				
Net tangible assets per security (cents per share)			**(211.2)**	(23.4)

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.

[1] 'nmf' denotes not meaningful.
[2] The net tangible assets include right-of-use assets as defined by AASB 16 *Leases*. The per security calculation as at 30 June 2023 includes the net assets held for sale.

Dividends

Dividends paid by the Company during the financial year ended 30 June 2023 were as follows:

	Cents per share	Total amount	Franked/ Unfranked	Record date	Payment date
Special 2023	8.0	$41,038,998	100% Franked	30 September 2022	14 October 2022
Interim 2023	4.5	$23,084,437	80% Franked	2 March 2023	11 April 2023

A final dividend of $20.5 million (60% franked), which equates to 4.0 cents per share, in respect of the financial ended 30 June 2023 was declared by the Directors of the Company on 28 August 2023 **(Final Dividend)**. A provision was not recognised in the financial statements for the financial year ended 30 June 2023 as the dividend declaration is considered as a subsequent event. The record date for determining entitlements to the dividend is 4 September 2023. Payment of the Final Dividend will occur on 20 September 2023.

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

Commentary on results for the year

Commentary in relation to operating performance, earnings per share, segment results, returns to shareholders and trends in performance can be found in the attached Annual Financial Report, which includes the Directors' Report (predominantly the Operating and Financial Review section) and audited financial statements. Details of entities of which control was gained during the period are included in Note 26 of the Annual Financial Report.

Additional commentary on results for the period can be found in the Media Release and Results Presentation also announced to ASX today (28 August 2023).

Other information

The information in this Appendix 4E should be read in conjunction with Link Group's attached Annual Financial Report for the financial year ended 30 June 2023, which includes the financial statements. Additional Appendix 4E disclosures can be found in the notes to the Financial Report. The financial statements have been audited by KPMG.

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

ENDS

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Annual Financial Report

ACN 120 964 098

Link Administration Holdings Limited
and its controlled entities

30 June 2023

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01 Directors' Report

DIRECTORS AND COMPANY SECRETARIES

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

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

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

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01 Directors' Report

DIRECTORS | **EXPERIENCE AND BACKGROUND**

Glen Boreham, AM

Independent
Non-Executive Director

Appointed 23.09.2015

Glen Boreham was appointed a Non-Executive Director of the Company in 2015. He is Chair of the Technology & Transformation Committee and a member of the Human Resources and Remuneration Committee.

Glen is a Director of Cochlear Limited and Southern Cross Media Group Limited and Strategic Advisor to IXUP.

Previously, Glen was the Managing Director of IBM Australia and New Zealand.

He has also previously served as Chair of Screen Australia, Advance and the Industry Advisory Board for the University of Technology, Sydney, as well as Deputy Chair of the Australian Information Industry Association and a Director of the Australian Chamber Orchestra.

Glen holds a Bachelor of Economics from the University of Sydney and an Honorary Doctorate from the University of Technology Sydney. In January 2012, Glen was awarded a Member of the Order of Australia for services to business and the arts.

Andrew (Andy) Green, CBE

Independent Non-Executive Director

Appointed 09.03.2018

Andy Green was appointed a Non-Executive Director of the Company in 2018.

He is Chair of the Risk Committee and a member of the Technology & Transformation Committee.

Andy is Chair of Simon Midco Ltd the holding company of Lowell Group, Chair of Gentrack Group Ltd and Senior Independent Director of Airtel Africa plc.

He is a Commissioner at the UK's National Infrastructure Commission, Chair of WaterAid UK and a trustee of WWF UK.

Andy's earlier career at BT Group (formerly British Telecom) spanned more than 20 years, including as CEO of Global Services. He also previously served as Group Chief Executive of IT and management consultancy company Logica plc, and as Senior Independent Director at ARM Holdings plc.

Andy holds a Bachelor of Science in Chemical Engineering with first class honours from Leeds University.

Peeyush Gupta, AM

Independent
Non-Executive Director

Appointed 18.11.2016

Peeyush Gupta was appointed a Non-Executive Director of the Company in 2016. He is a member of the Risk Committee and a member of the Audit Committee.

Peeyush is currently the Chair of Charter Hall Direct Property Management Limited and Long Wale REIT and a Non-Executive Director of National Australia Bank, SBS, Northern Territory Aboriginal Investment Corporation, NSW Cancer Council and Quintessence Labs Pty Ltd.

With over 30 years of experience in the wealth management industry, Peeyush was previously co-founder and the inaugural CEO of IPAC Securities Limited, a wealth management firm spanning financial advice and institutional portfolio management. He has extensive corporate governance experience, having served as a Director on listed corporate, not-for-profit, trustee and responsible entity boards since the 1990s.

Peeyush holds a Masters of Business Administration (Finance) from the Australian Graduate School of Management and has completed the Advanced Management Program at Harvard Business School. He is a Fellow of the Australian Institute of Company Directors. In January 2019, Peeyush was awarded a Member of the Order of Australia for significant service to business, and to the community, through his governance and philanthropic roles.

SECTION

01 Directors' Report

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

DIRECTORS' MEETINGS

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

The following table includes:

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

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

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

H Number of meetings held during the period in which the Director or Committee Member was appointed to the Board or Committee.
A Number of meetings attended by the Director. All Directors are entitled to attend Committee meetings in an ex-officio capacity and attendance in an ex-officio capacity has been noted with an asterisk (*).

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

COMPANY SECRETARIES

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

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

1 Unscheduled Board Meetings are held at short notice.
2 Michael Carapiet is an ex-officio member of each of the Board Committees and the chair of the Nominations Committee.

EXECUTIVE KEY MANAGEMENT PERSONNEL (KMP)

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

CONTINUING EXECUTIVE KMP	EXPERIENCE AND BACKGROUND
Vivek Bhatia Chief Executive Officer & Managing Director	See Directors section for more detail.

Antoinette Dunne

Chief Executive Officer, Banking & Credit Management

Antoinette Dunne was appointed Chief Executive Officer of Banking & Credit Management on 1 June 2021.

Antoinette joined Link Group in November 2017 when Capita Asset Services was acquired by Link Group. She was CEO and Executive Director of the BCMGlobal Irish and Italian businesses and has over 30 years' experience in financial services working in Ireland, UK and Australia.

Prior to joining Capita, Antoinette ran her own financial services consultancy business, was Head of Halifax Retail Bank in Ireland and Head of Bank of Scotland Mortgage, Asset Finance and Consumer Lending Businesses in Ireland.

Antoinette is a Chartered Director (CDir) and a Fellow Member of Association of Chartered Certified Accountants (FCCA).

Antoinette will leave Link Group in FY2024 on successful completion of the sale of the Banking & Credit Management business.

Paul Gardiner

Chief Executive Officer, Corporate Markets

Paul Gardiner was appointed Chief Executive Officer of Corporate Markets in May 2021.

Paul joined Link Group in 2006 when Orient Capital was acquired by Link Group from ASX Limited. His previous roles include Chief Technology & Operations Officer, and CEO of both Corporate Markets and Technology & Innovation.

Paul has over 20 years' experience in financial services, technology, operations, and data analytics, having joined Orient Capital in 2001.

Paul holds a Bachelor of Commerce and a Higher Diploma in Marketing Practice from the National University of Ireland, Galway and a Masters of Business Studies (Management Information Systems) from University College, Dublin.

Andrew MacLachlan

Chief Financial Officer

Andrew MacLachlan was appointed Chief Financial Officer on 1 January 2019.

Andrew joined Link Group in 2009 and was Deputy Chief Financial Officer from 2013 to 2018.

Andrew has over 30 years' experience in Finance and Accounting. His previous roles include Chief Financial Officer at Fero Group Pty Limited, Chief Financial Officer at Evans and Tate Limited and various roles at Singtel Optus and KPMG.

Andrew is a member of Chartered Accountants Australia and New Zealand and holds a Bachelor of Economics (Accounting and Finance) from Macquarie University.

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

REVIEW OF BUSINESS OPERATIONS

PRINCIPAL ACTIVITIES

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

DESCRIPTION OF BUSINESS UNITS

Link Group operates four revenue generating segments.

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

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

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

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

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

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

TOWARDS A SIMPLER BUSINESS

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

PEXA Ltd

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

Banking & Credit Management (BCM)

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

Fund Solutions (FS)

Accounting treatment at 31 December 2022

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

Accounting treatment at 30 June 2023

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

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

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

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

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

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

01 Directors' Report

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

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

OPERATING AND FINANCIAL REVIEW

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

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

- Media Release; and
- Results Presentation.

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

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

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

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

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

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

Table 1: Operating Financial Results

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

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

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

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

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

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

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

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

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

Table 2: Operating NPATA to Statutory NPAT

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

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

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

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

Table 3: Summary Balance Sheet

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

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

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

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

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

Table 4: Summary Cash Flow

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

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

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

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

STRATEGY AND PROSPECTS

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

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

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

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

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

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

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

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

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

DIVIDENDS

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

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

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

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

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

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

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

PRO-ACTIVE MANAGEMENT OF RISKS

(a) Link's risk management strategy

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

Enterprise Risk Management Framework (ERMF)

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

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

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

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

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

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

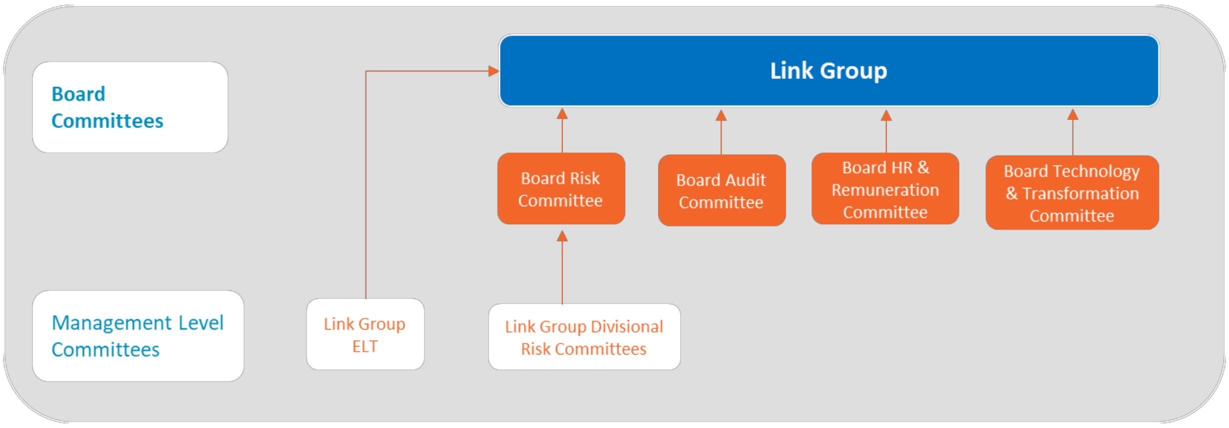
- The **First** line is the Business – all employees engaged in the revenue generating and client-facing areas of the Group and all associated support functions. The first line is responsible for identifying, assessing and managing the risks they generate, establishing effective controls, identifying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

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

Risk Appetite

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

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



(b) Risk Committees

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

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

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

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

Link Group Board Audit Committee

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

Link Group Board Human Resources and Remuneration Committee

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

Link Group Board Technology and Transformation Committee

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

Link Group's risk culture

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

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

(c) Our Code of Conduct and Ethics

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

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

(d) Changes Relevant to the Group Risk Profile

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

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

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

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

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

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

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

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

MATERIAL EXISTING OR EMERGING RISK	DESCRIPTION OF THE RISK AND ITS IMPACT	HOW WE RESPOND
Political and regulatory environment	**Description** Link Group's businesses are influenced and affected by laws, regulations and government policy in each of the jurisdictions in which our clients operate. Political and/or regulatory change, and Link Group's ability to comply with regulations, could enable or inhibit our business objectives. **Impact** Changes could affect the ability to achieve business objectives and financial performance. For example, by: • limiting or removing authority to operate; • changing how a business operates or the clients we can service; and/or • altering resource requirements, operating efficiency and profitability. Changes may also provide an opportunity for Link Group to generate additional revenue streams by supporting its clients in meeting their regulatory compliance obligations.	Link Group: • engages with government, regulatory authorities and industry bodies; • actively monitors, assesses and manages the impacts of changes to laws, regulations and government policy; • designs processes, procedures and systems consistent with the stated policy principles within each jurisdiction; • assists clients in understanding their obligations and preparing for the impact of change to laws, regulations, and government policy change; and • has a diversified geographic and jurisdictional presence. Link Group's businesses are supported by specialist Risk & Compliance professionals in each of the jurisdictions in which we operate. We are supported by internal and external legal counsel and expert third party advisors, as required.
Principal risk	**Description** Link Group's ability to comply with its own obligations may result in regulatory and consumer exposures contrary to our objectives to operate profitable, risk managed, compliant businesses. **Impact** Link Group primarily provides services to/for clients as an agent (where we are indirectly accountable for regulatory compliance), but also provides services to clients as principal (where we have direct regulatory obligations). Willingness to assume principal risk may provide a high barrier to entry, which could be a competitive advantage for Link Group. However, material failure by Link Group to discharge our principal obligations may negatively affect financial performance (compensation, pecuniary penalties, lost earnings) and reputation. It may also give rise to	Link Group mitigates this risk through: • robust risk management and compliance frameworks focused on identifying, assessing, monitoring and mitigating risk; • skilled and qualified staff; • documented processes and procedures; • assurance programs and an Internal Audit function; • professional lines of insurance; • proactive engagement with regulators; • in the case of Fund Solutions, governance mechanisms and processes are in place to ensure its fiduciary obligations are being fulfilled; • regular compliance training for staff; • effective internal complaints mechanisms and dispute resolution systems to identify and address

MATERIAL EXISTING OR EMERGING RISK	DESCRIPTION OF THE RISK AND ITS IMPACT	HOW WE RESPOND
	regulatory penalties or removal of authority to operate the relevant business. Principal risk will reduce as a result of the divestment of the FS business in FY2024.	consumer concerns; • ensuring compensation is appropriate with the level of risk taken in services and products provided; and • a strong corporate governance structure and culture, including local legal entity boards with direct regulatory accountability as required.
Client base, retention and arrangements	**Description** Link Group may experience greater or less success in attracting new clients, cross-selling products and services, retaining existing clients and scope of services on commercial terms and benefit from client merger activity than expected/desired. Some factors may include: • scope and quality of service; • increased competition; • industry consolidation; • business and regulatory environment; • strength of relationships; and/or • technological disruption and innovation. **Impact** The key industries in which Link Group operates are all competitive markets and are expected to remain competitive. This may affect organic growth capability and the scope and quality of products and services. It may also influence resourcing, profitability and financial performance.	Link Group manages this risk through: • development of long-term relationships based on strategic partnerships; • competitive, diversified and integrated product and service offerings; • dedicated client relationship managers; • market and product benchmarking and evaluations; • reputation and brand equity; • management of contracted service delivery, including prompt rectification of issues; and • commercial contractual protections. Link Group actively monitors and invests in innovation and new technologies.
Benefit realisation from acquisition, integration and transformation	**Description** The benefits of investment, acquisition, integration, migration, relocation, consolidation or transformation in a timely and commercial manner could be less than or greater than expected. Some factors may include: • appropriateness of each plan; • accuracy of the calculation of expected benefits; • quality and efficiency of execution; • market conditions and client receptivity; and • unexpected intervening events.	Having executed and integrated more than 40 business combinations over the past 15 years, Link Group has significant experience delivering on the expected benefits. This is achieved principally through: • established and robust processes encapsulating people, systems, products and clients; • partnering with organisations and employing people with appropriate skills, expertise, and experience to optimise each specific opportunity; • disciplined project governance

MATERIAL EXISTING OR EMERGING RISK	DESCRIPTION OF THE RISK AND ITS IMPACT	HOW WE RESPOND
	Impact The extent to which expected synergies and other benefits are realised can affect Link Group's financial performance, organisational efficiency, allocation of resources and strategic plans.	controls; • initial strategic and financial analysis; • contingency factoring; • sound due diligence practices; and • contractual protections.
External Operating Environment	**Description** Link Group may experience impacts to its business because of changes in the external operating environment, including key macroeconomic and geopolitical factors. Some factors may include: • macroeconomic factors including inflation, interest rates and labour market activity; • global supply-chain disruptions; and • the Russian invasion of Ukraine and wider geo-political tensions leading to significant uncertainty. **Impact** Given the uncertainty in the current outlook and rapidly changing operating environment, it is likely that meeting revenue or cost projections may be challenging with many factors outside Link Group's direct control.	Link Group manages this risk through: • having a diversified geographic and jurisdictional presence; • maintaining a competitive, diversified and integrated product and service offering; • attracting and retaining high performing employees; • actively monitoring, assessing and managing the impacts of the external operating environment on the business, its financial performance and financial position; • using commercial revenue models that align Link Group's revenue with the cost of service delivery; • retaining commercial contractual protections where events outside of Link Group's control materially impact service delivery; and • actively monitoring, assessing and managing the cash and liquidity to support the sustainability of Link Group's operations.
People Risk	**Description** Link Group's ability to deliver on its strategic objectives and maintain its existing scope of products and services is impacted by: • its ability to attract, retain and motivate its people; • maintaining an effective organisational model and structure; and • providing a safe and sound working environment for its people. **Impact** The ability to retain and attract talent remains a significant risk facing the Group. The uncertainty caused by the transaction activity is contributing to	Link Group mitigates this risk through: • continual reinforcement of Link Group's culture and values including the global 'Appreciate' Recognition Program that recognises people who are living the Group's values; • actions supporting employee retention, development and engagement, including employee pulse survey, mainstreaming flexible and blended working arrangements ("FlexTogether"), remuneration benchmarking, job architecture, recruitment and career development initiatives; • ongoing review and where required evolution of Link Group's operating model and structure to

MATERIAL EXISTING OR EMERGING RISK	DESCRIPTION OF THE RISK AND ITS IMPACT	HOW WE RESPOND
	attrition and recruitment challenges across the Group as are inflationary pressures and the highly competitive labour markets.	support continued delivery of its strategic objectives; and • continual investment in supporting the wellbeing of its people, including the 'Link Wellness' hub initiative ensuring all Link Group staff have access to wellness tools and support, mental health and resilience webinars as well as various Employee Assistance Programs.

APPENDIX 1: NON-IFRS DEFINITIONS

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

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

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

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

REMUNERATION REPORT

Introduction from the Chair of the Human Resources and Remuneration Committee

Dear Shareholder,

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

Our Remuneration Report received a second strike at the 2022 AGM. The Board takes this outcome seriously. We have taken this into account in determining the FY2023 remuneration decisions and outcomes. Our response to the strike is set out on page 32. Our aim is to continue to align remuneration structures and decisions with sustainable shareholder value creation.

Company Performance

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

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

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

Remuneration Outcomes

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

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

Following the conclusion of the Dye & Durham transaction activities, KMP were awarded a one-off supplementary grant of Performance Share Rights (“PSRs”), subject to the same performance hurdles and conditions as the FY2023 LTI grant (refer page 32).

As a result of the PEXA in specie distribution, the dilution in value to Link Group shares was adjusted through a PEXA payment of $1.80 per share for each PSR that vests under LTI grants. No adjustment to the number of PSRs issued was made (refer page 32).

