LINK Group

CONNECTING PEOPLE with their assets

2022 ANNUAL REPORT

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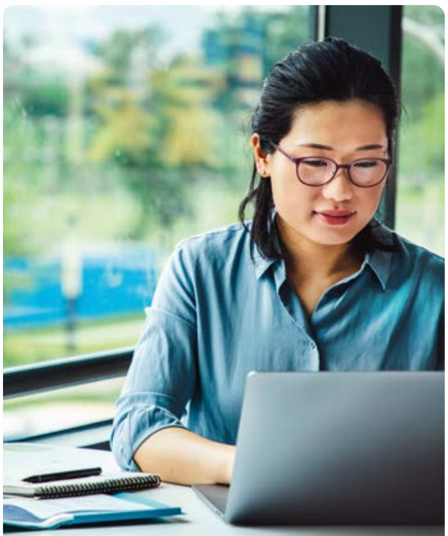


A global, digitally enabled business connecting millions of people with their assets – safely, securely and responsibly

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

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

FY2022 HIGHLIGHTS

as at 30 June 2022

Revenue
$1.18bn
$1.16bn in FY2021

Recurring revenue
84%

Statutory NPAT loss after tax
$(68)m
$(163)m FY2021

Operating NPATA [1]
$121m
$113m in FY2021

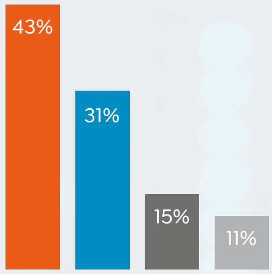
Operating EBIT [1]
$154m
$141m in FY2021

Operating EBIT margin
13.1%
12.2% in FY2021

Net operating cash flow [1]
$205m
Cash conversion 81%

Net debt
$688m
Leverage 2.6x
Guidance 2.0x–3.0x

Revenue by division



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

18 Jurisdictions

Over **7,000** employees globally

Over **6,000** clients globally

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

Supported **7 of the 10 largest IPOs** in Australia in FY2022

10 years average **client relationship**

48% **of UK independent ACD** market[1]

#1 **ETF Service Provider** in Australia

#1 mortgage servicer for **Buy-to-let mortgages** in Netherlands

58% **of Indian IPOs supported** by Link Intime in FY2022

38% of all **superannuation** accounts in Australia serviced

37% **of ASX 300** share registry

32% **of FTSE 350** share registry

1 UK Investment Association data, as at February 2022.

A MESSAGE FROM THE CHAIR

"In another year of challenge and change, Link Group's leadership team and staff have once again demonstrated a high level of resolve and client focus to provide service excellence to all our clients, for which the Board and I are deeply appreciative."

Financial performance

Our key results for FY2022 were as follows:

- Revenue of $1.18 billion;
- Operating EBIT[1] of $154 million;
- Operating NPATA[1] of $121 million; and
- Statutory net loss after tax (NPAT) of $(68) million.

The last two years have seen a high level of corporate activity for Link Group while contending with the impact of the global pandemic and market volatility associated with higher inflation and higher interest rates. Despite these factors, it has been very pleasing to see the resilience of our people and stability of our businesses reflected in our financial performance.

Link Group delivered revenue growth of 1.3% in FY2022 and Operating EBIT of $154 million which was up 9.1% on FY2021. Net Operating Cash Flow conversion for FY2022 was healthy at approximately 81% but lower than management expectations, negatively impacted by the factors noted previously. We ended FY2022 with net debt of $688 million and a leverage ratio of 2.6x. Recurring revenue also remained steady at 84%.

PEXA continues to perform ahead of expectations buoyed by the favourable property market, contributing $33.1 million to Link Group's Operating NPATA[1] in FY2022. Link Group retains a 42.8% equity stake in PEXA and the market value of Link Group's equity interest in PEXA is approximately $1.095 billion (as at 15 September 2022).

The organisation has continued to grow and deliver on our client commitments. Link Group now connects over 100 million people across the globe with their financial assets and services over 6,000 clients globally.

Retirement and Superannuation Solutions (RSS) has over 10 million superannuation and pension members across three jurisdictions, up 10% on FY2021. Corporate Markets supported seven of the 10 largest IPOs in Australia in FY2022, with a 58% market share for IPOs in India from our Link Intime business. Our Fund Solutions business holds 48% of the UK independent ACD market and our Banking & Credit Management (BCM) team is the top mortgage servicer for the Buy-to-Let mortgage market in the Netherlands, as well as having been recently appointed to support the First Home Scheme for first-time buyers and eligible homebuyers in the Republic of Ireland.

Overview of transactions

For a substantial period of FY2022, the management team and Board of Directors were heavily engaged in the proposed acquisition of Link Group by Dye & Durham Corporation (Dye & Durham), following an agreement to enter into a Scheme Implementation Deed (SID) with Dye & Durham on 22 December 2021.

The complex transaction required much of the Board's time and attention, as we managed changing financial markets and sought shareholder and Court approval, certain regulatory approvals (including ACCC and UK Financial Conduct Authority approval) and other customary conditions.

We received strong shareholder support at the Scheme Meeting and Special General Meeting on 22 August 2022, as well as obtaining approvals from the Dutch Financial Markets Authority, Guernsey Financial Services Commission, Isle of Man Financial Services Authority, the UK Competition and Markets Authority, the Securities and Exchange Board of India, the Jersey Financial Services Commission, the Australian Foreign Investment Review Board, the Australian Competition & Consumer Commission (ACCC) and the UK Financial Conduct Authority (FCA). However, the FCA's approval contained certain conditions which were not met.

1 See Appendix 1 of FY2022 Investor Presentation for a reconciliation of Non-IFRS measures and definitions for non-IFRS measures. Non-IFRS measures have not been audited or reviewed in accordance with Australian Accounting Standards. Operating EBITDA, Operating NPATA, Operating earnings per share and Net Operating Cash Flow exclude Significant Items.

There were three conditions precedent necessary to implement the Scheme that were not satisfied (together, the Outstanding Conditions Precedent), being:

- the Woodford Matters condition;
- the UK Financial Conduct Authority condition; and
- the Luxembourg Commission de Surveillance du Secteur Financier condition.

Under the Scheme Implementation Deed between Link Group and Dye & Durham, the time for satisfaction of the Outstanding Conditions Precedent expired. Accordingly, on 23 September 2022 at the Second Court Hearing, the Court declined to make orders approving the Scheme and dismissed the proceedings. As a result, we were disappointed to inform shareholders that despite Link Group working diligently over an extended period and using its best efforts, the proposed Scheme with Dye & Durham involving Base Cash Consideration of $4.81 per Link Group share which Link Group shareholders approved in August would not be proceeding.

As the Scheme is not proceeding, Link Group intends to evaluate alternatives for the business to maximise value for shareholders. As previously announced to the ASX, this may include an in-specie distribution of a minimum of 80% of Link Group's shareholding in PEXA, as well as considering proceeding with the divestment of BCM, and conducting a strategic review of all aspects of our portfolio.

Link Group has determined to pay a fully franked special dividend of 8 cents per Link Group share. This is in addition to the half year dividend of 3 cents per Link Group share which was paid in April 2022. The half year dividend and special dividend of 11 cents per Link Group share compares to the FY21 dividend of 10 cents per Link Group share partially franked at 82%.

In FY2022, we were also involved in a number of other corporate actions including the receipt of non-binding, indicative offers for the acquisition of Link Group's BCM and RSS businesses. These discussions did not result in any binding agreement for the sale of either of these businesses.

Other matters

Link Fund Solutions Limited (LFSL) is in ongoing confidential discussions with the UK Financial Conduct Authority (FCA) regarding matters relating to LFSL in its role as authorised corporate director to the LF Woodford Equity Income Fund (now known as the LF Equity Income Fund) (the Woodford Investigation).