The FY2021 LTI grant was tested on 30 June 2023. The three-year performance period was significantly impacted by the COVID pandemic, prolonged merger and acquisition activities, and the PEXA IPO and demerger. There was a partial vesting of the EPS tranche and no vesting of the TSR tranche (refer section 2.1). Recognising the importance of retention of Executive KMP during the critical period of completing the sale of the BCM and FS businesses, implementing the FS Scheme, and delivering on the FY2024 financial results, the usual holding lock applicable to shares has been extended for Executive KMP, which means no shares or PEXA payments will be available in 2023 (refer page 32).

We value your feedback on our FY2023 Remuneration Report.

Yours sincerely,

Anne McDonald

Human Resources & Remuneration Committee Chair

ABOUT THIS REMUNERATION REPORT

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

1. OVERVIEW OF THE EXECUTIVE KMP REMUNERATION APPROACH

1.1 Remuneration principles & philosophy

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

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

1.2 Key Management Personnel

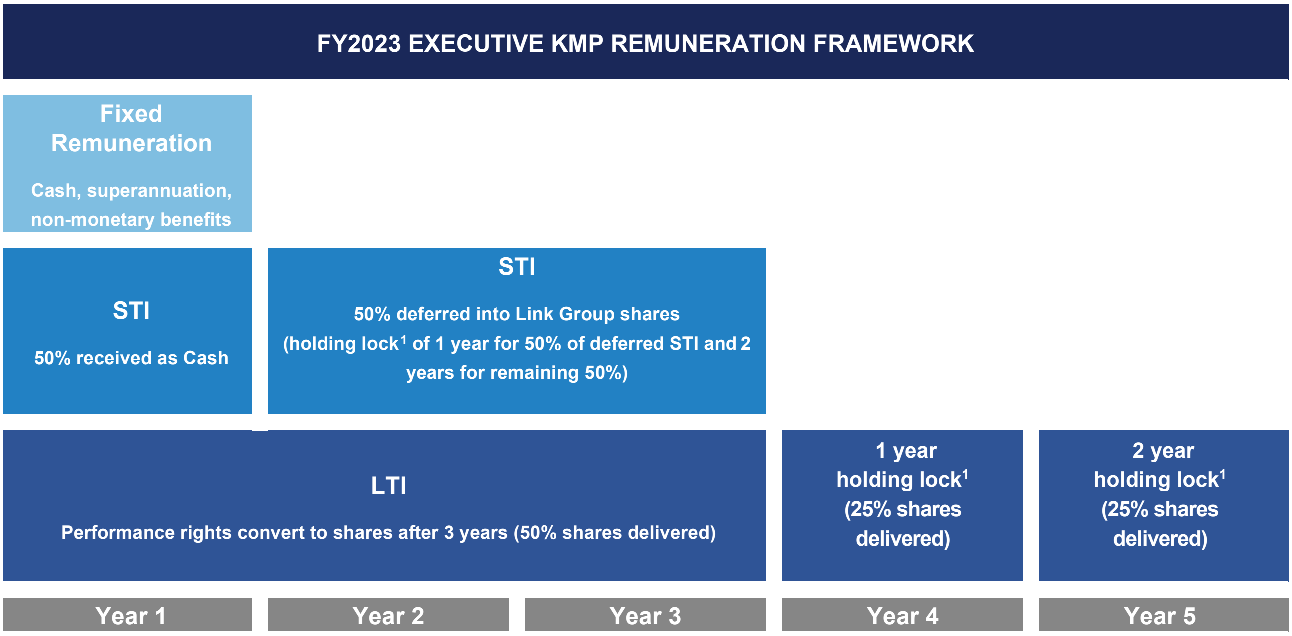
The names and titles of KMP are set out below. There have been no other changes to KMP following the end of the financial year.

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

1.3 FY2023 Remuneration framework

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

Figure 1: FY2023 Executive KMP remuneration framework



FY2023 EXECUTIVE KMP REMUNERATION COMPONENTS		
Fixed	**Variable "at risk"**	
Fixed remuneration	**Short-term incentive (STI)**	**Long-term incentive (LTI)**
PURPOSE AND ALIGNMENT		
Market competitive, to attract and retain key talent to Link Group.	To drive achievement of the short-term financial, strategic and operational objectives as agreed by the Board. To support alignment to creation of sustainable shareholder value through deferral.	To reward and incentivise Executive KMP to drive the sustainable creation of shareholder value, within Link Group's prudent risk management framework.
VALUE TO INDIVIDUAL DETERMINED BY		
Fixed remuneration is targeted around the median of the market. The market is defined around similar listed companies (based on revenue, comparable industries, and business size) in the country where the Executive is based. Fixed remuneration may deviate from the market median depending on individual alignment to corporate values, experience, capabilities, performance, and location.	Operating NPATA gateway determines capacity to pay. Awards based on Link Group and business unit financial performance and individual performance against specified KPIs. KPIs include financial and pre-financial targets. Board discretion to moderate award for factors such as alignment to corporate values and prudent risk taking. Stretch STI up to 150% of target based on stretch Operating NPATA targets.	Vesting is based on achievement of: Operating earnings per share (EPS) performance against targets (75% of opportunity). Total shareholder return (TSR) relative to constituents of a S&P/ASX index (25% of opportunity).

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

EXECUTIVE KMP REMUNERATION IN FY2023

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

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

No Executive KMP received a Fixed Pay increase in FY2023.

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

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

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

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

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

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

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

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

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

EXECUTIVE KMP REMUNERATION IN FY2023

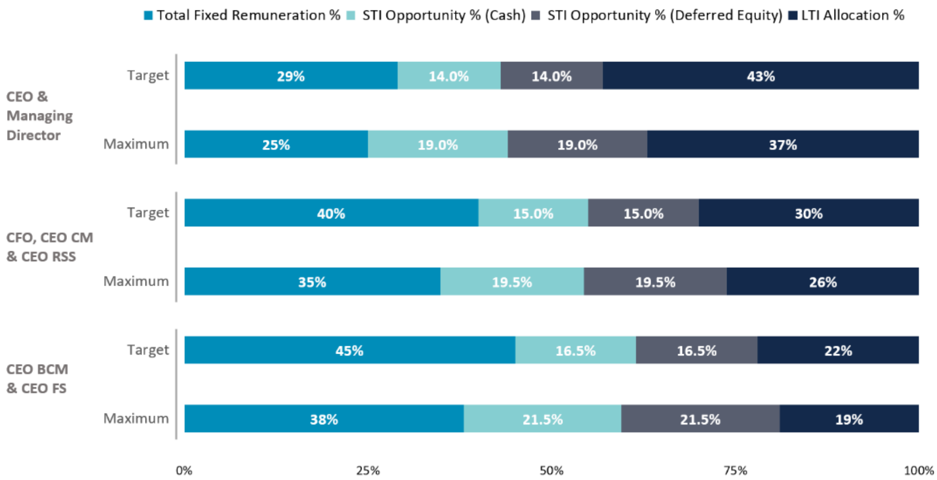
How is Link Group's performance reflected in FY2023 remuneration outcomes?	In FY2023, Link Group achieved an Operating NPATA of $89.3 million (excluding PEXA) which exceeded the financial gateway for STI eligibility. The gateway is set at 85% of the Target Operating NPATA, at which point 50% of the bonus pool becomes available for allocation. This financial result and the achievement of pre-financial metrics results in STI awards being made to Executive KMP in the range of 40% to 64% of the maximum STI. Refer section 2.1 for further detail. The FY2021 LTI grant was tested on 30 June 2023. The three-year performance period was significantly impacted by the COVID pandemic, prolonged merger and acquisition activities, and the PEXA IPO and demerger. There was a partial vesting of the EPS tranche and no vesting of the TSR tranche (refer page 41). Pro forma adjustments were made to Operating NPATA for PEXA earnings, and the impact of COVID related cost reduction initiatives in the base year of FY2020 for the calculation of the EPS tranche. Details of the COVID related initiatives were set out in Link Group's Investor Presentation 26 August 2021, slide 14 and the FY2022 Annual Results Presentation 30 August 2022, slide 13. Recognising the importance of retention of Executive KMP during the critical period of completing the sale of the BCM and FS businesses, implementing the FS Scheme, and delivering on the FY2024 financial results, the holding lock for vested PSRs and associated PEXA payment has been extended, so that no shares or PEXA payments will be available in 2023. In lieu of the usual holding lock periods whereby fifty percent of vested PSRs would be exercised in FY2023, twenty-five percent in FY2024 and twenty-five percent in FY2025, fifty percent of the vested PSRs and associated PEXA payments will be available in August 2024, and the remaining fifty percent in August 2025. Further detail on performance outcomes is provided in Section 2.1.
How is fixed remuneration determined and how is it positioned relative to the market?	Fixed remuneration generally includes base salary, superannuation and may include non-monetary benefits. Fixed remuneration is targeted around the median of the market. The market is defined as companies of similar size and/or industry in the country in which the Executive is based. Consideration is generally given to listed companies with market capitalisation 50% to 200% of Link Group's 12-month average market capitalisation. In markets where listed company data is not disclosed, market surveys are used and roles are compared against companies with revenue between 50% to 200% of Link Group's annualised revenue. This data is provided by external consultants and uses a combination of information which is publicly available, and data obtained through targeted market surveys. It enables a view to be formed on remuneration levels across the broader market. Fixed remuneration is generally reviewed against the market annually, however, there is no guaranteed annual increase.
What proportion of total target remuneration is 'at risk' and why is it considered appropriate for the business?	Generally, target total remuneration is positioned between the median and 75th percentile of the market. A significant portion of Executive KMP remuneration is 'at risk' subject to a combination of short and long-term performance hurdles. The 'at risk' components directly align executive pay with our strategic imperatives and shareholder value creation. The proportion of total target remuneration 'at risk' for Executive KMP ranges from 55% to 71%.

EXECUTIVE KMP REMUNERATION IN FY2023

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

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

The KMP remuneration mix is set out below.



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

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

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

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

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

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

What is the target and maximum STI opportunity each Executive KMP can earn under the STI plan?

The target STI opportunity for Executive KMP represents an opportunity to earn, on average, around 31% of total target remuneration. Target STI ranges from 75% to 100% of fixed remuneration.

EXECUTIVE KMP REMUNERATION IN FY2023

	Executive KMP have the opportunity to earn up to 150% of their target STI where the Operating NPATA is 110% of budget. This represents the maximum STI. No Executive KMP achieved maximum STI in FY2023.
What percentage of STI is deferred and for how long?	Fifty percent of any STI awarded to the Executive KMP, including the CEO & Managing Director, will be deferred into Link shares or rights. The deferred shares or rights are subject to a holding lock, one half of which are deliverable after one year and the remainder after two years.
How is the LTI aligned to the business strategy?	The LTI Plan measures performance over a three-year period against Operating EPS targets (75%) and relative TSR performance targets (25%), with no re-testing. The Operating EPS measure aligns to the purpose of the LTI Plan to support our growth strategy and has strong alignment to sustainable shareholder value. Our key focus is on delivering sustainable earnings growth to our shareholders. The use of Operating EPS as a performance measure is further reinforced by Link's growth strategy being underpinned by a disciplined approach to acquisitions as well as organic growth in our existing businesses. Link Group acknowledges that TSR performance relative to a basket of constituents is important to some investors. However, in the absence of a sizeable group of comparable industry peers, we also acknowledge that comparison to a broad group of S&P/ASX index constituents can give arbitrary results that are not reflective of the Company's performance. The lower weighting to TSR is reflective of this issue. One-half of any vested award is available to the participant at the end of the performance period. The remaining vested award is subject to an additional holding lock, of which 50% is available after a further year and 50% after two years. The Board has determined that the combination of the three-year vesting period and subsequent two-year holding lock provides participants alignment to Link Group's long-term growth strategy. The relative TSR component of the LTI granted in FY2023 is measured against 60 constituents of the S&P/ASX 100, excluding materials, utilities, industrials and energy companies. The Board retains discretion to make adjustments for any unintended remuneration outcomes arising from a relative TSR measure. Further detail is included in Section 3.1.
How are EPS targets determined?	The Operating EPS targets in relation to LTI grants are set with reference to the Group's growth strategy. The macroeconomic environment, market and industry peer practice and stakeholder expectations are also considered. The target range set provides appropriate stretch to executives and achievement provides strong returns to shareholders. For the purpose of the LTI, Operating EPS is calculated by dividing the Group's Operating NPATA by the undiluted weighted average number of shares on issue throughout the Performance Period. Operating NPATA reflects the underlying earnings of the business and excludes the impact of non-cash acquired amortisation and the after-tax impact of one-off significant items. The Board has discretion to include or exclude items from the calculations. A reconciliation of the Operating NPATA to statutory NPAT is set out in Table 2 of the Operating and Financial Review.
What are the minimum shareholding requirements for Executive KMP? Have Executive KMP met the requirements?	Executive KMP are required to hold a minimum shareholding of one year's fixed remuneration within five years of the date they are appointed as a KMP. Service based awards, including Deferred STI, retention grants, and vested LTI subject to a holding lock count towards this requirement. All Executive KMP with five or more years in an Executive KMP role are in compliance with the minimum shareholding requirement. See Table 14 for further detail.

NON-EXECUTIVE DIRECTOR REMUNERATION IN FY2023

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

2. SUMMARY INFORMATION

2.1 FY2023 Overview – alignment between performance and Executive KMP remuneration

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

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

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

Overall Performance

Table 1: Overall FY2023 Performance against expectations

Financial		Client/Customer		People		Overall
50% weight	+	30% weight	+	20% weight	=	Group Performance
Assessment		**Assessment**		**Assessment**		**Assessment**
Met Expectations		Met Expectations		Met Expectations		Met Expectations

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

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

Table 2: Performance of Executive KMP for FY2023

	Performance Commentary	Financial	Client / Customer	People	Overall
Vivek Bhatia	- Operating NPATA of $89.3 million was ~1.2% higher than FY2022 (excluding PEXA on a like for like basis); - Value realised for shareholders through the in-specie distribution of Link Group's share of PEXA; - Conditional settlement reached with the Financial Conduct Authority (UK); - Sale Agreements for the FS and BCM businesses signed, with transactions to be completed in FY2024 subject to required approvals; - Strategic priorities achieved, new clients acquired and key clients retained with the exception of HESTA who will not renew their contract in FY2025; - Acquisitions made across CM and RSS - Diversity targets were achieved, employee engagement improved by 19% exceeding target, and turnover target of a 10% improvement was achieved.	Met expectations	Below Expectations	Met Expectations	Met Expectations
Antoinette Dunne	- Operating EBIT of $(10.8) million was below target of $(8.5) million; - Revenue growth Target was not achieved; - Cost reduction objectives achieved across key business lines; - Buyer engaged for divestment of Banking and Credit Management, to complete in FY2024 subject to regulatory approval; - Key clients across primary and secondary markets were retained, with new wins in all jurisdictions; - Third co-investment in Italy delivered; - Diversity targets not met at Senior Leader level, but remains balanced for women in management overall, key senior leaders were retained, employee engagement improved by 54%, overall turnover target was achieved, and key initiatives were implemented.	Below expectations	Met expectations	Met expectations	Met expectations
Paul Gardiner	- Operating EBIT of $84.8 million exceeded target of $77.1 million; - Revenue growth was above target; - Key clients were retained with focus on building sustainable client relationships across the portfolio; - Acquisition of Better Orange in Germany to bring synergies to existing businesses in the geography; - Diversity targets were met, key senior leaders were retained, employee engagement improved by 15%, overall turnover target was achieved, and key initiatives were implemented.	Above expectations	Met expectations	Met expectations	Above expectations

	Performance Commentary	Financial	Client / Customer	People	Overall
Andrew MacLachlan	- Operating NPATA of $89.3 million was ~1.2% higher than FY2022 (excluding PEXA); - Capital Management (defined as Free Cashflow) performance of $40.7 million against a target of $47.2 million, representing an 86% achievement of target. Operating cash conversion was 101% which was above the guidance range of 90-100%; - PEXA in specie distribution successfully delivered in January 2023; - Total leverage ratio of 2.6 times EBITDA was within our guidance range of 2.0 to 3.0 times; - Diversity targets were not met, key senior leaders were retained, employee engagement improved by 26%, overall turnover target was achieved, and key initiatives were implemented.	Met expectations	Met expectations	Met expectations	Met expectations
Dee McGrath	- Operating EBIT of $117.9 million against a target of $121.9 million; - Revenue growth above target; - HESTA contract will not be renewed in in FY2025; - REST 5 year contract renewed, Australian Super 2 year extension, AMIST and RBF renewals; - Geographic expansion and strategic acquisitions in Hong Kong (with HSBC), and the UK (HS Pension, strong growth through Cushon); - Strong pipeline and new client in NZ, acquisition of 100% of the Empirics business and increasing our shareholding in MoneySoft; - PROGRSS program has assisted in lifting operational performance and productivity in key areas; - New Pathfinder retirement platform delivered, a new adviser portal, member online enhancements and member application; - Diversity targets were exceeded, key senior leaders were retained, employee engagement improved by 4%, overall turnover target was achieved, and key initiatives were implemented.	Met expectations	Below expectations	Met expectations	Met expectations
Karl Midl	- Operating EBIT of $17.8 million was below target of $23.8 million; - Revenue growth was below Target; - Key clients were retained; - Buyer engaged for divestment of Fund Solutions businesses, to complete in FY2024 subject to regulatory approval; - Diversity targets were not achieved, key senior leaders were retained, employee engagement improved by 31%, overall turnover target was achieved, and key initiatives were implemented.	Below expectations	Met expectations	Met expectations	Met expectations

Table 3: STI amounts awarded [2]

See section 3 for an outline of the STI plan

Name	Actual STI	Cash	Deferred	Maximum STI	Outcome
Vivek Bhatia	$1,246,000.00	$623,000 (Cash)	$623,000 (Deferred restricted shares)	$2,100,000	59% of maximum STI achieved (41% forfeited)
Antoinette Dunne	$211,924	$105,962 (Cash)	$105,962 (Deferred share rights)	$523,987	40% of maximum STI achieved (60% forfeited)
Paul Gardiner	$485,000	$242,500 (Cash)	$242,500 (Deferred restricted shares)	$753,750	64% of maximum STI achieved (36% forfeited)
Andrew Maclachlan	$406,500	$203,250 (Cash)	$203,250 (Deferred restricted shares)	$675,000	60% of maximum STI achieved (40% forfeited)
Dee McGrath	$402,000	$201,000 (Cash)	$201,000 (Deferred restricted shares)	$753,750	53% of maximum STI achieved (47% forfeited)
Karl Midl	$210,865	$105,432 (Cash)	$105,432 (Deferred share rights)	$482,487	44% of maximum STI achieved (56% forfeited)

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

Table 4 outlines the financial performance of Link Group.