On 20 September 2022, the FCA issued a draft warning notice to LFSL in respect of the Woodford Investigation (Draft Notice). The Draft Notice states that the FCA has assessed the appropriate penalty as £50,000,000 (prior to taking into account any available discount), in addition to a restitution payment of £306,096,527.

The draft warning notice is not a final decision but signals the start of the FCA's settlement decision process. LFSL will explore all options, including engaging in settlement discussions with the FCA, challenging any Warning Notice that may be issued at the Regulatory Decisions Committee and further through the Upper Tribunal. Link Group remains supportive of LFSL considering all such options, and notes that LFSL continues to trade profitably with a leading position in its market.

Link Group has not made any commitment to fund or financially support LFSL. Link Group considers that any liabilities relating to the Woodford Matters will be confined to LFSL.

Building a sustainable business

In FY2022 we maintained a balanced representation across management levels and the wider organisation, including a 50:50 representation at the Executive Leadership Team level. Gender equity remains a key pillar in the organisation's Diversity and Inclusion strategy, which has the full support of the Board and management team.

The Board also remains committed to sustainable and responsible business practices and we have pleasingly made good progress in this area during FY2022.

The sustainability strategy continues to align to the Paris Agreement and four of the 17 UN Sustainable Development Goals (SDGs), with committed short, medium, and long-term targets that focus on reducing GHG emissions, including a target to achieve net zero emissions by FY2030. With a plan and roadmap in place, we are currently on track to meet these targets. We are also pleased to have reduced absolute scope 2 emissions by 25% from the FY2019 baseline, and have also achieved 94% coverage of our business for ISO27001:2013 certification, meeting these goals ahead of the targeted timeframe.

We are proud that the Australian Council of Superannuation Investors continues to rate Link Group at the highest level of reporting (being "Comprehensive"), for our environmental, social and governance reporting, following their annual review of the ASX200's reporting as at June 2022.

Looking ahead

During FY2022, we evolved the Link Group operating model with the four businesses now operating with end-to-end responsibility for their performance. This will provide increased transparency and accountability of both business and financial performance as we move further into FY2023.

The Link Group executive and team remain firmly focused on servicing our clients and supporting our people to the very best of their abilities.

I would like to thank my fellow non-executive directors for their support and hard work during what has been a very busy year. On behalf of the Board, I would also like to thank the Link Group team for their continued focus and efforts during the year, and our clients and shareholders for your continued support.

Michael Carapiet
Chair

CEO AND MANAGING DIRECTOR'S REPORT

"In a year of high corporate activity, I'm proud of the continued focus of our team on supporting our clients and delivering value for our shareholders. Our businesses have delivered solid results while also increasing our contribution to the communities in which we operate. During another year of change and uncertainty, I'd like to thank everyone at Link Group for their unwavering dedication and commitment."

Simplifying the business to deliver and grow

As the Chair has mentioned, in FY2022 we evolved our operating model with our four global businesses now operating with full responsibility for all aspects of their business. This will provide increased autonomy and greater transparency of and accountability for business and financial performance. As a Group, we continue to have global governance and risk oversight of our businesses through a much leaner corporate centre.

The increased empowerment and flexibility this model provides will also allow each business to make decisions closer to their clients and focus on driving continued efficiencies. We also expect to see more targeted and tailored product innovation, technology enhancements and improved user experience from each business.

Supporting our clients to accelerate growth

We aim to simplify the connectivity between financial market participants and to enhance the engagement experience for end-users. Leveraging the expertise of our people combined with our technology, digital connectivity and data analysis and insights, we have been investing to expand our product and service offering, better integrate our operations and functions and enhance our technology solutions.

Delivering on the above with a client-first approach and our value of Client Focused at the forefront of everything we do, has led to renewed contracts and ongoing business growth in FY2022.

In Corporate Markets we have renewed contracts with long-term clients such as ITV in the UK, and Tabcorp in Australia, and won seven of the ten largest IPOs in Australia as well as corporate actions such as Air New Zealand's NZ$1.2bn capital raising. In India, we won 58% of IPOs in the market including Zomato, which had over 10 million applications. Since launching our Orient Capital business in India in November 2020, we have doubled our client base in the region. In the UK, we also launched our LinkVote+ app to facilitate wider shareholder engagement by allowing virtual participation – a first in this market.

In RSS, we successfully supported our clients in completing 11 transitions, which includes the migration of approximately 350,000 new members in the last quarter alone. This is a testament to our team's experience, expertise and tight collaboration with clients. Our UK expansion also progresses well, with members under administration increasing 22.4% and rising to approximately 976,000 members during FY2022. New product enhancements to our contact centre portal and digital member and advisor portals have been extremely well received, with funds such as Hostplus, Prime Super and Active Super launching with the newly enhanced member portal during the year, plus more to follow in FY2023.

In August 2022, we also announced an agreement to acquire HS Pensions in the UK. HS Pensions is a deeply experienced UK pensions administrator with strong capabilities in both defined contributions and defined benefits, and longstanding client relationships. Subject to regulatory approval, we expect this transaction to complete in the second half of calendar 2022. Once completed, this transaction will further accelerate our expansion into the UK, with the combined businesses servicing approximately 1.5m members with AUM of over £4 billion.

In Fund Solutions, the past year saw 28 new fund launches and 9 new fund manager relationships in the UK/Europe, as well as the acquisition of Casa4Funds. Completed in August 2021, we successfully integrated Casa4Funds over the course of the year. This acquisition has given us additional scale in Luxembourg, Europe's largest fund domicile, which complements our expertise in the UK and Ireland. Our UK Transfer Agency team also won the Asset Servicing Times Industry Excellence Award for Client Service for Fund Administration, which is a great achievement by the team.

Onboarded approx.
949,000
new members globally in RSS during FY2022

28
new fund launches and **9 new fund manager relationships** in the UK/Europe

LinkVote+
Launch of new LinkVote+ app for virtual shareholder participation – **a first in the UK**

First Home Scheme
Successful support of the First Home Scheme in Ireland by BCM

CEO and Managing Director's Report

Reinforcing our values while encouraging mindfulness techniques during COVID-19.

In BCM, the team faced a challenging macro-economic environment and reduced activity levels in the wholesale loan market. However, the business remains positioned well to capitalise on future opportunities from significant originations growth and continued enhancement of our technology platform. In Ireland, BCM supported the launch of the First Home Scheme – a Government sponsored shared equity scheme to support first home buyers. New mortgage lenders continue to be onboarded in the UK, while also supporting the entry of new lenders in the Netherlands into the fast growing buy-to-let mortgage market.