Table 4: Five-year performance of Link Group

		2023	2022	2021	2020	2019
Statutory EPS	(cents)	**(81.69)**	(13.14)	(30.75)	(19.67)	60.71
Operating EPS (excluding PEXA)	(cents)	**17.47**	17.07	15.94	22.65	36.83
Operating EBIT	($millions)	**178.10**	153.90	141.40	179.70	291.50
Operating NPATA	($millions)	**99.10**	121.30	113.20	137.60	196.90
Operating NPATA (excluding PEXA)	($millions)	**89.30**	88.20	84.70	120.40	195.90
Net Profit (loss) after tax	($millions)	**(417.70)**	(67.60)	(162.70)	(102.50)	324.10
Change in share price to 30 June	($)[3]	**(0.30)**	(0.65)	0.49	(0.47)	(1.21)
Declared Dividends	(cents per share)	**8.50**	11.00	10.00	19.00	20.50

FY2021 LTI Grant Outcome

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

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

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

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

FY2021 EPS Grant Outcome

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

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

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

FY2021 TSR Grant Outcome

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

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

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

Actual Remuneration Received

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

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

Table 5: Actual remuneration received in FY2023 and FY2022[4,5]

	Year	FIXED REMUNER-ATION[6] $	LEAVE ACCRUALS[7] $	CASH STI PAID[8] $	DEFERRED STI REALISED[9] $	LTI REALISED $	SERVICE BASED GRANTS REALISED[10,11] $	TERMIN-ATION BENEFITS $	TOTAL REMUNER-ATION $
Vivek Bhatia	2023	1,400,000	99,237	686,000	915,470	-	925,003	N/A	4,025,710
	2022	1,375,000	90,692	942,500	-	-	-	N/A	2,408,192
Antoinette Dunne[12]	2023	489,907	(14,207)	225,278	115,098	-	11,783	N/A	827,859
	2022	491,031	2,984	187,201	-	-	16,659	N/A	697,874
Paul Gardiner	2023	670,000	(19,560)	271,350	283,060	-	362,500	N/A	1,567,350
	2022	671,000	22,350	252,500	-	-	40,797	N/A	986,647
Andrew MacLachlan	2023	600,000	(27,526)	216,000	282,164	-	25,839	N/A	1,096,477
	2022	600,000	22,516	287,500	-	-	36,531	N/A	950,479
Dee McGrath[13]	2023	670,000	11,082	241,200	289,101	-	60,931	N/A	1,272,314
	2022	658,750	25,824	281,500	-	-	100,746	N/A	1,066,820
Karl Midl[4]	2023	450,888	9,605	133,287	106,248	-	11,550	N/A	711,578
	2022	169,777	4,064	-	-	-	-	N/A	182,872

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

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

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

7 Leave accruals refers to movement in Annual Leave accruals.

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

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

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

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

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

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

2.2 Executive KMP statutory remuneration table

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

Table 6: Executive KMP statutory remuneration

		SHORT-TERM BENEFITS				POST-EMPLOYMENT BENEFITS	OTHER LONG-TERM BENEFITS		EQUITY BASED PAYMENTS					
NAME	YEAR	SALARY[14] $	CASH STI $	NON-MONETARY BENEFITS[15] $	OTHER BENEFITS[16] $	SUPER-ANNUATION BENEFITS $	LONG SERVICE LEAVE $	TERMINATION BENEFITS $	LTI $	SERVICE BASED GRANTS $	DEFERRED STI[17] $	TOTAL $	% OF REMUNERATION RELATED TO PERFORMANCE	VALUE OF PSRS AS A % OF REMUNERATION
CONTINUING EXECUTIVE KMP														
Vivek Bhatia	**2023**	**1,471,837**	**623,000**	**14,401**		**27,400**	**8,560**		**1,456,484**	**125,877**	**734,854**	**4,462,413**	**30%**	**33%**
	2022	1,442,124	686,000	13,869		23,568	3,153	-	1,039,857	554,011	758,570	4,521,152	32%	23%
Antoinette Dunne[18]	**2023**	**452,371**	**105,962**	**-**	**98,880**	**23,329**	**-**	**-**	**164,412**	**3,532**	**127,358**	**975,844**	**24%**	**17%**
	2022	470,632	151,780	-	24,941	23,382	-	-	81,182	15,043	113,110	880,070	30%	9%
Paul Gardiner	**2023**	**625,147**	**242,500**	**13,599**		**25,292**	**12,109**	**-**	**350,026**	**74,400**	**265,173**	**1,608,246**	**32%**	**22%**
	2022	669,782	271,350	12,862		23,568	12,104	-	244,004	236,837	239,707	1,710,214	30%	14%
Andrew MacLachlan	**2023**	**547,181**	**203,250**	**13,824**		**25,292**	**10,847**	**-**	**313,454**	**7,746**	**232,497**	**1,354,091**	**32%**	**23%**
	2022	598,948	216,000	14,005		23,568	10,840	-	218,509	177,611	234,201	1,493,682	30%	15%
Dee McGrath	**2023**	**655,789**	**201,000**	**9,326**		**25,292**	**16,368**	**-**	**292,510**	**11,206**	**240,960**	**1,452,451**	**30%**	**20%**
	2022	661,006	241,200	9,277		23,568	9,954	-	159,013	208,866	241,694	1,554,578	31%	10%
Karl Midl[18, 19]	**2023**	**439,022**	**105,432**	**-**	**26,839**	**21,471**	**-**	**-**	**135,026**	**3,462**	**119,251**	**850,503**	**26%**	**16%**
	2022	173,841	64,361	-	12,967	9,031	-	-	30,814	87,731	81,746	460,491	32%	7%

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

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

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

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

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

19 Karl Midl commenced as KMP on 1 February 2022.

				SHORT-TERM BENEFITS		POST-EMPLOYMENT BENEFITS	OTHER LONG-TERM BENEFITS		EQUITY BASED PAYMENTS					
NAME	YEAR	SALARY[20] $	CASH STI $	NON-MONETARY BENEFITS[21] $	OTHER BENEFITS[22] $	SUPER-ANNUATION BENEFITS $	LONG SERVICE LEAVE $	TERMINATION BENEFITS $	LTI $	SERVICE BASED GRANTS $	DEFERRED STI[23] $	TOTAL $	% OF REMUNERATION RELATED TO PERFORMANCE	VALUE OF PSRS AS A % OF REMUNERATION
EXECUTIVES THAT CEASED TO BE KMP														
Chris Addenbrooke[24]	2023	-	-	-		-	-	-	-	-	-	-	-	-
	2022	260,964	-	21,684		13,735	-	-	139,923	130,562	131,754	698,622	19%	20%
Total	2023	4,191,347	1,481,144	51,150	125,719	148,076	47,884		2,711,912	226,223	1,720,093	10,703,548	30%	25%
	2022	4,277,297	1,630,691	71,697	37,908	144,352	36,051	-	1,913,302	1,410,661	1,800,782	11,322,741	30%	17%

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

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

22 Other benefits include a car allowance for Karl Midl and Antoinette Dunne and car parking for other Executive KMP.

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

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

3. DETAILED REMUNERATION INFORMATION

3.1 Detail of Executive KMP remuneration framework

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

Table 7: FY2023 approach

STI	
Opportunity	Any STI awarded is subject to the achievement of annual targets. The target STI opportunity for Executive KMP represents an opportunity to earn on average around 31% of total target remuneration. Target STI ranges from 75% to 100% of fixed remuneration. Executive KMP have the opportunity to earn up to 150% of their target STI where the Operating NPATA is 110% of budget. This represents the maximum STI. The actual STI pool, as well as the quantum of an individual KMP's STI, is performance based and subject to Board discretion. 50% of any STI paid is delivered as cash with the remaining 50% awarded in the form of Link Group shares or rights with a holding lock of up to two years.
Gateway	A minimum level of Operating NPATA must be achieved before any STI is paid. This level is set by the Board annually once the Budget is approved. In FY2023, the STI gateway for Executive KMP was 85% of Target Operating NPATA at which point, 50% of the STI pool becomes available for allocation. As the STI gateway target was exceeded, Executive KMP were eligible to be considered to receive a STI payment in FY2023.
Performance measures	Allocation of the STI is by achievement of a balanced scorecard of relevant corporate, business unit (where relevant) and individual measures aligned to our strategic objectives comprising a combination of Operating NPATA, business Operating EBIT and individual strategic goals. Goals vary by role and across financial years but broadly fall under the categories of Financial Performance (Company and Divisional), Client / Customer and People. In providing a final assessment of performance against goals, the Board may use its discretion as detailed below. For FY2023, the weighting of financial (which includes Operating NPATA, Operating EBIT and Revenue Growth) to pre-financial goals (Client / Customer and People goals) was 50%/50% for the CEO & Managing Director and other Executive KMP. Further detail is provided in Section 2.2.
STI Deferral	In FY2023, deferral of 50% of any earned STI into equity was mandated for Executive KMPs. Deferral is into Link Group shares or rights which are subject to a holding lock for a period of up to two years. The use of shares or rights is determined based on tax treatment in the country of issue.
Board Discretion	In reviewing the final assessment of annual performance against KPIs and STI awarded, the Board may in its discretion take into consideration: • company, business unit and individual performance; • external market factors; • alignment to Link Group's core values and behaviours; • internal and external stakeholder relationship management; • prudent risk taking; and • the impact of circumstances, either positive or negative, that arise through the year such as an acquisition or disposal event, fraud, information security or privacy breach, reputational damage, client wins or losses, and any other events it deems relevant. The Board endeavours to apply discretion fairly and consistently and considers the use of discretion in the awards of STI to Executive KMP based on: • Link Group and relevant Business Unit performance;

	• results of individual ELT performance reviews which are based on weighted KPIs set at the commencement of the year, and includes an assessment in relation to behaviours and risk management; and • input from the Risk Committee Chair and Enterprise Risk on risk and compliance factors including: ○ deliberate and/or repeated inadvertent breaches of laws, regulations, or group policies; ○ failure to obtain pre-approval for trading in Link Group shares; ○ mandatory training completion rate; ○ high or critical risk incidents and/or audit items remaining open for more than six (6) months and with no action plan to address them; ○ upheld employee grievances or whistleblowing matters and any disciplinary actions; and ○ qualitative assessment on embedding a culture of good risk management.
Clawback	The Board has the discretion to determine that a portion or all of an employee's unvested or vested short-term incentive (STI) and long-term incentive (LTI) awards be forfeited if, in the Board's opinion, adverse circumstances affecting the performance, reputation or risk profile of Link Group have come to the Board's attention which circumstances, had they been known at the time when the STI or LTI was made, would have caused the Board to make a different award or no award. No Board discretion in relation to clawback was applied in FY2023.
Termination	The Board has the discretion to determine the treatment of deferred STI in the event an Executive KMP ceases employment during the vesting period.
LTI – OMNIBUS EQUITY PLAN	
Award vehicle	Awards are delivered in the form of PSRs. No dividends are paid during the performance period. Participants are entitled to receive dividends and to exercise voting rights attaching to those shares post-vesting while the shares are subject to the holding lock. A cash-settled alternative (through the issue of indeterminate rights) is included in the Omnibus Equity Plan.
Opportunity	The maximum grant value of LTI opportunities represents 22% to 43% of the total target remuneration package for continuing Executive KMP, or 50% to 150% of fixed remuneration. The number of performance rights granted was determined based on the opportunity available to each participant divided by the twenty trading day VWAMP from 31 August 2022.
Performance measures	The following performance measures apply for FY2023 grants under the LTI: • Operating EPS (75%) – EPS is calculated by dividing Link Group's Operating NPATA by the undiluted weighted average number of shares on issue throughout the performance period. The Board has discretion to include or exclude items from the calculations. Franking credits are excluded from the calculations. Operating NPATA is a measure consistently used internally and by which both Management and the market tracks Link Group's performance. Operating NPATA reflects the underlying earnings of the business and excludes the impact of non-cash acquired amortisation as well as the after-tax impact of one off significant items. While an internal measure, it receives assurance at each level within the business. The use of Operating EPS as a performance measure reinforces Link's growth strategy which is underpinned by a disciplined approach to acquisitions as well as organic growth in our existing businesses. This strategy requires dealing effectively with the inherent complexity in managing an acquisitions pipeline and the need to integrate well and achieve synergies. PSRs are subject to a compound annual growth rate in EPS of between a threshold target of 5% and a stretch target of 10%. This target range provides appropriate stretch to executives, is competitive against the ranges set by industry peers and achievement should result in strong returns to shareholders. Our key focus is on delivering earnings growth to our shareholders. The Operating EPS measure strongly supports the aim of the LTI principles in supporting our growth strategy. • TSR (25%) – relative to the constituents of the S&P/ASX 100, excluding materials, utilities, industrials and energy companies. Our starting comparator group, before consideration of any corporate actions during the vesting period, is 56 companies for the FY2023 grant.

	TSR takes into account the change in Link Group's share price over the relevant performance period, as well as the dividends paid (dividends are assumed to be reinvested in Link Group shares). Link Group acknowledges that TSR performance relative to a basket of constituents is important to some investors. However, in the absence of a sizeable group of comparable industry peers, we also acknowledge that comparison to a broad S&P/ASX index constituents group can give arbitrary results that are not reflective of the Company's performance. The lower weighting on TSR is reflective of this.
Vesting schedule	The vesting schedule for the EPS portion is as follows:

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

The vesting schedule for the TSR portion is as follows:

LINK GROUP'S RELATIVE TSR RANKING	PERCENTAGE OF PERFORMANCE RIGHTS THAT WILL VEST
Link Group ranks below the 50th percentile	0%
Link Group ranks at the 50th percentile	50%
Link Group ranks between the 50th and 75th percentile	Pro-rata between 50% (at 50th percentile) and 100% (at 75th percentile)
Link Group ranks at or above the 75th percentile	100%

Transaction impact	As a framework for assessing the treatment of transactions, the Board uses a number of principles against which to assess the impact of a transaction on the LTI: 1. preserve the value of the awards held by employees; 2. reward for the success of the transaction; 3. maintain the level of stretch expected when the original targets were set; 4. be consistent with general market/shareholder expectations; and 5. maintain the integrity of each year's remuneration as awarded. Each transaction is assessed against these criteria on a case by case basis.
Performance period and holding lock	Performance is measured over a three-year period. Awards lapse at the end of three years to the extent performance measures are not met. There is no retesting of awards. One-half of any vested award is available to the participant at the end of the performance period. A holding lock applies to the remaining 50%; one-half of which is then available after a further one and two years respectively. Shares are delivered upon PSRs vesting and are held by a trustee while the holding lock applies.
Clawback	Under the Omnibus Equity Plan, the Board has the discretion to determine that a portion or all of an employee's unvested or vested short-term incentive (STI) and long-term incentive (LTI) awards be forfeited if, in the Board's opinion, adverse circumstances affecting the performance, reputation or risk profile of Link Group have come to the Board's attention which circumstances, had they been known at the time when the STI or LTI was made, would have caused the Board to make a different award or no award.
Termination	In the event of a cessation of employment for a 'qualifying reason' (for example, death, serious injury, disability or illness, genuine retirement or retrenchment), equity will be retained 'on-foot' and will be tested against performance hurdles at the original vesting date alongside other participants, having regard to the portion of the performance period served, unless otherwise determined by the Board.

Change of control	The Board has the discretion to vest outstanding awards taking into account the portion of the vesting period and performance against hurdles at the time of the change of control and any replacement equity offered by third parties.
Treatment of dividends	Participants are not eligible to receive dividends on PSRs until rights are vested and converted into shares. Dividends apply to shares subject to a holding lock.
Hedging policy	Executive KMP are not permitted to hedge unvested award nor awards subject to a holding lock.
Minimum Shareholding Requirement	Executive KMP are required to hold a minimum of one year's annual fixed remuneration within five years of the date that they are appointed as a KMP. Deferred STI, service based awards and vested LTI subject to a holding lock count towards this requirement.

3.2 Key terms of employment contracts

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

Table 8: Employment terms

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

All employment contracts contain:

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

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

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

Any termination payments are paid within applicable legislative requirements.

3.3 Non-Executive Director fees and statutory remuneration table

Non-Executive Director fee policy

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

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

Table 9: Non-Executive Director fees [25]

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

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

Fees paid to NEDs during FY2023 and FY2022 were:

Table 10: Statutory remuneration for Non-Executive Directors

NAME	YEAR	FEES[26] $	SUPERANNUATION BENEFITS $	TOTAL $
Michael Carapiet	**2023**	**392,956**	**-**	**392,956**
	2022	472,327	-	472,327
Glen Boreham, AM	**2023**	**234,505**	**-**	**234,505**
	2022	263,798	-	263,798
Andrew (Andy) Green, CBE[27]	**2023**	**303,763**	**-**	**303,763**
	2022	316,433	-	316,433
Peeyush Gupta, AM	**2023**	**198,773**	**19,877**	**218,650**
	2022	189,550	18,955	208,505
Anne McDonald	**2023**	**198,773**	**19,877**	**218,650**
	2022	189,550	18,955	208,505
Sally Pitkin, AO	**2023**	**225,596**	**-**	**225,596**
	2022	263,728	-	263,728
Fiona Trafford-Walker	**2023**	**234,505**	**-**	**234,505**
	2022	224,505	-	224,505
Total	**2023**	**1,788,871**	**39,754**	**1,828,625**
	2022	1,919,891	37,910	1,957,801

Minimum shareholding requirements

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

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

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

3.4 Remuneration governance

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

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

Figure 2

BOARD

- Oversees Non-Executive Director and Executive KMP remuneration and remuneration policies;
- With assistance of the Human Resources and Remuneration Committee (HRRC):
  - Monitors performance of the Managing Director and Senior Executives; and
  - Reviews alignment of remuneration policies with the Company's purpose, values, strategic objectives and risk appetite; and
- Reviews and approves recommendation from HRRC.

HUMAN RESOURCES AND REMUNERATION COMMITTEE

Is responsible for reviewing:

- Alignment of remuneration policies and practices with the human resources strategy, the company's purpose, values, strategic objectives and risk appetite;
- Attraction and retention of capable and committed employees and Directors; and
- Alignment of Executive KMP remuneration to sustainable shareholder returns, and Link Group's strategic and operational imperatives.

THE COMMITTEE:

- Makes recommendations to the Board on Link Group's remuneration strategy and framework;
- Makes recommendations on NED remuneration;
- Makes recommendations to the Board on Executive KMP KPIs, performance and remuneration;
- Reviews and recommends to the Board Executive KMPs' terms of employment; and
- Considers recommendation from Management

EXTERNAL ADVISORS

- Provide independent advice to the Committee and / or Management on remuneration market data, market practice and other remuneration related matters; and
- Provide independent advice to the Committee on Management proposals.

RISK COMMITTEE

- Confirm people and culture related risks are regularly monitored and controls are reviewed and integrated into the Company's Risk Management Framework; and
- Provide a risk related perspective on policies and frameworks for Executive KMP remuneration and awarding of Executive KMP incentives.

MANAGEMENT

Makes recommendations to the Committee on Link Group's remuneration strategy and framework.