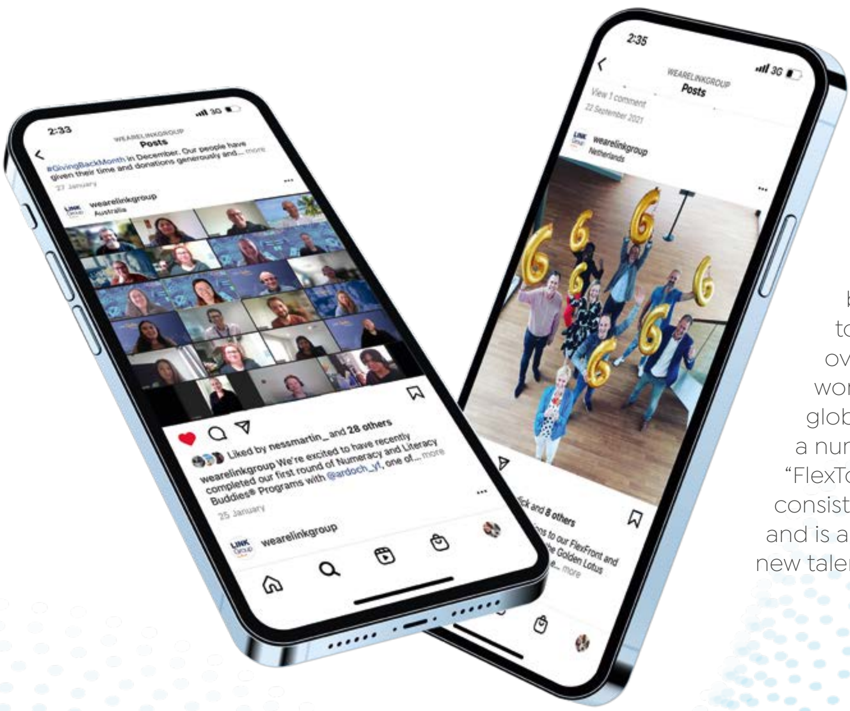
Working together to achieve and succeed

There is no doubt that our achievements in FY2022 are due to the extraordinary effort and dedication of the over 7,000 talented people at Link Group. We are committed to creating a high performing company where diversity is valued, and each person can realise their potential and contribute to Link Group's success.

With the continuation of COVID-19, the safety, health and wellbeing of our people remain a key priority for Link Group. Everyone has access to Link Wellness, where they can obtain physical and mental wellness tools and support, including online advice and information, complimentary webinars and access to our Employee Assistance Programs.

During the year, we also delivered external workshops to help our people continue to improve their mental health and resilience in the workplace, reinforced by monthly "Stay Safe and Well" communications.

We know that providing our people with flexibility in the way they work has helped to create a more inclusive work environment that supports wellbeing, better enabling us to thrive and work together to contribute to the organisation's overall success. Our flexible and blended work environment across our businesses globally, enabled through the rollout of a number of technology solutions and our "FlexTogether" Resources Hub has received consistent, positive feedback from our people and is also a key differentiator in attracting new talent.



A global Link Group celebration of International Women's Day.

In FY2022, we introduced monthly campaigns to reinforce our values and to recognise and heighten engagement around diversity and inclusion. During the year, these monthly campaigns provided awareness, support and learning on topics such privacy and security awareness, sustainability and environmental awareness and giving back to our community. We also featured a number of areas of inclusion, through PRIDE and diversity month, gender equity month, International Women's Day and more.

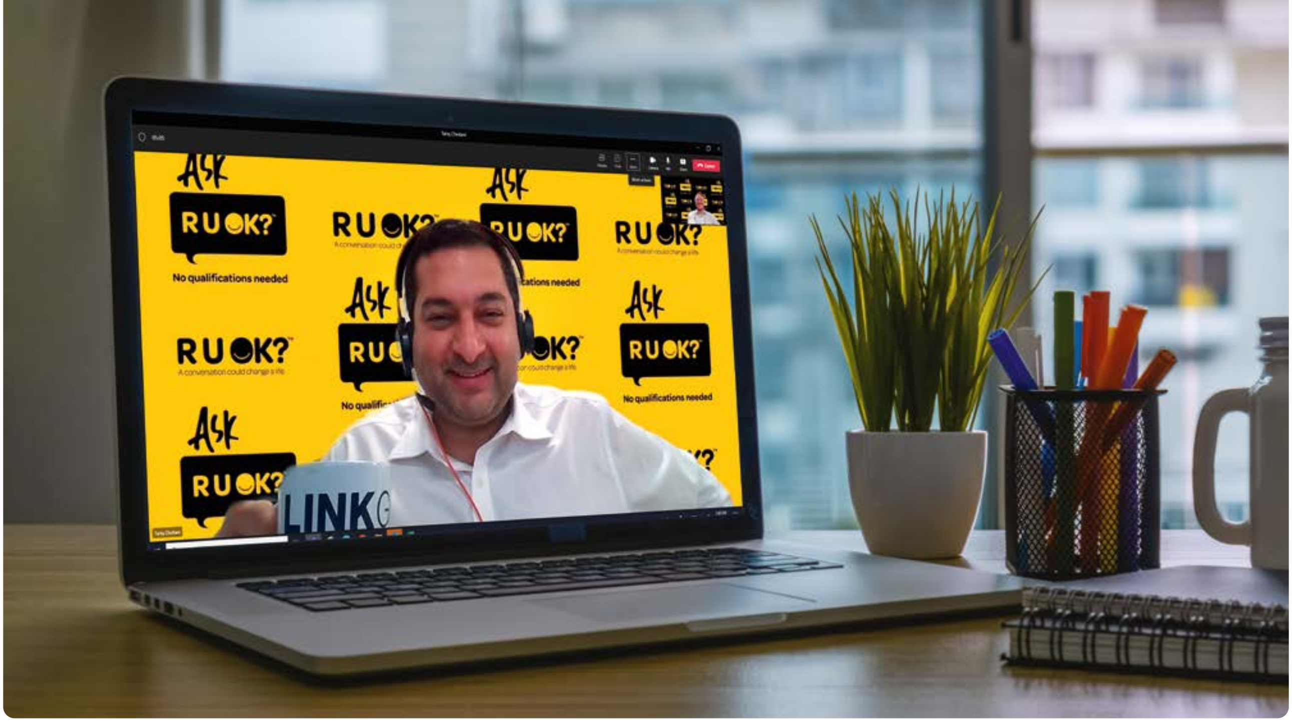
Our Appreciate recognition program reinforces our values of Client Focused, Adapt & Evolve and Together We Achieve. To date, we have seen over 13,500 recognition moments on the platform with 71% of all our people having received recognition, and 16 worthy and well-deserved CEO & MD Award recipients. The success of our organisation is truly attributed to when we all work together to achieve and thrive together.