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

3.5 Additional required disclosures

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

Table 11: FY2023 Grant of PSRs to Continuing Executive KMP

	TOTAL NUMBER OF PSRS AS AT 1 JULY 2022	PSRS GRANTED IN FY2023	GRANT DATE	EXERCISE PRICE FOR PSRS GRANTED IN FY2023	FAIR VALUE OF PSRS GRANTED IN FY2023[28]		TOTAL NUMBER OF PSRS VESTED DURING THE YEAR	TOTAL NUMBER OF PSRS FORFEITED /LAPSED OR EXPIRED DURING THE YEAR[29]	TOTAL NUMBER OF PSRS AS AT 30 JUNE 2023
					EPS $	TSR $			
CONTINUING EXECUTIVE KMP									
Vivek Bhatia	952,017	860,655	5 Dec 2022, 6 Feb 2023	Nil	3.16	1.62	-	-	1,812,672
Antoinette Dunne	92,688	119,224	5 Dec 2022	Nil	3.16	1.62	-	16,347	195,565
Paul Gardiner	328,854	228,825	5 Dec 2022	Nil	3.16	1.62	-	92,166	465,513
Andrew MacLachlan	294,495	204,917	5 Dec 2022	Nil	3.16	1.62	-	82,537	416,875
Dee McGrath	209,539	228,825	5 Dec 2022	Nil	3.16	1.62	-	57,317	381,047
Karl Midl	87,577	111,046	5 Dec 2022	Nil	3.16	1.62	-	23,856	174,767

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

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

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

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

Table 12: Equity granted as service based only

	SERVICE BASED GRANTS AS AT 1 JULY 2022[30]	GRANT DATE	SERVICE BASED GRANTS GRANTED IN FY2023	EXPIRY DATE FOR SERVICE BASED GRANTS GRANTED IN FY2023[31]	EXERCISE PRICE FOR SERVICE BASED GRANTS GRANTED IN FY2023	FAIR VALUE OF SERVICE BASED GRANTS GRANTED IN FY2023 $	TOTAL NUMBER OF SERVICE BASED GRANTS VESTED DURING THE YEAR	TOTAL NUMBER OF UNVESTED SERVICE BASED GRANTS AS AT 30 JUNE 2023[32]
CONTINUING EXECUTIVE KMP								
Vivek Bhatia	279,457	N/A	-	N/A	N/A	N/A	279,457	0
Antoinette Dunne	3,386	N/A	-	N/A	N/A	N/A	3,386	0
Paul Gardiner	107,296	N/A	-	N/A	N/A	N/A	107,296	0
Andrew MacLachlan	74,477	N/A	-	N/A	N/A	N/A	40,951	33,526
Dee McGrath	84,841	N/A	-	N/A	N/A	N/A	50,198	34,643
Karl Midl	42,433	N/A	-	N/A	N/A	N/A	22,876	19,557

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

Table 13: Equity granted as under the Deferred STI program

	DEFERRED STI AS AT 1 JULY 2022	INSTRUMENT	GRANT DATE	DEFERRED STI GRANTED IN FY2023	EXPIRY DATE FOR DEFERRED STI GRANTED IN FY2023[33]	EXERCISE PRICE FOR DEFERRED STI GRANTED IN FY2023	FAIR VALUE OF DEFERRED STI GRANTED IN FY2023	TOTAL NUMBER OF DEFERRED STI VESTED DURING THE YEAR	TOTAL NUMBER OF DEFERRED STI AS AT 30 JUNE 2023
CONTINUING EXECUTIVE KMP									
Vivek Bhatia	210,656	Restricted shares	5 Dec 2022	187,431	31 Aug 2024	Nil	3.48	105,328	292,759
Antoinette Dunne	13,594	Share rights	5 Dec 2022	40,909	31 Aug 2024	Nil	3.48	6,797	47,706
Paul Gardiner	56,435	Restricted shares	5 Dec 2022	74,139	31 Aug 2024	Nil	3.48	28,218	102,356
Andrew MacLachlan	64,258	Restricted shares	5 Dec 2022	59,016	31 Aug 2024	Nil	3.48	32,129	91,145
Dee McGrath	62,917	Restricted shares	5 Dec 2022	65,901	31 Aug 2024	Nil	3.48	31,459	97,359
Karl Midl	13,343	Share rights	5 Dec 2022	36,417	31 Aug 2024	Nil	3.48	6,672	43,088

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

31 No Service based grants were made in FY2023.

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

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

Movements in shareholdings

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

Table 14: Shareholding movement and minimum shareholding status[34]

	BALANCE AT 1 JULY 2022	RECEIVED ON EXERCISE OF OPTIONS/ RIGHTS	PURCHASED/ ACQUIRED	DISPOSED[35]	BALANCE AT 30 JUNE 2023	MINIMUM SHAREHOLD-ING STATUS
Michael Carapiet	2,092,160	-	-	-	2,092,160	Met
Glen Boreham, AM	124,214	-	-	-	124,214	Met
Andrew (Andy) Green, CBE	26,030	-	-	-	26,030	Met
Peeyush Gupta, AM	48,160	-	-	-	48,160	Met
Anne McDonald	33,339	-	-	-	33,339	Met
Sally Pitkin, AO	85,517	-	-	-	85,517	Met
Fiona Trafford-Walker	32,128	-	-	-	32,128	Met
Vivek Bhatia	490,113	-	187,431	-	677,544	Met
Antoinette Dunne	3,386	10,183	-	3,535	10,034	N/A
Paul Gardiner	950,081		74,139	-	1,024,220	Met
Andrew MacLachlan	175,240	33,526	59,016	-	267,782	Met
Dee McGrath	143,711	34,644	65,901	-	244,256	Met
Karl Midl[36]	1,755	29,548	-	13,888	17,415	N/A

Loans to Key Management Personnel and their related parties

There were no loans to Executive KMP during the year.

Other transactions with Key Management Personnel

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

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

34 Current KMP who have not met the threshold and are not yet required to meet the threshold are shown as N/A.

35 The UK and Ireland have a tax withholding requirement at vesting, and shares may be sold to cover the required withholding tax.

36 Opening balance for Karl Midl has been corrected from closing balance in FY2022.

OTHER INFORMATION

Significant Changes in State of Affairs

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

Events Subsequent to Reporting Date

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

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

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

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

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

Likely Developments

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

Environmental Regulation

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

Indemnification and Insurance

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

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

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

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

Corporate Governance

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

Proceedings on behalf of the Company

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

Rounding Off

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

Non-audit services

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

- all non-audit services were subject to the corporate governance procedures adopted by Link Group and have been reviewed by the Audit Committee to ensure they do not impact the integrity and objectivity of the auditor; and

- the non-audit services provided do not undermine the general principles relating to auditor independence as set out in APES 110 Code of Ethics for Professional Accountants, as they did not involve reviewing or auditing the auditor's own work, acting in a management or decision making capacity for Link Group, acting as an advocate for Link Group or jointly sharing risks and rewards.

Details of the amounts paid to KPMG for audit and non-audit services provided during the year are disclosed in Note 30 to the financial statements. The Lead Auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out on page 57 and forms part of the Directors' Report for the financial year ended 30 June 2023.

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

Dated 28 August 2023 at Sydney.

Michael Carapiet

Chair

Vivek Bhatia

Chief Executive Officer & Managing Director

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

To the Directors of Link Administration Holdings Limited

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

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

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

Eileen Hoggett
Partner

Sydney
28 August 2023

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

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

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

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

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

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

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

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

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

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

CONSOLIDATED STATEMENT OF FINANCIAL POSITION as at 30 June 2023

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

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
as at 30 June 2023

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

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
as at 30 June 2022

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

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

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

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

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

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

PREPARATION OF THIS REPORT

1. GENERAL INFORMATION

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

2. BASIS OF PREPARATION

(a) Statement of compliance

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

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

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

Link Group continues to be resilient in response to the challenges brought on by global macroeconomic and geopolitical risks across all global markets. Link Group's response was aided by a) continuing investment in new technology and products to enable better servicing of our clients, b) a resilient earnings profile supporting operating cash flow, with approximately 82% of total revenue recurring in nature, c) additional initiatives implemented to reduce costs and support operating cash flow, d) a strong liquidity position supported by cash reserves and committed, undrawn credit facilities, e) debt serviceability and leverage remained comfortably within existing bank covenants.

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

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

(b) Basis of measurement

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

(c) Functional and presentation currency

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

(d) Use of estimates and judgements

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

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

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

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

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

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

(e) Foreign currency

Foreign currency transactions

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

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

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

Foreign operations

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

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

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

(f) Rounding off

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

(g) Changes in accounting policies and estimates

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

Change in estimates

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

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

Assets held for sale

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

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

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

OPERATING RESULTS

3. OPERATING SEGMENTS

(a) Reportable segments

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

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

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

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

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

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

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

1. 2022 numbers have been restated to disclose the impact of discontinued operations. Details are included in Note 4 – Discontinued Operations and Assets held for sale.
2. Operating EBIT includes FS and BCM less stranded costs of $7.9 million.

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

(b) Reconciliation of reportable segments

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

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

[1] 2022 numbers have been restated to disclose the impact of discontinued operations. Details are included in Note 4 - Discontinued Operations and Assets held for sale.
[2] Impairment expense comprises a) $368.6 million related to the sale of FS assets and associated assets impairment, b) $25.3 million related to the sale of BCM and associated Goodwill impairment, c) $28.8 million premises impairments, and d) $0.9 million other Intangibles.
[3] Business combination/acquisition & divestment costs includes onerous premises related outgoings of $4.9m.

(c) Geographic information

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

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

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

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

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

(d) Major clients

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

Segment reporting

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

4. DISCONTINUED OPERATIONS AND ASSETS HELD FOR SALE

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

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

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

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

Banking & Credit Management

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

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

Fund Solutions

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

(i) the business and certain assets of LFSL;

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

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

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

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

Link Group has also signed a conditional sale agreement with Altum Group for the sale of Link Fund Solutions (Luxembourg) S.A. and Link Fund Solutions (Switzerland) SA. As per the announcement on 20 April 2023, Link Group has agreed to contribute any available net consideration it receives to the Scheme if it completes a sale of the Luxembourg and Swiss entities which form part of the FS

Business prior to the date on which the distribution under the Scheme takes place. Link Group expect to complete the sale by 3Q FY2024, subject to regulatory approval in Luxembourg.

(a) Results of discontinued operations

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

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

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

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

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

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

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

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

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

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

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

5. EQUITY-ACCOUNTED INVESTMENTS

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

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

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

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

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

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

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

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

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

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

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

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

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

(c) Individually immaterial equity-accounted investments

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

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

Equity-accounted investments

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

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

6. REVENUE

Revenue

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

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

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

(a) Disaggregation of revenue

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

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

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

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

(b) Contract balances

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

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

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

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

(c) Unsatisfied performance obligations

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

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

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

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

(d) Contract fulfilment costs

The following table provides information about contract fulfilment costs.

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

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

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

7. ADMINISTRATIVE AND GENERAL EXPENSES

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

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

8. EARNINGS PER SHARE

(a) Basic earnings per share

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

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

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

(b) Diluted earnings per share

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

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

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

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

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

9. TAXATION

(a) Income tax expense

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

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

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

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

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

(c) Tax recognised in other comprehensive income and equity

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

(d) Deferred tax assets/(liabilities)

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

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

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

(e) Unrecognised tax losses

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

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

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

Significant accounting estimate and judgement

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

(f) Franking credits

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

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

Current tax

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

Deferred tax

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

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

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

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

Offsetting deferred tax balances

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

Tax consolidation or grouping

Australia

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

Overseas

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

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

OPERATING ASSETS AND LIABILITIES

10. TRADE AND OTHER RECEIVABLES

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

Trade receivables

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

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

Investment management debtors

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

Lease receivables

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

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

11. TRADE AND OTHER PAYABLES

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

Trade and other payables

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

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

12. FUND ASSETS AND LIABILITIES

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

Fund assets and liabilities

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

13. PROVISIONS

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

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

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

Significant accounting estimate and judgement

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

14. EMPLOYEE BENEFITS

	2023 $'000 CONTINUING OPERATIONS	2022 $'000
Current		
Employee entitlements	47,146	50,397
Non-current		
Employee entitlements	5,715	5,546

Long-term employee benefits

Link Group's net obligation in respect of long-term employee benefits is the amount of future benefit that employees have earned in return for their service in the current and prior periods plus related on-costs. That benefit is discounted to determine its present value and the fair value of any related assets is deducted.

Short-term employee benefits

Liabilities for employee benefits for wages, salaries, and annual leave represent present obligations resulting from employees' services provided to reporting date and are calculated at undiscounted amounts based on remuneration wage and salary rates that Link Group wholly expects to pay as at the reporting date including related on-costs (where applicable).

15. PLANT AND EQUIPMENT

	PLANT & EQUIPMENT $'000	FIXTURES & FITTINGS $'000	RIGHT-OF-USE $'000	TOTAL $'000
Cost				
Balance at 1 July 2022	106,414	102,287	300,495	509,196
Acquisitions through business combinations	132	–	315	447
Additions	8,784	8,286	9,654	26,724
Reclassification to assets held for sale	(5,883)	(3,731)	(18,608)	(28,222)
Effects of movements in exchange rates	1,813	1,187	6,646	9,646
Disposals/write offs	(11,121)	(14,139)	(46,472)	(71,732)
Balance at 30 June 2023	100,139	93,890	252,030	446,059
Depreciation and impairment losses				
Balance at 1 July 2022	(77,295)	(44,673)	(113,056)	(235,024)
Depreciation charge for the year	(12,902)	(7,070)	(23,449)	(43,421)
Impairment expense for the year[1]	(461)	(5,884)	(22,421)	(28,766)
Reclassification to assets held for sale	1,423	915	6,430	8,768
Effects of movements in exchange rates	(969)	(266)	(2,848)	(4,083)
Disposals/write offs	8,460	9,298	33,439	51,197
Balance at 30 June 2023	(81,744)	(47,680)	(121,905)	(251,329)
Carrying amount at 30 June 2023	18,395	46,210	130,125	194,730

[1] Impairment expense for the year on the Statement of profit or loss and other comprehensive income includes $2.0 million related to the impairment of deferred tax assets.

	PLANT & EQUIPMENT $'000	FIXTURES & FITTINGS $'000	RIGHT-OF-USE $'000	TOTAL $'000
Cost				
Balance at 1 July 2021	95,084	77,656	251,987	424,727
Acquisitions through business combinations	72	–	118	190
Additions	16,200	31,037	119,277	166,514
Effects of movements in exchange rates	(1,008)	(278)	(3,064)	(4,350)
Disposals/write offs	(3,934)	(6,128)	(67,823)	(77,885)
Balance at 30 June 2022	106,414	102,287	300,495	509,196
Depreciation and impairment losses				
Balance at 1 July 2021	(66,140)	(35,958)	(106,918)	(209,016)
Depreciation charge for the year	(15,407)	(6,531)	(27,139)	(49,077)
Impairment expense for the year	–	(5,434)	(17,002)	(22,436)
Effects of movements in exchange rates	543	185	1,009	1,737
Disposals/write offs	3,709	3,065	36,994	43,768
Balance at 30 June 2022	(77,295)	(44,673)	(113,056)	(235,024)
Carrying amount at 30 June 2022	29,119	57,614	187,439	274,172

Recognition and measurement

Items of plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses. Cost includes expenditures that are directly attributable to the acquisition of the asset. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

The expected useful life and the depreciation methods are listed below:

ITEM	USEFUL LIFE	DEPRECIATION METHOD
Plant & equipment	3-8 years	Straight-line
Fixtures & fittings	2-10 years	Straight-line
Right-of-use assets	Non-cancellable lease period	Straight-line

Depreciation methods, useful lives and residual values are reassessed at the reporting date.

Right-of-use assets

At the inception of a contract, Link Group assesses whether the contract is, or contains, a “lease” in accordance with the requirements of AASB 16 Leases. Criteria include that:

- the contract must convey the right to control the use of an identifiable asset;
- Link Group must have the right to obtain substantially all the economic benefits from the asset; and
- Link Group must have the right to direct the use of the asset.

Link Group recognises a right-of-use asset at commencement date. Right-of-use assets are initially measured at cost, which comprises:

- the right-of-use lease liability (refer Note 18);
- plus identifiable initial direct costs incurred to enter the lease;
- less lease incentives received; and
- plus estimated costs to dismantle/make-good at the end of the lease.

Right-of-use assets are subsequently depreciated on a straight-line basis over the useful life of the asset, and are periodically reduced by impairment losses where the carrying value exceeds future benefits. Right-of-use assets are recognised as a separate category within plant and equipment in Link Group’s consolidated statement of financial position.

Short-term leases and leases of low value assets

Link Group has elected not to recognise right-of-use assets and lease liabilities for short-term leases that have a term of 12 months or less, and leases of low value assets. Link Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

Impairment

During the financial year, Link Group conducted an internal review of its expected usage of certain right-of-use premises assets following the strategic decision and announcement to move to a blended working model for staff globally and through consideration of actual premises utilisation levels that are surplus to requirement. The decision means that, until alternative arrangements can be made, certain right-of-use premises assets will be underutilised and are therefore considered not fully recoverable. Link Group estimated the value in use (recoverable amount) of these specific assets and an impairment expense of $28.8 million was recognised in relation to right-of-use premises and fixture & fittings assets as a result of the assessment. A further $2.5 million of onerous premises related outgoings were expensed under Occupancy expenses on the Statement of profit and loss and other comprehensive income.

16. INTANGIBLE ASSETS

	GOODWILL $'000	CLIENT RELATIONSHIPS $'000	SOFTWARE $'000	BRAND NAMES $'000	TOTAL $'000
Cost					
Balance at 1 July 2022	1,537,888	492,342	707,464	4,421	2,742,115
Acquisitions through business combinations (Note 26).	32,673	39,726	2,084	–	74,483
Additions	–	–	65,960	–	65,960
Reclassification to assets held for sale	(660,475)	(173,099)	(43,233)	–	(876,807)
Effects of movements in exchange rates	77,582	24,389	15,595	314	117,880
Disposals/Assets written off	–	–	(15,895)	–	(15,895)
Balance at 30 June 2023	987,668	383,358	731,975	4,735	2,107,736
Amortisation and impairment losses					
Balance at 1 July 2022	(329,096)	(271,662)	(462,103)	(3,632)	(1,066,493)
Amortisation charge	–	(37,707)	(44,073)	(331)	(82,111)
Impairment expense[1]	(391,804)	–	(904)	–	(392,708)
Reclassification to assets held for sale	659,120	98,436	19,940	–	777,496
Effects of movements in exchange rates	(52,515)	(13,235)	(6,230)	(270)	(72,250)
Disposals/Assets written off	–	–	13,990	–	13,990
Balance at 30 June 2023	(114,295)	(224,168)	(479,380)	(4,233)	(822,076)
Carrying amount at 30 June 2023	873,373	159,190	252,595	502	1,285,660

[1] Included in impairment expense is a non-cash impairment charge of $366.6 million related to the sale of Fund Solutions (FS) assets. FS also impaired a deferred tax asset of $2.0 million bringing the total FS impairment charge to $368.6 million. A further non-cash impairment charge of $26.1 million related to BCM assets is also included (of which $25.3 million related to Goodwill).

	GOODWILL $'000	CLIENT RELATIONSHIPS $'000	SOFTWARE $'000	BRAND NAMES $'000	TOTAL $'000
Cost					
Balance at 1 July 2021	1,568,041	501,669	683,023	4,593	2,757,326
Acquisitions through business combinations	11,370	3,489	1	–	14,860
Additions	–	–	50,708	–	50,708
Effects of movements in exchange rates	(41,523)	(12,816)	(8,017)	(172)	(62,528)
Disposals/Assets written off	–	–	(18,251)	–	(18,251)
Balance at 30 June 2022	1,537,888	492,342	707,464	4,421	2,742,115
Amortisation and impairment losses					
Balance at 1 July 2021	(282,147)	(237,366)	(435,977)	(3,400)	(958,890)
Amortisation charge	–	(39,989)	(47,583)	(369)	(87,941)
Impairment expense	(60,663)	–	–	–	(60,663)
Effects of movements in exchange rates	13,714	5,693	3,206	137	22,750
Disposals/Assets written off	–	–	18,251	–	18,251
Balance at 30 June 2022	(329,096)	(271,662)	(462,103)	(3,632)	(1,066,493)
Carrying amount at 30 June 2022	1,208,792	220,680	245,361	789	1,675,622

Goodwill

Goodwill arises on business combinations and represents the excess of the cost of the acquisition over Link Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities of the acquiree. Subsequent to initial measurement, goodwill is measured at cost less accumulated impairment losses.

Client relationships

Client relationships acquired in business combinations are recognised initially at fair value and are subsequently amortised according to the expected useful life of these relationships.

Software

Link Group capitalises in-house developed software that meets business and client needs and enables operational efficiencies to be achieved.

Development expenditure is capitalised only if development costs are directly attributable, can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable and Link Group intends to, and has sufficient resources to, complete development and to use or sell the asset. Other software development costs are expensed as incurred.

Brand Names

Brand names acquired in business combinations are recognised initially at fair value and are subsequently amortised according to the expected useful life of the brand name.

Amortisation

Amortisation is charged on a straight-line basis over the estimated useful lives of intangible assets, except when another systematic basis measuring the pattern in which the economic benefits of a software asset are consumed can be reliably measured. In such cases, amortisation is charged on that systematic basis over the estimated useful life of that asset. The estimated useful lives for the current and comparative periods are as follows.

ITEM	USEFUL LIFE	AMORTISATION METHOD
Software	2–5 years	Straight-line
Client relationships	3–20 years	Straight-line
Brand Names	5–10 years	Straight-line

Significant accounting estimate and judgement

Judgement is required in estimating useful lives of intangible assets. Estimated useful lives were determined using the past experiences of Link Group and an assessment of current strategic plans and economic conditions.

(a) Impairment testing for CGUs containing goodwill

For the purposes of impairment testing, goodwill is allocated to Link Group's cash generating units (CGUs). The CGUs align with Link Group's Operating Segments as disclosed in Note 3 and are consistent with the comparative period. The aggregate carrying amounts of goodwill allocated to each CGU are as follows.

CGUS FOR THE YEAR ENDED 30 JUNE	2023 $'000	2022 $'000
Retirement & Superannuation Solutions (RSS)	326,995	306,167
Corporate Markets (CM)	546,378	519,692
Banking & Credit Management (BCM) [1]	–	20,663
Fund Solutions (FS)	–	362,270
Total goodwill	873,373	1,208,792

[1] Note BCM Goodwill is disclosed in Note 4 as the Goodwill has been classified as held for sale. FS had a $nil Goodwill balance as at 30 June 2023.

The carrying amounts of Link Group's goodwill and intangible assets are tested annually for impairment and whenever there is an indication that the CGU is impaired.

For the purposes of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs. The goodwill and any other intangible assets with indefinite lives acquired in a business combination, for the purpose of impairment testing, is allocated to CGUs that are expected to benefit from the synergies of the combination.

An impairment loss is recognised in profit and loss if the carrying amount of an asset or its CGU exceeds its recoverable amount. Impairment losses recognised in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amount of the other assets in the unit (group of units) on a pro rata basis.

The recoverable amounts of CGUs were determined through value in use calculations for RSS and CM. The value in use calculations applied a post-tax discounted cash flow model, based on five-year cash flow forecasts endorsed by the Board and an appropriate terminal value. Management has considered the prevailing economic conditions when determining the cash flow forecasts. The forecast assumptions are based on the information available as at 30 June 2023.

Growth rates for cash flows after the fifth year and the pre-tax discount rates used in the value in use calculations are presented below.

	TERMINAL GROWTH RATES		PRE-TAX DISCOUNT RATES	
CGUs FOR THE YEAR ENDED	2023	2022	2023	2022
Retirement & Superannuation Solutions (RSS)	2.6%	2.6%	9.6%	9.5%
Corporate Markets (CM)	2.4%	2.4%	10.8%	9.9%

The pre-tax discount rates relate to the risks in the respective segments and countries in which they operate. The discount rate used reflects management's estimate of the time value of money and Link Group's weighted average cost of capital (WACC), which is calculated separately for each CGU.

Cash flow forecasts are based on Link Group's five-year (FY2024 to FY2028) budget approved by the Board of Directors. Cash flows beyond the period in 2028 are extrapolated using estimated terminal growth rates (refer above).

If the discount rate and terminal growth rates were held constant the cash flow forecast would have to reduce by the following amounts in years 1-5 for there to be an impairment:

- RSS: approximately 63%,
- CM: approximately 33%.

Sensitivity analysis

Management considered, for all CGUs, the following reasonably possible changes in the key assumptions, leaving all other assumptions held constant, and concluded that none individually would result in the carrying amount exceeding the value in use for any of the cash generating units. The sensitivity analysis was done on the basis that a reasonably possible change in each key assumption would not have a consequential impact on other assumptions. A reasonable possible change has been ascertained through consideration of past and forecast movements in underlying inputs in the rates below:

- Plus/minus 1% change in pre-tax discount rates;
- Plus/minus 5% change in Year 1-5 forecast cash flows; and
- Plus/minus 0.5% change in terminal growth rates.

Significant accounting estimate and judgement

Judgement is required in estimating recoverable amounts of cash generating units (CGUs) to which intangible assets with an indefinite useful life (goodwill) are allocated. All key assumptions applied in value in use calculations were determined using the past experiences of Link Group and an assessment of current economic conditions. Where possible, assumptions were validated against external sources of information.

Banking & Credit Management CGU impairment

Link Group had recognised an impairment charge of $15.4 million in relation to the BCM CGU at 31 December 2022, all of which was allocated to goodwill.

On 17 March 2023, Link Administration Holdings Limited (Link Group) made an ASX announcement that it had entered into a Share Purchase Agreement with LC Financial Holdings Limited (LCFH) for the sale of its Banking & Credit Management (BCM) business. The transaction is expected to complete on 1 September 2023. Refer to Note 31 for subsequent events.

Link Group calculated the fair value less cost of disposal, with reference to the executed Share Purchase Agreement with (LCFH) for the sale of its BCM business for cash consideration of up to $49.2 million (€30 million). Link Group will receive $32.8 million (€20 million) cash consideration at completion plus (a) deferred cash consideration of $8.2 million (€5 million) payable within 12 months of completion; and (b) a cash earn-out of $8.2 million (€5 million) subject to BCM meeting certain financial targets by the second anniversary of completion. Link Group has discounted the deferred cash consideration and cash earn-out to account for the time value of money and probability weighted the cash earn-out to account for the probability of reaching the Target EBITDA. This has formed the basis of the estimate of fair value less cost of disposal for the BCM CGU of $43.8 million. Whilst the offer price was received during the financial year, the Group's view based on current market conditions and revenue-multiples is that this remains a reasonable basis upon which to measure the fair value of the CGU.

Accordingly, Link Group recognised an additional impairment charge at 30 June 2023 of $9.9 million in relation to the BCM CGU, all of which has been allocated to goodwill for the CGU. The total impairment charge for the year ended 30 June 2023 was $25.3 million.

Note that as required by Australian accounting standards, Link Group ceased amortising BCM's non-current assets when it was classified as held for sale on 17 March 2023. Accordingly, the impairment charge is $5.4 million higher than it would have been if Link Group had amortised the assets using their previously estimated useful life in the period between 17 March and 30 June 2023.

FAIR VALUE LESS COST OF DISPOSAL TESTING RESULT AT 30 JUNE 2023	BCM $'000
Fair value less costs of disposal (recoverable amount)	43,760
Carrying amount as at 30 June 2023 (post half-year impairment of $15.4 million)	53,600
Additional impairment as at 30 June 2023	9,840
Total impairment for the year ended 30 June 2023	25,300

Fund solutions CGU impairment

Link Group recognised an impairment charge at 31 December 2022 of $448.9 million, including goodwill, client relationships and software of $439.6 million, plant and equipment of $2.0 million, as well as amounts prescribed by other accounting standards including contract fulfilment costs of $5.3 million and deferred tax assets of $2.0 million.

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

On 20 April 2023, Link Group made an ASX announcement regarding the conditional sale of the FS business to Waystone and conditional settlement with the FCA. Further details are as set out in Note 4. Based on the final agreement reached with Waystone on 20 April 2023, the legal construct of the Business Transfer Agreements (BTA) was such that LFSL and LFMS(I)L are not disposing of certain of their respective liabilities. The carrying value of the assets subject to sale have therefore been re-evaluated based on the agreed terms of sale with Waystone as at 30 June 2023. That is, based on the conditional sale agreements with Waystone, there is evidence that a market participant is willing to pay a higher fair value for the FS business of up to $266.7 million (£140 million) compared to the previous estimate in December 2022 of $nil (£nil factoring the potential Redress provision) given the liability will not transfer to Waystone. The fair value less cost of disposal was calculated with reference to the cash consideration of up to $266.7 million (£140 million). After adjusting for costs of disposal, the fair value less cost of disposal was $248.1 million. Whilst the offer price was received during the financial year, Link Group's view based on current market conditions and revenue-multiples is that this remains a reasonable basis upon which to measure the fair value of the CGU.

Therefore, in accordance with accounting standards on impairment, the revised assumption about the sale of the business is considered a change in estimate at 30 June 2023 that requires the reversal of impairment against those previously impaired assets at 31 December 2022. The impairment of Goodwill cannot be reversed under Australian accounting standards.

Accordingly, Link Group recognised an impairment reversal at 30 June 2023 of $80.3 million ($73.1 million Intangible assets, $2.0 million Plant and equipment, $5.2 million Contract fulfilment costs) in relation to the FS cash generating unit, effectively reversing the impairment at 31 December 2022, except for the Deferred tax assets and Goodwill.

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

Significant accounting estimate and judgement

Judgement is required in estimating recoverable amounts of cash generating units (CGUs) to which intangible assets with an indefinite useful life (goodwill) are allocated. All key assumptions applied in fair value less costs to sell calculations were determined with reference to the Business Transfer/Share purchase agreements and discounting and probability assumptions (where variables exist) in the completion proceeds used to determine the fair value have been estimated. Where possible, assumptions were validated against external sources of information.

17. NOTES TO THE STATEMENT OF CASH FLOWS

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

	2023 $'000	2022 $'000
Loss after income tax	(417,691)	(67,571)
Add/(less) non-cash items		
Depreciation expense	43,421	49,077
Intangibles amortisation expense	82,111	87,941
Contract fulfilment costs amortisation expense	6,361	6,775
Impairment expense	423,534	83,099
Gain on in-specie distribution/divestment of equity-accounted investment	(369,735)	–
Share of profit of equity-accounted investees, net of tax	(1,554)	(8,931)
Equity-settled share-based payment expense	9,638	16,118
Loss on financial assets held at fair value through profit & loss	37,412	64
Unrealised foreign exchange loss	(1,533)	(553)
Borrowing cost amortisation	1,827	3,864
Loss on disposal/write-off of plant and equipment	7,565	106
Net cash (outflow)/inflow from operating activities before changes in assets and liabilities	(178,644)	169,989
Change in operating assets and liabilities		
Change in trade and other receivables	(25,480)	21,057
Change in other assets	(11,664)	(12,359)
Change in fund assets and fund liabilities	8,284	2,231
Change in trade and other payables	21,641	(57,618)
Change in employee benefits	(643)	467
Change in provisions	418,996	(8,828)
Change in current and deferred tax balances	(70,552)	(43,645)
Net cash inflow from operating activities	161,938	71,294

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

			NON-CASH			
	30 JUNE 2022 $'000	FINANCING CASH FLOWS $'000	BORROWING COST AMORTISATION $'000	OTHER NON-FINANCING ACTIVITIES [1] $'000	FOREIGN EXCHANGE MOVEMENT $'000	30 JUNE 2023 $'000
Interest-bearing loans and borrowings – Current	36,366	(3,958)	–	48	4,299	36,755
Interest-bearing loans and borrowings – Non-current	1,137,453	(45,395)	1,827	(7,353)	28,086	1,114,618
Total liabilities from financing activities	1,173,819	(49,353)	1,827	(7,305)	32,385	1,151,373

1 Other non-financing activities relate primarily to the addition of right-of-use assets during the financial year ended 30 June 2023, refer Note 15.

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CAPITAL STRUCTURE, FINANCING AND RISK MANAGEMENT

18. INTEREST BEARING LOANS AND BORROWINGS

	2023 $'000 CONTINUING OPERATIONS	2022 $'000
Current		
Lease liabilities	34,238	36,366
	34,238	36,366
Non-current		
Lease liabilities	205,433	260,100
Loans	900,275	877,353
	1,105,708	1,137,453

FINANCING ARRANGEMENTS	FACILITY NOTIONAL CURRENCY	INTEREST RATE AT 30 JUNE 2023 (P.A.)	2023 $'000	2022 $'000
Total facilities available:				
Non-amortising term loan facility	AUD	5.2% – 6.0%	630,000	630,000
Working capital facility	AUD	1.7% – 6.0%	30,000	30,000
Non-amortising term loan facility	GBP	6.1% – 6.3%	476,190	440,839
Working capital facility	GBP	1.7% – 6.3%	38,095	35,267
			1,174,285	1,136,106
Facilities utilised at reporting date:				
Non-amortising term loan facility	AUD	5.2% – 6.0%	500,650	521,500
Working capital facility	AUD	1.7%	11,520	11,520
Non-amortising term loan facility	GBP	6.1% – 6.3%	401,904	359,725
Working capital facility	GBP	1.7%	595	178
			914,669	892,923
Facilities not utilised at reporting date				
Non-amortising term loan facility	AUD	0.6% – 0.7%	129,350	108,500
Working capital facility	AUD	0.7%	18,480	18,480
Non-amortising term loan facility	GBP	0.6% – 0.7%	74,286	81,114
Working capital facility	GBP	0.7%	37,500	35,089
			259,616	243,183

Facilities utilised at reporting date includes $12.1 million (2022: $11.7 million) of guarantees provided to external parties, which have not been drawn down. Refer to Note 20.

Link Group's syndicated loan agreement comprises the following facilities:

- $315 million of the non-amortising term loan facility is available until 29 October 2024;
- $315 million of the non-amortising term loan facility is available until 29 October 2026;
- £110 million of the non-amortising term loan facility is available until 29 October 2024;
- £140 million of the non-amortising term loan facility is available until 29 October 2026;
- $30 million working capital facility available until 29 October 2026; and
- £20 million working capital facility available until 29 October 2026.

Link Group complied with all debt covenants and reporting obligations throughout the financial year ended 30 June 2023.

Loans are initially recognised at fair value, net of transaction costs incurred. Loans are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the loans using the effective interest method. Fees paid on the establishment of loan facilities which are material and not an incremental cost relating to the actual draw down of the facility were offset against the loan and are amortised on a straight-line basis over the term of the facility.

Lease liabilities

Right-of-use lease liabilities are initially measured at the present value of future lease payments, discounted using the interest rate implicit in the lease, or Link Group's incremental borrowing rate. Right-of-use lease liabilities are subsequently measured using the effective-interest method, with lease payments applied as repayments of the liability, and periodic interest expense recognised in finance costs. Right-of-use lease liabilities are recognised in interest-bearing loans and borrowings in Link Group's consolidated statement of financial position.

Interest bearing loans and borrowings are classified as current liabilities unless Link Group has an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date.

19. FINANCE COSTS

	2023 $'000 CONTINUING OPERATIONS	2022[1] $'000
Loan interest expense	(45,347)	(17,455)
Lease liabilities interest expense	(10,441)	(11,207)
Interest from Discontinued operations[2]	(10,256)	(4,281)
Amortisation of capitalised borrowing costs	(1,593)	(3,864)
Foreign exchange gain	2,291	955
	(65,346)	(35,852)

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

[2] Related to the net interest cost on loans between continuing operations and discontinued operations. This has not eliminated on consolidation because the Statement of profit or loss and other comprehensive income has been presented on a continuing basis and therefore excludes the Interest income in the discontinued operations.

20. CONTINGENT LIABILITIES AND CONTINGENT ASSETS

(a) Contingent Liabilities

Link Group has granted bank guarantees, letters of credit and performance guarantees in the favour of:

TYPE/COUNTERPARTY	BENEFICIARY	REASON	2023 $'000	2022 $'000
Bank guarantee – Westpac	Pacific Custodians Pty Limited	Regulatory financial licence[1]	10,000	10,000
Bank guarantee – Westpac	ASX Settlement & Transfer Corp	Contractual obligation	500	500
Bank guarantee – Westpac	GESB Superannuation	Contractual obligation	1,000	1,000
Letter of credit – Westpac	Australian Securities & Investments Commission	Contractual obligation	20	20
Bank guarantee – HSBC	Kryalos Societa di Gestione del Risparmio S.p.A	Property lease	193	178
Bank guarantee – HSBC	Kildress Property Co. Limited	Property lease	402	-

[1]A Guarantee for $10 million (2022: $10 million) is held with Westpac on behalf of a subsidiary of Link Group, Pacific Custodians Pty Limited, as a requirement of the subsidiary's Australian Financial Services Licence (AFSL) requirements (AFSL Performance Bond).

(b) Contingent Assets

As disclosed in Note 13, insurers have conditionally agreed to indemnify LFSL up to the remaining insurance cover of approximately £48 million (equivalent to $91.4 million as at 30 June 2023) for amounts it would be liable to pay as restitution. Their agreement is, in particular, contingent on creditors voting in favour of the Scheme and the English High Court approving the Scheme of Arrangement. The remaining insurance cover would also be eroded by any successful costs claims made by LFSL.

21. INVESTMENT AND FINANCIAL RISK MANAGEMENT

(a) Investments

	2023 $'000	2022 $'000
Listed equity securities – at fair value through profit or loss	3,074	3,952
Unlisted investments – at fair value through profit or loss	78,961	106,635
	82,035	110,587

The equity securities have been designated at fair value through profit or loss because they are managed on a fair value basis and their performance is actively monitored.

Link Group continues to account for its 11.5% (2022: 11.7%) ownership interest in Smart Pension Limited (Smart) within unlisted investments at fair value, with gains or losses recognised through profit or loss given Link Group does not have significant influence over Smart. As at 30 June 2023, the investment had a fair value of $78.6 million (2022: $106.2 million) after accounting for foreign exchange fluctuations. The investment in Smart was written down by $36.2 million (pre-tax) in the year to 30 June 2023. Refer to Note 21(d) for further detail.

(b) Financial Risk Management Overview

Link Group has exposure to the following risks arising from financial instruments:

- credit risk;
- liquidity risk; and
- market risk.

Risk Management Framework

The Company's Board of Directors has overall responsibility for the establishment and oversight of the risk management framework.

Link Group has established risk management policies that identify and analyse the risks faced by Link Group, set appropriate risk limits and controls, and monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly.

Credit Risk

Credit risk is the risk of financial loss to Link Group if a client or counterparty to a financial instrument fails to meet its contractual obligations. The carrying amount of financial assets less any provisions for impairment represents Link Group's maximum credit exposure.

Link Group's exposure to credit risk arises predominantly through its cash and cash equivalents, trade and other receivables, and fund assets.

- Cash and cash equivalent amounts as well as transactions involving derivative financial instruments are all held or maintained by banks and financial institutions with high credit ratings. Link Group monitors counterparty credit exposure on a daily basis to ensure compliance with pre-determined credit limits to minimise credit risk.
- Trade Receivables are monitored in line with Link Group's credit policy. The credit quality of clients is assessed by taking into account their financial position, past experience and other relevant factors. Based on the above process, Link Group considers that all unimpaired trade and other receivables are collectible in full.
- Fund assets relate to investors' purchase or redemption of units in investment funds of which Link Fund Solutions Limited (Link Group's collective investment scheme administration business) is an ACD. Link Group has a limited exposure to credit risk as fund assets and fund liabilities are usually settled within four business days. Link Group has rights regarding net settlement, enabling uncollectable balances to be recovered, refer to Note 12.

The maximum exposure to credit risk for current trade and other receivables at the end of the reporting period was as follows.

	2023 $'000 CONTINUING OPERATIONS	2022 $'000
Neither past due nor impaired	132,480	217,903
Past due 1–30 days	8,668	9,148
Past due 31–60 days	2,983	5,178
Past due over 61 days	5,640	4,698
	149,771	236,927

Movements in the allowance for impairment in respect of trade and other receivables during the year are disclosed in Note 10.

Liquidity Risk

Liquidity risk is the risk that Link Group will encounter difficulties in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. Link Group manages its liquidity risk by maintaining adequate cash reserves and available committed credit lines combined with continuous monitoring of actual and forecast cash flows on a short, medium and long term basis. See Note 18 for details of Link Group's unused facilities at year end.

Remaining contractual maturities at the end of the reporting period of financial liabilities, including estimated interest payments were as follows. The amounts include both interest and principal cash flows undiscounted and based on contractual maturity (without reference to the repricing schedule) and therefore the totals will differ from those disclosed in the statement of financial position. The interest repayments are based on forward interest rates and as such these amounts could vary, however it is not expected that they will do so significantly from the amounts stated below.

	CARRYING AMOUNT $'000 CONTINUING OPERATIONS	TOTAL $'000	< 1 YEAR $'000	1–2 YEARS $'000	2–5 YEARS $'000	> 5 YEARS $'000
30 June 2023						
Non-interest bearing						
Trade and other payables	166,734	166,734	164,166	2,568	–	–
Fund liabilities	–	–	–	–	–	–
Interest bearing						
Lease liabilities	239,671	252,893	36,604	35,008	92,238	90,043
Loans	900,275	1,029,042	52,669	563,630	412,743	–
Total non-derivative liabilities	1,306,680	1,448,669	252,439	601,206	504,981	90,043
30 June 2022						
Non-interest bearing						
Trade and other payables	293,452	293,452	288,336	2,717	1,895	504
Fund liabilities	754,558	754,558	754,558	–	–	–
Interest bearing						
Lease liabilities	296,466	335,739	46,703	43,738	122,326	122,972
Loans	877,353	961,344	24,759	24,778	911,807	–
Total non-derivative liabilities	2,221,829	2,345,093	1,114,356	71,233	1,036,028	123,476

The Company and a number of the subsidiaries are guarantors to Link Group's loans and borrowings.

Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect Link Group's income or carrying value of its holdings of financial instruments as at the year end.

Foreign currency risk

Foreign currency risk is the risk that the carrying value or future cash flows associate with a financial instrument will fluctuate because of changes in foreign exchange rates.

Specific foreign currency items

Link Group has designated its GBP non-amortising term loan facility (refer Note 18) as a hedge of the net investment in its UK subsidiaries. The drawn amount of the term loan facility of £211 million had a fair value and carrying amount at 30 June 2023 of $401.9 million (2022: $359.7 million). A foreign exchange gain of $30.1 million (2022: loss of $17.9 million) on translation of the term loan facility to AUD at the end of the financial year is recognised in other comprehensive income and accumulated in the foreign currency translation reserve on consolidation. The hedge was considered 100% effective throughout the year.

Other foreign currency items

In addition to the specific items mentioned above, entities within Link Group typically enter into transactions and recognise assets and liabilities that are denominated in their functional currency. Whilst a number of entities within Link Group hold financial instruments in a currency which is not their local functional currency, these balances are not considered material and do not expose Link Group to significant foreign currency risk.

Link Group is exposed to foreign currency risk when net investments in foreign subsidiaries are translated to Link Group's reporting currency, the Australian Dollar (AUD). The effects of any exchange rate movements in respect of the net investment in foreign subsidiaries are recognised in the foreign currency translation reserve on consolidation.

Sensitivity testing was performed by flexing the value of the AUD against foreign currencies to which Link Group is exposed by 10% (2022: 10%). The assumed 10% change was chosen based on historical and reasonably possible movements of official exchange rates.

	PROFIT/(LOSS) AFTER TAX		NET ASSETS	
	2023 (CONTINUING) $'000	2022 $'000	2023 (CONTINUING) $'000	2022 $'000
AUD +10%/GBP	40,585	2,037	12,807	(28,927)
AUD -10%/GBP	(40,585)	(2,037)	(12,807)	28,927
AUD +10%/EUR	2,055	6,491	(14,271)	(14,686)
AUD -10%/EUR	(2,055)	(6,491)	14,271	14,686
AUD +10%/Other currencies	(1,935)	(1,475)	(11,151)	(8,547)
AUD -10%/Other currencies	1,935	1,475	11,151	8,587

Interest rate risk

Interest rate risk arises from the possibility that changes in interest rates will affect future cash flows or the fair value of financial instruments. Link Group is exposed to interest rate risk attaching specifically to Link Group's financial assets and liabilities as well as through the maintenance of paying agent and escrow bank accounts administered on behalf of clients. Link Group's primary financial assets impacted by changes in variable interest rates include cash and cash equivalents. Link Group's primary financial liabilities impacted by interest rate movements include interest bearing loans and borrowings.

A sensitivity analysis was performed to assess the impact interest rates have on Link Group's statement of financial performance, including the impact of hedging and escrow bank accounts. Sensitivity testing was performed by increasing interest rates by 1.0% (2022: 1.0%) as at reporting date which would result in a favourable impact on Link Group's loss/profit before tax of $3.7 million (2022: favourable impact of $4.8 million). A decrease of 1.0% (2022: 1.0%) would have an adverse impact on Link Group's loss/profit before tax of $3.7 million (2022: adverse impact of $3.2 million). The assumed 1.0% (2022: 1.0%) change was chosen based on historical and reasonably possible movements of official interest rates. The method of calculation has not changed from the prior period.

Price risk

Price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Link Group's exposure to price risk arises primarily from the listed and unlisted equity securities it holds, which have been designated at fair value through profit or loss.

A 10% increase/(decrease) (2022: 10%) in the fair value of Link Group's listed and unlisted investments would increase/(decrease) Link Group's profit before tax by $8.2 million (2022: $11.1 million). The assumed 10% (2022: 10%) change was chosen based on historical and reasonably possible movements in equity markets. Smart is a significant unlisted investment that was written down as per Note 21(a). The recent Smart investment write down to its fair value at the end of June 2023, to reflect the most recent equity raising (May 2023), means the risk of a further significant write down is substantially reduced. The write-down most likely reflects the bottom of the market, with interest rates at a recent high and inflation showing sustained signs of receding. With inflationary pressures reducing the need for further significant rate rises is substantially reduced and therefore funding availability and pressure on equity prices are likely to reduce. On this basis a +/- 10% is a reasonable possible movement based on risk inherent from the current valuation.

(c) Capital management

The Board's policy is to maintain a capital base to provide confidence to shareholders and other stakeholders and to sustain future development of the business. Capital consists of total equity less amounts accumulated in equity in relation to dividend reserves and other reserves.

Link Group monitors the ratio of net financial indebtedness to operating earnings in accordance with the terms of its Syndicated Loan Agreement. Net debt is calculated as interest bearing liabilities less cash and cash equivalents. Link Group also monitors the interest cover ratio, which is calculated by dividing operating earnings by interest expense.

(d) Fair value of financial instruments

The following table details Link Group's fair value amounts of financial instruments categorised by the following levels.

- Level 1:
  quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2:
  inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3:
  inputs for the asset or liability that are not based on observable market data (unobservable inputs).

	LEVEL 1 $'000	LEVEL 2 $'000	LEVEL 3 $'000	TOTAL $'000
30 June 2023				
Assets				
Listed investments designated at fair value through profit and loss	3,074	–	–	3,074
Unlisted equity securities designated at fair value through profit and loss	–	390	78,571	78,961
	3,074	390	78,571	82,035
30 June 2022				
Assets				
Listed investments designated at fair value through profit and loss	3,952	–	–	3,952
Unlisted equity securities designated at fair value through profit and loss	–	403	106,232	106,635
	3,952	403	106,232	110,587

There have been no assets transferred between levels during the year (2022: none).

Level 1 investments consist of financial instruments traded in active markets and are valued based on quoted market prices at the end of the reporting period.

Level 2 investments consist of unlisted managed investment schemes and derivative financial instruments. Unlisted managed investment schemes are valued based on daily quoted unit redemption prices derived using observable market data. Derivative financial instruments are valued using quoted forward exchange rates at the reporting date and present value calculations based on high credit quality yield curves in the respective currencies.

Level 3 investments include unlisted investments held by Link Group, the valuation for which is deemed to have one or more significant inputs which are not based on observable market data. Significant increases or decreases in future cash flows would increase or decrease, respectively, the fair value of the investments. As at 30 June 2023, the Group held an unlisted equity investment in Smart Pension Limited measured on a recurring basis at fair value through profit and loss of $78.6 million (30 June 2022: $106.2 million). The valuation of the investment as at 30 June 2023 was based on a methodology of ascertaining the implied value of SMART from the Series E fund raise, being the most recent arm's length valuation of SMART, and then back solving for the value of Link Group's investment in SMART. Given the complex nature and capital structure of SMART, an option pricing model back-solve method (OPM back-solve) was used, which is forward looking and: 1) considers the back solved current equity value using the share price of recent transactions; 2) allocates that back solved equity value through a waterfall structure to the various classes of shares considering the rights and preferences of each type of security holders; and 3) uses a continuous distribution of outcomes, rather than focusing on distinct future scenarios.

RECONCILIATION OF MOVEMENTS IN LEVEL 3 INVESTMENTS	2023 $'000	2022 $'000
Opening level 3 investments at the beginning of the financial year	106,232	98,630
Acquisitions	–	19,461
Fair value (loss)/gain recognised in profit or loss	(36,179)	260
Investments reclassified to equity-accounted investments	–	(7,158)
Foreign currency retranslation	8,518	(4,961)
Closing level 3 investments at the end of the financial year	78,571	106,232

Significant accounting estimate and judgement

Judgement is required in measuring level 3 investments at fair value. All key assumptions applied in fair value measurements were determined using the past experiences of Link Group and management. Where possible, assumptions were validated against external sources of information such as independent arms-length transactions, or independent expert valuations.

The following table sets out the carrying amount and fair value of financial assets and financial liabilities.

	2023		2022	
FAIR VALUE VS CARRYING AMOUNTS	FAIR VALUE $'000	CARRYING AMOUNT (CONTINUING) $'000	FAIR VALUE $'000	CARRYING AMOUNT $'000
Assets				
Financial assets measured at fair value through profit and loss				
Investments	82,035	82,035	110,587	110,587
Financial assets measured at amortised cost				
Cash and cash equivalents	124,465	124,465	193,278	193,278
Trade and other receivables	156,240	156,240	244,567	244,567
Fund assets	–	–	756,163	756,163
	362,740	362,740	1,304,595	1,304,595
Liabilities				
Financial liabilities measured at amortised cost				
Trade and other payables	166,734	166,734	293,452	293,452
Interest bearing loans and borrowings	1,139,946	1,139,946	1,173,819	1,173,819
Fund liabilities	–	–	754,558	754,558
	1,306,680	1,306,680	2,221,829	2,221,829

The fair values of interest-bearing loans and borrowings are the same as their carrying amounts as interest payable on those borrowings is floating at current market rates.

Financial instruments – Recognition/derecognition

A financial instrument is recognised when Link Group becomes a party to the contractual provisions of the instrument.

Financial assets are derecognised if Link Group's contractual rights to the cash flows from the financial assets expire or if Link Group transfers the financial asset to another party without retaining control or substantially all the risks and rewards of the asset. Financial liabilities are derecognised if Link Group's obligations specified in the contract expire or are discharged or cancelled.

Measurement

Financial assets measured at fair value through profit or loss

Financial instruments at fair value through profit or loss are recognised initially at fair value, and are subsequently measured at fair value with changes recognised in the statement of comprehensive income under "gains or losses on financial assets held at fair value through profit and loss".

Financial assets measured at amortised cost

Other financial instruments are recognised initially at fair value plus any directly attributable transaction costs, and are subsequently measured at amortised cost using the effective interest method, less any impairment losses.

Trade and other payables and interest-bearing loans and borrowings are classified as financial liabilities. Trade and other receivables and cash and cash equivalents are classified as financial assets. Cash and cash equivalents comprise cash balances and call deposits.

Impairment

A financial asset is assessed at each reporting date to determine whether there is any objective evidence that it is impaired. Any impairment losses are recognised in profit or loss.

Environment, Social and Governance Risk

The Directors and Management understand and continually reassess existing and emerging risks (both short-term and long-term) that may be applicable to the Link Group's business, including Environment, Social and Governance (ESG) risk. Link Group acknowledges the impacts that climate change could have on our business, that its impact may increase in the future, and that it is increasing in significance for clients, investors and regulators globally.

22. CONTRIBUTED EQUITY

ISSUED AND PAID-UP CAPITAL	2023 $'000	2022 $'000
Balance at the beginning of the year	**1,815,983**	1,917,748
Equity bought back and cancelled	–	(101,723)
Equity raising and share buy-back costs, net of tax	–	(42)
Return of capital to shareholders (PEXA in-specie distribution)	**(813,272)**	–
Balance at the end of the year	**1,002,711**	1,815,983

NUMBER OF SHARES ISSUED:	2023 '000	2022 '000
Balance at the beginning of the year	**512,987**	536,226
Equity bought back and cancelled	–	(23,239)
Balance at the end of the year	**512,987**	512,987

Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issuance of ordinary shares are recognised as a deduction from equity, net of any related income tax benefit.

Ordinary shares

The Company does not have authorised capital or par value in respect of its issued shares. All issued shares are fully paid. Holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at shareholders' meetings.

23. RESERVES

CONSOLIDATED	SHARE COMPEN-SATION RESERVE $'000	TREASURY SHARE RESERVE $'000	DISTRIBUTABLE PROFITS RESERVE $'000	FOREIGN CURRENCY TRANSLATION RESERVE $'000	ACQUISITION RESERVE $'000	DEFINED BENEFIT RESERVE $'000	PRE- ACQUISITION PROFITS PAID RESERVE $'000	TOTAL $'000
Balance at 1 July 2022	19,317	(7,907)	58,943	555	(13,519)	(1,152)	(129,733)	(73,496)
Other comprehensive income	–	–	–	26,637	–	(93)	–	26,544
Transfer from retained earnings to reserves	–	–	344,755	–	–	–	–	344,755
Transactions with shareholders								
Dividends declared from distributable profits reserve	–	–	(64,123)	–	–	–	–	(64,123)
Equity settled share-based payments	315	8,153	–	–	–	–	–	8,468
Treasury shares acquired	–	(3,758)	–	–	–	–	–	(3,758)
Transactions with non-controlling interest with change in control	–	–	–	–	(1,878)	–	–	(1,878)
Balance at 30 June 2023	19,632	(3,512)	339,575	27,192	(15,397)	(1,245)	(129,733)	236,512

CONSOLIDATED	SHARE COMPEN-SATION RESERVE $'000	TREASURY SHARE RESERVE $'000	DISTRI-BUTABLE PROFITS RESERVE $'000	FOREIGN CURRENCY TRANSLATION RESERVE $'000	ACQUISITION RESERVE $'000	DEFINED BENEFIT RESERVE $'000	PRE- ACQUISITION PROFITS PAID RESERVE $'000	TOTAL $'000
Balance at 1 July 2021	18,382	(18,563)	103,825	29,900	(13,519)	(1,464)	(129,733)	(11,172)
Other comprehensive income	–	–	–	(29,345)	–	312	–	(29,033)
Transactions with shareholders								
Dividends declared from distributable profits reserve	–	–	(44,882)	–	–	–	–	(44,882)
Equity settled share-based payments	935	13,789	–	–	–	–	–	14,724
Treasury shares acquired	–	(3,133)	–	–	–	–	–	(3,133)
Balance at 30 June 2022	19,317	(7,907)	58,943	555	(13,519)	(1,152)	(129,733)	(73,496)

Share compensation reserve

The reserve for own shares represents the cost of ordinary shares held by an equity compensation plan that will be issued to settle entitlements under share-based payment plans. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

Treasury share reserve

The treasury share reserve comprises the cost of the Company's shares held by Link Group. Treasury shares are carried at cost and held for the purposes of the settling share-based payment arrangements at a future date. At 30 June 2023, Link Group held 1,135,926 (2022: 1,702,747) of the Company's shares.

Distributable profits reserve

The distributable profits reserve is available to enable the payment of future dividends.

Foreign currency translation reserve

The foreign currency translation reserve comprises all foreign exchange differences arising from the translation of the financial statements of foreign operations where their functional currency is different to the presentation currency of Link Group. Where Link Group hedges foreign currency risk on net investments in foreign subsidiaries, foreign exchange gains/losses on translation of the hedging instrument are recognised in other comprehensive income and accumulated in the foreign currency translation reserve on consolidation.

Acquisition reserve

The acquisition reserve represents the purchase of non-controlling interests where there is no change in control. The accounting standards prescribe that the value of such acquisitions should be accounted for as equity transactions instead of accounting for them as an adjustment to goodwill.

Defined benefit reserve

The defined benefit reserve represents the re-measurement of the net defined benefit liability and comprises the actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest).

Pre-acquisition profits paid reserve

The pre-acquisition profits paid reserve represents dividends paid on consolidation from pre and post-acquisition profits in a prior period.

Dividends

	2023 INTERIM	2023 SPECIAL	2022 INTERIM	2021 FINAL
Dividend cents per share	**4.5**	**8.0**	3.0	5.5
Franking percentage	**80%**	**100%**	100%	100%
Total dividend ($'000)	**23,084**	**41,039**	15,390	29,492
Record date	**02.03.2023**	**30.09.2022**	03.03.2022	01.09.2021
Payment date	**11.04.2023**	**14.10.2022**	08.04.2022	20.10.2021

Dividends are recognised as a liability in the period in which they are declared.

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

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

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

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

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

24. ACCUMULATED LOSSES

	2023 $'000 CONTINUING OPERATIONS	2022 $'000
Accumulated loss at the beginning of the financial year	**(233,926)**	(167,815)
Net loss attributable to equity holders	**(417,377)**	(67,890)
Transfer from retained earnings to distributable profits reserve[1]	**(344,755)**	–
Gain on settlement of equity settled share-based payments recognised in retained earnings	**1,170**	1,394
Transactions with non-controlling interest without a change in control	**–**	385
Accumulated loss at the end of the year	**(994,888)**	(233,926)

[1]This relates mainly to the profit made by the Parent company in relation to the PEXA in-specie distribution that occurred on 10 January 2023. Refer to Note 28.

25. SHARE-BASED PAYMENT ARRANGEMENTS

The fair value of the equity settled share-based payments is determined at grant/service commencement date and is recognised as an expense, with a corresponding increase in reserves, over the vesting period. The amount expensed is adjusted based on the related service and non-market performance conditions which are expected to be met, resulting in the amount recognised being based on the number of awards that meet the related service and non-market performance conditions at the vesting date. The impact of any changes to the estimates of non-market vesting conditions are adjusted each reporting period to reflect the most current expectation of vesting.

(a) Description of share-based payment arrangements

At 30 June 2023, Link Group had the following shared-based payment arrangements.

Omnibus equity plan

The Omnibus equity plan (OEP) entitles Executive KMPs, Senior Executives and Senior Leaders to receive Performance Share Rights (PSRs) which, subject to the satisfaction of service-based conditions and performance hurdles, will, if vested, allow participants to receive fully paid ordinary shares in the Company. During the financial year and in accordance with the OEP, LTI PSRs were granted to Executive KMPs, Senior Executives and Senior Leaders. The PSRs are divided into two tranches of 75% and 25% and subject to testing against an operating earnings per share (EPS) target and relative total shareholder return (relative TSR) respectively.

The terms and conditions of the PSRs granted during the financial year ended 30 June 2023 were as follows.

GRANT DATE/ EMPLOYEES ENTITLED	NUMBER OF PSRs	VESTING CONDITIONS	CONTRACTUAL LIFE OF PSRs
LTI issued to Executive KMPs, Senior Executives and Senior Leaders on 5 December 2022	3,004,008	75% against an EPS target and 25% against relative TSR for the three-year performance period commencing 1 July 2022.	Seven years, with last exercise occurring September 2029 (unless the PSRs lapse earlier in accordance with the terms of the invitation).
LTI issued to Executive KMPs on 1 February 2023	286,885	75% against an EPS target and 25% against relative TSR for the three-year performance period commencing 1 July 2022.	Seven years, with last exercise occurring September 2029 (unless the PSRs lapse earlier in accordance with the terms of the invitation).

The number of PSRs issued to each participant was calculated with reference to the 20-day Volume Weighted Average Price (VWAP) from 31 August 2022 and accounted for at fair value in accordance with accounting standards from grant date.

The expense recognised in the consolidated statement of profit or loss and other comprehensive income in relation to the LTI PSRs during the year ended 30 June 2023 was $5.7 million (2022: $4.7 million).

Under the terms of the OEP, Executive KMPs, Senior Executives and Senior Leaders had a portion of their FY2022 short term incentive deferred (Deferred STI). On 5 December 2022, restricted shares (RSs) or share rights (SRs) were issued to Deferred STI participants. The RSs or SRs entitle participants to receive fully paid ordinary shares in the Company subject to continuing employment for a one or two-year service period.

The terms and conditions of the Deferred STI granted during the financial year ended 30 June 2023 were as follows.

GRANT DATE	NUMBER OF RSs/SRs	VESTING CONDITIONS
Restricted shares issued 5 December 2022	771,435	Subject to continuing employment, 50% vesting on 31 August 2023, 50% vesting on 31 August 2024
Share rights issued 5 December 2022	310,441	Subject to continuing employment, 50% vesting on 31 August 2023, 50% vesting on 31 August 2024

The expense recognised in the consolidated statement of profit or loss and other comprehensive income in relation to the Deferred STI during the year ended 30 June 2023 was $6.7 million (2022: $3.0 million).

Special equity grant

On 1 December 2020, the Board, at its discretion, offered restricted shares (RSs) or share rights (SRs) as compensation to employees who participated in the voluntary temporary pay reduction in FY2020. The RSs or SRs entitle participants to receive fully paid ordinary shares in the Company subject to continuing employment for a one or two-year service period. On 1 December 2022, 327,954 RSs and SRs vested in accordance with the terms of the grant.

The expense recognised in the consolidated statement of profit or loss and other comprehensive income in relation to the special equity grant during the financial year ended 30 June 2023 was $0.3 million (2022: $5.7 million).

Retention scheme

Certain Executive KMP, Senior Executives and Senior Leaders have received equity grants as part of a retention scheme to retain key talent during a critical period for Link Group. On 5 December 2022, share rights (SRs) were issued to retention scheme participants. The SRs entitle participants to receive fully paid ordinary shares in the Company subject to continuing employment for a specified service period.

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

The expense recognised in the consolidated statement of profit or loss and other comprehensive income in relation to the retention scheme during the financial year ended 30 June 2023 was $3.5 million (2022: $2.7 million).

(b) Measurement of grant date fair values

The following inputs were used in the measurement of the fair values at grant date of the LTI PSRs issued during the year ended 30 June 2023 (refer below for the fair value implications of the modification which occurred as a result of the PEXA in-specie distribution).

	5 DECEMBER 2022
Fair value at grant date:	
i. EPS tranche at grant date	$3.16
ii. TSR tranche fair value at grant date	$1.62
Share price at grant date	$3.47
Exercise price	–
Expected volatility (weighted average volatility)	35.0%
PSR life (expected weighted average life)	3 years
Holding lock discount:	
i. 1 year	0.0%
ii. 2 years	0.0%
Expected dividends	3.42%
Risk-free interest rate (based on government bonds)	2.98%

The fair value of services received in return for LTI PSRs is based on the fair value of LTI PSRs granted, measured using a Monte Carlo valuation model. Expected volatility is estimated taking into account historic average share price volatility of the Company and certain other ASX listed companies.

The fair value of services received in return for Deferred STI and Retention Scheme restricted share or share rights is based on the market price of Link Group's ordinary shares at grant date, being $3.48.

Significant accounting estimate and judgement

Judgement is required in determining the fair value of PSRs, which was determined at grant date based upon an independent valuation. The amount expensed is adjusted based on the related service and non-market performance conditions which are expected to be met.

(c) Modification

As a result of the PEXA in-specie distribution, the terms of each share-based payment arrangement have been amended, and a modification has occurred. The modification date was assessed to be 23 December 2022, being the date of shareholder approval for the distribution. The fair value of the share-based payment arrangement was measured immediately before and immediately after the modification date, to determine the fair value impact of the modification. Where the modification resulted in an increase to fair value, the incremental increase is recognised as an expense over the remaining vesting period, with a corresponding increase in reserves.

The impact of the modification on each arrangement is summarised in the following tables.

INSTRUMENT GRANT DATE	LTI PSR 30 NOVEMBER 2020 EPS	 TSR	LTI PSR 2 DECEMBER 2021 EPS	 TSR	LTI PSR 5 DECEMBER 2022 EPS	 TSR
Modification date	23 December 2022					
Modified terms	Additional cash payment of $1.80 per PSR, subject to the same vesting and service conditions as the original grant (as compensation for the dilution in value of Link Group shares as a result of the PEXA in-specie distribution)					
Performance period end	30 June 2023		30 June 2024		30 June 2025	
Vesting dates (50/25/25)	29 August 2023/4/5		29 August 2024/5/6		29 August 2025/6/7	
Rights at modification (000's)	1,662	554	1,620	540	2,253	751
Fair value before modification	$3.32	$0.26	$3.21	$0.98	$3.10	$1.58
Fair value after modification	$3.65	$0.28	$3.47	$1.02	$3.30	$1.52
Incremental fair value	**$0.33**	**$0.02**	**$0.26**	**$0.04**	**$0.20**	**($0.06)**

The expense recognised in the consolidated statement of profit or loss and other comprehensive income in relation to the LTI PSRs during the year ended 30 June 2023 includes $0.5 million related to the modification in connection with the PEXA in-specie distribution (2022: nil). The future $1.80 cash payment resulted in a reclassification of $2.7 million from the share-based payments reserve to current liabilities ($1.8 million to non-current liabilities).

INSTRUMENT GRANT DATE	DEFERRED STI – RESTRICTED SHARES 2 DECEMBER 2021 (T2)	 5 DECEMBER 2022 (T1)	 5 DECEMBER 2022 (T2)	DEFERRED STI – SHARE RIGHTS 2 DECEMBER 2021 (T2)	 5 DECEMBER 2022 (T1)	 5 DECEMBER 2022 (T2)
Modification date	23 December 2022					
Modified terms	Received PEXA shares as part of the PEXA in-specie distribution (1 PEXA share for every 7.52 Link share held)			Additional cash payment of $1.80 per right, as compensation for the dilution in value of Link Group shares as a result of the PEXA in-specie distribution		
Vesting date	31 August 2023	31 August 2023	31 August 2024	31 August 2023	31 August 2023	31 August 2024
Shares / Rights at modification (000's)	328	386	386	110	155	155
Fair value before modification	$3.41	$3.41	$3.41	$3.41	$3.41	$3.41
Fair value after modification	$3.54	$3.54	$3.54	$3.78	$3.78	$3.78
Incremental fair value	**$0.13**	**$0.13**	**$0.13**	**$0.37**	**$0.37**	**$0.37**

The expense recognised in the consolidated statement of profit or loss and other comprehensive income in relation to the Deferred STI during the year ended 30 June 2023 includes $0.2 million related to the modification in connection with the PEXA in-specie distribution (2022: nil).

INSTRUMENT GRANT DATE	RETENTION – SHARE RIGHTS 2 DECEMBER 2021 (T2)	RETENTION – SHARE RIGHTS 5 DEC. 2022 (T1)	RETENTION – SHARE RIGHTS 5 DECEMBER 2022 (T2)
Modification date	23 December 2022		
Modified terms	Additional cash payment of $1.80 per right, subject to the same vesting and service conditions as the original grant (as compensation for the dilution in value of Link Group shares as a result of the PEXA in-specie distribution)		
Vesting date	1 December 2023	5 December 2024	5 December 2025
Rights at modification (000's)	409	664	664
Fair value before modification	$3.30	$3.18	$3.08
Fair value after modification	$3.61	$3.43	$3.26
Incremental fair value	**$0.31**	**$0.25**	**$0.18**

The expense recognised in the consolidated statement of profit or loss and other comprehensive income in relation to the retention scheme during the year ended 30 June 2023 includes $0.1 million related to the modification in connection with the PEXA in-specie distribution (2022: nil). The future $1.80 cash payment resulted in a reclassification of $0.6 million from the share-based payments reserve to current liabilities ($0.6 million to non-current liabilities).

(d) Reconciliation of share rights

The number of performance and other share rights on issue during the financial year ended 30 June 2023 was as follows.

	LTI PSRs		SEG SRs		DEFERRED STI SRs		RETENTION SRs	
	2023 '000	2022 '000	2023 '000	2022 '000	2023 '000	2022 '000	2023 '000	2022 '000
On issue at beginning of the year	6,016	5,505	38	469	276	–	912	–
Granted during the year	3,290	2,242	-	–	310	276	1,328	948
Lapsed during the year	(1,924)	(1,731)	-	(21)	(2)	–	(59)	(33)
Vested during the year	-	–	(38)	(410)	(172)	–	(506)	(3)
On issue at the end of the year	7,382	6,016	-	38	412	276	1,675	912

GROUP STRUCTURE

26. BUSINESS COMBINATIONS

In addition to organic growth, Link Group seeks to grow through acquisitions and leverage the existing systems, skill sets and processes to improve client satisfaction and obtain synergies to drive positive returns for shareholders.

All business combinations are accounted for by applying the acquisition method. Judgement is applied in determining the acquisition date and determining whether control is transferred from one party to another.

Link Group measures goodwill as the fair value of the consideration transferred including the recognised amount of any non-controlling interest in the acquiree, less the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed, all measured as at the acquisition date.

Consideration transferred includes the fair values of the assets, liabilities and contingent liabilities, including liabilities incurred by Link Group to the previous owners of the acquiree and equity interests issued by Link Group. Consideration transferred also includes the fair value of any contingent consideration and share-based payment awards of the acquiree that are replaced mandatorily in the Business Combination.

Significant accounting estimate and judgement

Judgement is required in measuring the fair value of identifiable assets acquired and liabilities assumed for each acquisition. All key assumptions applied in fair value measurements were determined using the past experiences of Link Group and management. Where possible, assumptions were validated against external sources of information.

Acquisitions

During the period, the Group entered into five separate transactions deemed to be business combinations.

- On 13 October 2022, Link Group increased its share in Moneysoft (previously equity accounted) from 47.9% to 79.3% at a cost of $2.2 million. This resulted in Moneysoft being consolidated in Link Group's financial statements from 13 October 2022.
- On 2 November 2022, Link Group acquired 100% of HS Pensions Limited (an RSS business) in the United Kingdom for a cash free, debt free consideration of $11.3 million (£6.3 million). HS Pensions administers pensions for around 380,000 members and has an established team of experts delivering an end-to-end pension service.
- On 1 March 2023, Link Group acquired the net assets of HSBC's Occupational Retirement Schemes administration business in Hong Kong (an RSS business) for a total consideration of $30.5 million (US$25.0 million). An initial consideration amount of $11.9 million was paid during the period to 30 June 2023 and the remaining amount will be paid over the next two years. The acquisition supports Link Group's offshore expansion by entering the Hong Kong pensions administration services market.
- On 4 May 2023, Link Group acquired 100% of Better Orange IR & HV AG (a CM business) in Germany for a cash free, debt free consideration of $8.7 million (€5.2 million). Better Orange provides AGM services, including meeting organisation, share register management, investor relations consulting and international IR services. The acquisition will deliver scale and increased market share in the AGM facilitation space and enables Link Group to significantly broaden its consulting expertise and capability in Germany.
- On 1 June 2023, Link Group acquired the net assets of Allens LinkLaters' company secretarial business in Australia (a CM business) for a cash free, debt free consideration of $5.4 million. As part of this transaction, Allens LinkLaters and Link Group have also entered a long-term partnership to provide ongoing company secretarial services to clients of Allens LinkLaters in Australia. The acquisition will enhance Link Group's existing company secretarial and corporate administration services, expand its presence into the Melbourne market and broaden its client base.

Provisional acquisition accounting

The fair values of assets and liabilities for the business combinations have been recognised on a provisional basis in the consolidated financial statements as follows.

	$'000
Cash consideration	39,465
Deferred consideration	6,654
Contingent consideration	11,992
Total consideration transferred	58,111
Fair value of pre-existing interest[1]	6,617
Less: fair value of net identifiable assets acquired	(32,055)
Goodwill	32,673
Identifiable assets acquired and liabilities assumed:	
Cash and cash equivalents	1,111
Trade and other receivables	2,254
Other assets	26
Current tax assets	224
Plant and equipment	447
Intangible assets – Client relationships	39,726
Intangible assets – Software	2,084
Trade and other payables	(5,309)
Interest bearing loans and borrowings	(223)
Provisions	(406)
Employee benefits	(257)
Current tax liabilities	(177)
Deferred tax liabilities	(7,445)
Net assets	32,055

[1] Fair value of Link Group's 47.9% interest in Moneysoft immediately before the acquisition.

The fair values of assets and liabilities recognised on a provisional basis may be revised in accordance with AASB 3 Business Combinations, as follows.

- Intangible assets (excluding goodwill), predominantly client relationships, have been determined provisionally pending completion of fair value calculation.
- The fair value of net identifiable assets acquired may be impacted by the completion of the newly acquired subsidiaries 30 June 2023 financial statement audits and tax returns.
- Goodwill is calculated as the difference between purchase consideration and the fair value of net identifiable assets acquired. The goodwill is attributable to the experience and employment of key management, the assembled workforce of existing employees, as well as the synergies expected to be achieved from integrating the acquisitions into Link Group's existing operating segments.

Where new information obtained within one year of the acquisition about the facts and circumstances that existed at the date of acquisition identifies adjustments to the above amounts, or any additional provisions that existed at the date of acquisition, the accounting for the acquisition will be revised.

Acquisition related costs

Business acquisition costs of $1.5 million comprising legal fees and due diligence costs were included in the Group's consolidated statement of profit or loss.

Contingent consideration

The contingent consideration relates to the acquisition of HSBC's Occupational Retirement Schemes administration business. Link Group has agreed to pay additional consideration of US$12.5 million upon operational completion, which is expected to occur during the financial year ending 30 June 2025 and is subject to certain funds under management targets being achieved. Link Group has included $12.0 million as contingent consideration related to the additional consideration, which represents its fair value at the date of acquisition post-discounting for the time value of money.

Contribution to the Group's results

The acquisitions contributed $16.7 million of revenue and $3.2 million of profit (excluding acquisition and integration costs) to the Group's profit before tax for the period between the date of acquisition and the reporting date.

If the acquisitions had occurred on 1 July 2022, Group revenue contribution for the year ended 30 June 2023 would have been $48.6 million and Group profit before tax contribution (excluding acquisition and integration costs) would have been $5.9 million. The Directors of the Group consider these 'pro-forma' numbers to represent an approximate measure of the performance of the combined Group for the year ended 30 June 2023 and to provide a reference point for comparison in future years.

27. CONTROLLED ENTITIES

SUBSIDIARIES	COUNTRY OF INCORPORATION	% OWNERSHIP INTEREST CONSOLIDATED 2023	% OWNERSHIP INTEREST CONSOLIDATED 2022
Australia and New Zealand			
Link Administration Pty Limited	Australia	100	100
Link Digital Solutions Pty Limited	Australia	100	100
Link Market Services Group Pty Limited	Australia	100	100
Link Market Services Holdings Pty Limited	Australia	100	100
Link Market Services Limited	Australia	100	100
Pacific Custodians Pty Limited	Australia	100	100
Link MS Services Pty Limited	Australia	100	100
Link Share Plans Pty Limited	Australia	100	100
Orient Capital Pty Limited	Australia	100	100
Corporate File Pty Limited	Australia	100	100
Open Briefing Pty Limited	Australia	100	100
Australian Administration Services Pty Limited	Australia	100	100
AAS Superannuation Services Pty Limited	Australia	100	100
Link Group Technology Pty Limited	Australia	100	100
Atune Financial Solutions Pty Limited	Australia	100	100
Primary Superannuation Services Pty Limited	Australia	100	100
The Superannuation Clearing House Pty Limited	Australia	100	100
Complete Corporate Solutions Pty Limited	Australia	100	100
Company Matters Pty Ltd	Australia	100	100
The Australian Superannuation Group (WA) Pty Ltd	Australia	100	100
Link DigiCom Pty Limited	Australia	100	100
Link Business Services Pty Ltd	Australia	100	100
Link Administration Services Pty Limited	Australia	100	100
Link Advice Pty Limited	Australia	100	100
Link Super Pty Limited	Australia	100	100
Link Superannuation Management Pty Ltd (formerly P.S.I Superannuation Management Pty Limited)	Australia	100	100
Empirics Marketing Pty Limited	Australia	100	51.3
Accrued Holdings Pty Limited	Australia	100	51.3
FuturePlus Financial Services Pty Limited	Australia	100	100

SUBSIDIARIES	COUNTRY OF INCORPORATION	% OWNERSHIP INTEREST CONSOLIDATED 2023	% OWNERSHIP INTEREST CONSOLIDATED 2022
Link Property Holdings Pty Limited	Australia	100	100
Link Property Pty Limited	Australia	100	100
Link Administration RSS Pty Limited	Australia	100	100
Synchronised Software Pty Limited	Australia	100	100
Link Administration Support Services Pty Limited	Australia	100	100
Superpartners Pty Limited	Australia	100	100
Link Administration Resource Services Pty Limited	Australia	100	100
Link Fund Solutions Pty Limited	Australia	100	100
Adviser Network Pty Limited	Australia	100	100
Link Land Registry Services Pty Limited	Australia	100	100
WO Nominees A/C Non Taxable Pty Limited	Australia	100	100
WO Nominees A/C Company Pty Limited	Australia	100	100
WO Nominees A/C Fund Pty Limited	Australia	100	100
Link Administration Holdings Employee Share Trust[1]	Australia	–	–
Moneysoft Pty Limited[4]	Australia	79.3	–
Link Market Services (New Zealand) Limited	New Zealand	100	100
Pacific Custodians (New Zealand) Limited	New Zealand	100	100
Australian Administration Services Limited (incorporated 30 November 2022)	New Zealand	100	–
United Kingdom and Channel Islands			
Link Group Administration Limited	United Kingdom	100	100
Link Group Service Company Limited	United Kingdom	100	100
D.F. King Ltd	United Kingdom	100	100
Orient Capital Limited	United Kingdom	100	100
Link Group Corporate Director Limited	United Kingdom	100	100
Link Group Corporate Secretary Limited	United Kingdom	100	100
Crown Northcorp Limited[2]	United Kingdom	100	100
LFI (Nominees) Limited[2]	United Kingdom	100	100
Link Alternative Fund Administrators Limited[2]	United Kingdom	100	100
Link Asset Services (Holdings) Limited[2]	United Kingdom	100	100
BCMGlobal London Limited[2]	United Kingdom	100	100
BCMGlobal (UK) Limited[2]	United Kingdom	100	100
Link Company Matters Limited	United Kingdom	100	100
LF Solutions Holdings Limited	United Kingdom	100	100
Link Financial Investments Limited[2]	United Kingdom	100	100
Link Fund Administrators Limited[2]	United Kingdom	100	100
Link Fund Solutions Limited[3]	United Kingdom	100	100

SUBSIDIARIES	COUNTRY OF INCORPORATION	% OWNERSHIP INTEREST CONSOLIDATED 2023	% OWNERSHIP INTEREST CONSOLIDATED 2022
Link Market Services Limited	United Kingdom	100	100
Link Market Services Trustees (Nominees) Limited	United Kingdom	100	100
Link Market Services Trustees Limited	United Kingdom	100	100
BCMGlobal Mortgage Services Limited[2]	United Kingdom	100	100
Link Share Plan Services Limited	United Kingdom	100	100
Link Treasury Services Limited	United Kingdom	100	100
Rooftop Mortgages Limited[2]	United Kingdom	100	100
Sinclair Henderson Fund Administration Limited	United Kingdom	100	100
Link Pension Administration Limited	United Kingdom	100	100
HS Pensions Limited (acquired 2 November 2022)	United Kingdom	100	–
Link Market Services (Guernsey) Limited	Guernsey	100	100
Link Market Services (Jersey) Limited	Jersey	100	100
Link Market Services (Isle of Man) Limited	Isle of Man	100	100
Europe			
BCMGlobal Germany GmbH[2]	Germany	100	100
Link Market Services (Frankfurt) GmbH	Germany	100	100
Link Market Services GmbH	Germany	100	100
Orient Capital GmbH	Germany	100	100
Better Orange IR & HV AG (acquired 4 May 2023)	Germany	100	–
BCMGlobal ASI Limited[2]	Ireland	100	100
Link CTI Limited	Ireland	100	100
Link Fund Administrators (Ireland) Ltd[2]	Ireland	100	100
Link Fund Manager Solutions (Ireland) Limited[3]	Ireland	100	100
Link IRG (BC) Limited	Ireland	100	100
Link Registrars Limited	Ireland	100	100
Link Group Administration Pty Limited	Ireland	100	100
Link Group Service Company Pty Limited	Ireland	100	100
Link Fund Solutions (Luxembourg) S.A.[2]	Luxembourg	100	100
Link Fund Solutions (Switzerland) Sagl[2] (formerly Casa4Funds Sagl, acquired 4 August 2021)	Switzerland	100	100
BCMGlobal Netherlands B.V.[2]	Netherlands	100	100
FlexFront B.V.[2]	Netherlands	100	100
BCMGlobal (France) SAS (dissolved 29 August 2022)	France	–	100

SUBSIDIARIES	COUNTRY OF INCORPORATION	% OWNERSHIP INTEREST CONSOLIDATED 2023	% OWNERSHIP INTEREST CONSOLIDATED 2022
Other countries			
Link Intime India Private Limited	India	100	100
TSR Consultants Private Limited (formerly TSR Darashaw Consultants Private Limited)	India	100	100
Universal Capital Securities Private Limited	India	100	100
SKDC Consultants Limited	India	100	100
Link Administration Services Private Limited	India	100	100
Waystone Technology Solutions Private Limited (incorporated 10 April 2023)[2]	India	100	–
PNG Registries Limited	Papua New Guinea	100	100
Link Retirement Solutions HK Limited (incorporated 13 September 2022)	Hong Kong	100	–
Link Market Services (Hong Kong) Pty Limited	Hong Kong	100	100

[1] Link Group has determined it controls the employee share trust that administers its share-based payment arrangements (refer Note 25), despite having no ownership interest in the entity.

[2] Subsidiary part of disposal group held for sale under a Share Purchase Agreement.

[3] Subsidiary whose assets and liabilities are part of the disposal group held for sale under a Business Transfer Agreement.

[4] Link Group's interest in Moneysoft Pty Limited as at 30 June 2022 was 47.9% with the investment being equity-accounted.

Subsidiaries are entities controlled by the Company. Control exists when Link Group has the power to govern the financial and operating policies of an entity to obtain benefits from its activities. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases. The accounting policies of subsidiaries have been changed on acquisition when necessary to align them with the policies adopted by Link Group.

28. PARENT ENTITY DISCLOSURES

In accordance with the Corporations Act 2001, these consolidated financial statements present the results of the consolidated entity only. As at, and throughout, the financial year ended 30 June 2023 the ultimate parent entity of Link Group was Link Administration Holdings Limited.

	2023 $'000	2022 $'000
Result of parent entity		
Profit/(loss) for the year[1]	356,018	(23,059)
Other comprehensive income	–	–
Total comprehensive income/(loss) for the year	356,018	(23,059)
Financial position of parent entity at year end		
Current assets	7,132	19,470
Total assets	1,291,640	1,822,070
Current liabilities	3,340	16,261
Total liabilities	5,721	16,261
Total equity of the parent entity comprising of:		
Contributed equity	1,002,711	1,815,983
Share compensation reserve	19,632	19,317
Distributable profits reserve	339,598	58,966
Accumulated losses	(76,022)	(88,457)
Total equity	1,285,919	1,805,809

The parent entity had net current assets of $3.8 million (2022: $3.2 million), primarily due to the $1.8 million income tax receivable (2022: $9.8 million income tax receivable) it carries as head of the Link Administration Holdings tax consolidated group. The current tax asset/liability is funded by other members of the tax consolidated group, shown as inter-company receivables in non-current assets. Link Group had $222.7 million net current liabilities from continuing operations (2022: $90.4 million net current assets) and $124.5 million cash and cash equivalents from continuing operations (2022: $193.3 million) as at 30 June 2023.

Other than those disclosed in Note 20, the parent entity has no contingent liabilities, contractual commitments or guarantees with third parties as at 30 June 2023 (2022: None).

[1] This relates mainly to the profit made by the Parent company in relation to the PEXA in-specie distribution that occurred on 10 January 2023.

OTHER DISCLOSURES

29. RELATED PARTIES

Key Management Personnel compensation

The aggregate Key Management Personnel (KMP) compensation comprised the following:

	2023 $	2022 $
Short term employee benefits	7,638,231	7,937,484
Post-employment benefits	187,830	182,262
Other long-term benefits	47,884	36,051
Share-based payments	4,658,228	5,124,745
Termination benefits	–	–
	12,532,173	13,280,542

30. AUDITOR'S REMUNERATION

	2023 $	2022 $
Audit of the financial statements		
Auditor of the Company – KPMG Australia	1,111,204	1,005,991
Other network firms – KPMG international	1,951,718	1,803,244
Assurance related services		
Auditor of the Company – KPMG Australia	640,642	667,511
Other network firms – KPMG international	438,938	431,547
Other services		
Auditor of the Company – KPMG Australia	209,648	326,600
Other network firms – KPMG international	690,436	214,865
	5,042,586	4,449,758

"Other services" includes accounting and consulting services provided during the financial year. Consulting services primarily include the provision of regulatory reporting tools, investigating accountants reports, and Link Group's fair call service.

The Auditor's remuneration relating to entities acquired in a business combination during the financial year is disclosed only in respect of the period those entities were controlled by Link Group.

31. SUBSEQUENT EVENTS

Banking & Credit Management (BCM)

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

Fund Solutions (FS)

Link Group refers to its announcement on 3 August 2023 providing an update in relation to the progress of the FS sale.

Link Group confirms that counterparties to contracts representing the requisite threshold majority of revenue in respect of LFSL's ACD business and Link Fund Manager Solutions (Ireland) Limited's business have agreed to those contracts being transferred to the Waystone Group on completion of the FS Sale. Satisfaction of the revenue and third-party consent conditions for the FS Sale remain subject to receiving certain regulatory approvals in the UK and Ireland. Link Group has received clearance from the Competition and Consumer Protection Commission of Ireland in respect of the FS Sale. Link Group expects that the FS Sale will complete in October 2023, subject to remaining conditions being satisfied. On 28 July 2023, LFSL informed the investors in the WEIF (WEIF Investors), that subject to the outcome of discussions with Link Group and the FCA, and the English High Court's availability, LFSL expects to issue a Practice Statement Letter in September 2023. The Practice Statement Letter will notify WEIF Investors of the formal launch of the Scheme and provide further details about the key terms of the Scheme and the first court hearing in relation to the Scheme. The Settlement contemplated by the Scheme is conditional on the completion of the FS Sale. If the Scheme becomes effective, it will provide for monies, including a contribution of up to £60 million from Link Group to LFSL, to be made available to make payments to the WEIF Investors. In return for those payments to the WEIF investors, LFSL, Link Group, and their respective affiliates and officers will receive releases from liability relating to LFSL's role as ACD of the WEIF.

Link Group also entered into a conditional sale and purchase agreement to divest Link Fund Solutions (Luxembourg) S.A. and Link Fund Solutions (Switzerland) SA. As per the announcement on 20 April 2023, Link Group has agreed to contribute any available net consideration it receives to the Scheme if it completes a sale of the Luxembourg and Swiss entities which form part of the FS Business prior to the date on which the distribution under the Scheme takes place.

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

32. NEW STANDARDS AND INTERPRETATIONS NOT YET ADOPTED

The following new and amended standards are not expected to have a significant impact on the Group's consolidated financial statements. Link Group has not early adopted the new or amended standards in preparing these consolidated financial statements.

- Deferred Tax related to Assets and Liabilities arising from a Single Transaction.
- AASB 17 Insurance Contracts and amendments to AASB 17 Insurance Contracts.
- Disclosure of Accounting Policies (Amendments to AASB 101 and IFRS Practice Statement 2).
- Definition of Accounting Estimates (Amendments to AASB 108)

SECTION

04 Directors' Declaration

1. In the opinion of the Directors of Link Administration Holdings Limited (the Company):
   (a) the consolidated financial statements and notes that are set out on pages 58 to 115 and the Remuneration Report on pages 27 to 54 in the Directors' Report are in accordance with the Corporations Act 2001, including:
      (i) giving a true and fair view of Link Group's financial position as at 30 June 2023 and of its performance for the financial year ended on that date; and
      (ii) complying with Australian Accounting Standards and the Corporations Regulations 2001; and
   (b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.
2. The Directors have been given the declarations required by Section 295A of the Corporations Act 2001 from the Managing Director and the Chief Financial Officer for the financial year ended 30 June 2023.
3. The Directors draw attention to Note 2(a) to the consolidated financial statements, which includes a statement of compliance with International Financial Reporting Standards.

Signed in accordance with a resolution of the Directors.

Michael Carapiet
Chair

Vivek Bhatia
Chief Executive Officer & Managing Director

Dated 28 August 2023 at Sydney.

Independent Auditor's Report

To the shareholders of Link Administration Holdings Limited

Report on the audit of the Financial Report

Opinion

We have audited the ***Financial Report*** of Link Administration Holdings Limited (the Company).

In our opinion, the accompanying Financial Report of the Company is in accordance with the *Corporations Act 2001*, including:

- giving a true and fair view of the ***Group's*** financial position as at 30 June 2023 and of its financial performance for the year ended on that date; and
- complying with *Australian Accounting Standards* and the *Corporations Regulations 2001*.

The ***Financial Report*** comprises:

- consolidated statement of financial position as at 30 June 2023;
- consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity, and consolidated statement of cash flows for the year then ended;
- notes including a summary of significant accounting policies; and
- Directors' Declaration.

The ***Group*** consists of the Company and the entities it controlled at the year-end or from time to time during the financial year.

Basis for opinion

We conducted our audit in accordance with *Australian Auditing Standards*. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the Financial Report* section of our report.

We are independent of the Group in accordance with the *Corporations Act 2001* and the ethical requirements of the *Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the Financial Report in Australia. We have fulfilled our other ethical responsibilities in accordance with these requirements.

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Key Audit Matters

The ***Key Audit Matters*** we identified are:

- Valuation of goodwill; and
- Revenue recognition

Key Audit Matters are those matters that, in our professional judgement, were of most significance in our audit of the Financial Report of the current period.

These matters were addressed in the context of our audit of the Financial Report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Valuation of goodwill ($873.3m)	
Refer to Note 16 to the Financial Report	
The key audit matter	**How the matter was addressed in our audit**
Valuation of goodwill is a Key Audit Matter due to: • the size of the balance (being 29% of total assets); and • the high level of judgement involved by us in assessing the inputs to the Group's annual assessment of impairment model. Specifically, for the Corporate Markets ("CM") and Retirement & Superannuation Solutions ("RSS") Cash Generating Units ("CGUs"), we focused on significant forward-looking assumptions that the Group applied in its value in use model, including: • forecast cash flows, growth rates and terminal growth rates which are influenced by duration, renewal and key terms of major client contracts and competitive market conditions. The Group operates across different geographies with varying market pressures, which increases the risk of inaccurate forecasts; • estimating the projected cash flow forecast into the future is inherently subjective and susceptible to differences in outcome; and • discount rates, which are subjective in nature and vary according to the specific conditions and environment of Cash Generating Units (CGUs). We involved valuation specialists to supplement our senior audit team members in assessing this key audit matter.	Working with our valuation specialists, our procedures included: • considering the appropriateness of the use of the value in use method applied by the Group to perform the annual test of goodwill for impairment against the requirements of the accounting standards; • assessing the integrity of the value in use method, and the accuracy of the underlying calculations; • checking the consistency of the forecast cash flows assumptions to the Board approved forecasts; • assessing the historical accuracy of the Group's forecasts by comparing to actual results, to use in our evaluation of forecasts incorporated in the model; • challenging the Group's significant forecast cash flow and growth assumptions. We compared key events to the Board approved plan and strategy. We compared forecast growth rates and terminal growth rates to published studies of industry trends and expectations and considered differences for the Group's operations. We used our knowledge of the Group, their past performance, business and customers, and our industry experience; • assessing the consistency of the forecast cash flows assumptions, including analysis of major client contracts incorporated into the forecasts, for alignment to the Group's budget and our inquiries with the Group;

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	• assessing the impact of market and business changes on the Group’s key assumptions, specifically the impact of growth rates on recoverable values, for indicators of bias and inconsistent application; • using our knowledge of the Group and its industry to independently develop a discount rate range considered comparable using publicly available market data for comparable entities; • considering the sensitivity of the model by varying key assumptions, such as forecast growth rates, terminal growth rates and discount rates, within a reasonably possible range. We did this to identify those assumptions at higher risk of bias or inconsistency in application and to focus our further procedures; and • assessing the disclosures in the financial report using our understanding obtained from our testing and against the requirements of the accounting standards.

Revenue recognition ($1,228.2m)

Refer to Note 6 to the Financial Report

The key audit matter	How the matter was addressed in our audit
Revenue recognition for recurring revenue is a Key Audit Matter due to the: • significance of recurring revenue to the Group’s results; • audit effort resulting from the high volume of transactions in multi geographic locations for recurring revenue derived from the Group’s four operating segments; and • judgement being required with respect to the timing of revenue recognition, including complexities associated with recognition criteria for revenue derived from multi-year service contracts. The Group generates revenue across its four operating segments from a variety of services and products offerings. Significant revenue streams include fees from the:	Our procedures included: • assessing the Group's revenue recognition policy against AASB 15 *Revenue from Contracts with Customers* requirements; • obtaining an understanding of processes, systems and controls for recurring revenue across the four business units. This included testing key controls such as the review and manual approval by management of key recurring revenue calculations and customer invoices; • sampling transactions across key revenue streams and checking recorded revenue to customer invoices, bank statements and the relevant features of the underlying signed customer contracts to the criteria in the accounting standard, those in the Group’s policy, and against what the Group identified as performance obligations; • selecting a sample of invoices across

• provision of administration services to superannuation funds; • provision of services to corporates; • loan origination and servicing, debt work-out, compliance and regulatory oversight services to retail banks, investment banks, private equity funds and other investors; and • provision of management, third-party administration and transfer agency services to investment funds.	recurring revenue streams issued to customers prior to, and post, year-end. We checked the timing of fee revenue recorded against the details of the service description on the customer invoice and signed customer contracts, as well as the accuracy of the fee when compared to rates contained in contracts; and • assessing the disclosures in the financial report using our understanding obtained from our testing and against the requirements of the accounting standard.

Other Information

Other Information is financial and non-financial information in the Group's annual reporting which is provided in addition to the Financial Report and the Auditor's Report. The Directors are responsible for the Other Information.

The Other Information we obtained prior to the date of this Auditor's Report was the Directors' Report, Operating and Financial Review and Remuneration Report. The Messages from the Chair and Managing Director, Sustainability Report and Additional Shareholder Information are expected to be made available to us after the date of the Auditor's Report.

Our opinion on the Financial Report does not cover the Other Information and, accordingly, we do not express an audit opinion or any form of assurance conclusion thereon, with the exception of the Remuneration Report and our related assurance opinion.

In connection with our audit of the Financial Report, our responsibility is to read the Other Information. In doing so, we consider whether the Other Information is materially inconsistent with the Financial Report, or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

We are required to report if we conclude that there is a material misstatement of this Other Information, and based on the work we have performed on the Other Information that we obtained prior to the date of this Auditor's Report we have nothing to report.

Responsibilities of the Directors for the Financial Report

The Directors are responsible for:

- preparing the Financial Report that gives a true and fair view in accordance with *Australian Accounting Standards* and the *Corporations Act 2001;*
- implementing necessary internal control to enable the preparation of a Financial Report that gives a true and fair view and is free from material misstatement, whether due to fraud or error; and
- assessing the Group's and the Company's ability to continue as a going concern and whether the use of the going concern basis of accounting is appropriate. This includes disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless they either intend to liquidate the Group and the Company or to cease operations or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the Financial Report

Our objective is:

- to obtain reasonable assurance about whether the Financial Report as a whole is free from material misstatement, whether due to fraud or error; and
- to issue an Auditor's Report that includes our opinion.

Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with *Australian Auditing Standards* will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error. They are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the Financial Report.

A further description of our responsibilities for the audit of the Financial Report is located at the *Auditing and Assurance Standards Board* website at: https://www.auasb.gov.au/admin/file/content102/c3/ar1_2020.pdf. This description forms part of our Auditor's Report.

Report on the Remuneration Report

Opinion

In our opinion, the Remuneration Report of the Group for the year ended 30 June 2023, complies with *Section 300A* of the *Corporations Act 2001*.

Directors' responsibilities

The Directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with *Section 300A* of the *Corporations Act 2001*.

Our responsibilities

We have audited the Remuneration Report included in pages 27 to 54 of the Directors' report for the year ended 30 June 2023.

Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with *Australian Auditing Standards*.

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KPMG

Eileen Hoggett
Partner

Brendan Twining
Partner

Sydney
28 August 2023