The ability of our team to work together so cohesively has led to several achievements throughout the year. I am particularly delighted that our Corporate Markets team in the UK was awarded the CCA Global Standard accreditation in recognition of their excellent service delivery to our clients. Our Global Transformation team also won the 2022 'Excellence in Partnerships' award at the India Australia Business and Community (IABCA) awards, reflecting the strategic implementation of our centres of excellence across our APAC region which is a core part of our ongoing strategy to simplify, deliver and grow our business.

Our marketing team also won the thought leadership award at the UK Financial Services Forum Awards in conjunction with our research and media partners, which is a testament to our commitment to continually produce high quality thought leadership and insights. The 2021 Funds Europe's Specialist Fund Administration Industry Report & Directory also placed our Fund Solutions business in EMEA in the top 10 for global Assets under Administration (AuA).

Winning the 2022 IABCA Award for Excellence in Partnerships.

With team members from the UK, following the re-opening of international borders.



The wellbeing of our people is a key priority

12%
increase in charitable contributions
from organisation and our people
in FY2022

Raised over
$60,000
in December 2021 alone, during
Giving Back Month

Giving back to our communities

Against the backdrop of a year with significant macro-economic uncertainties, including an ongoing pandemic, environmental devastation in some areas and concerns about the economy and inflation, it was extremely heartening to see our people continue to give back to our communities.

In FY2022, our financial and in-kind charitable contributions from the organisation and our people increased by 12%. Our volunteer hours increased almost three-fold, which is a great outcome especially with many in-person volunteer opportunities being postponed due to COVID-19 restrictions. December 2021 was "Giving Back Month" and I'm pleased to say we raised over $60,000 during this month alone.

Our people across the globe have baked, walked, donated, mentored and more to raise funds and awareness for a range of causes to support the communities in which we operate. I'd like to highlight just a few of our achievements.

- We participated in the UNICEF #GiveTheWorldAShot campaign to help approximately 2,000 people from disadvantaged countries be vaccinated against COVID-19;
- Our UK team's amazing support for Young Enterprise – the UK's largest entrepreneurial, enterprise and financial education charity – saw us being shortlisted for the Funds Europe Outstanding Community Contribution of the Year award;
- For the second year running we held a highly successful Double Impact Day to raise funds for Ardoch in Australia, supporting education for disadvantaged children;
- Our continued support for basis.point in Ireland has seen us raise valuable funds to help deliver programs for children in disadvantaged communities;
- Our India team has recycled 70 Link Group laptops, donating the equivalent of $20,000 in value to our community partners SIES and SPRJ Kanyashala Trust. This gives students and teachers in government-run schools an opportunity to have the equipment they need to study and teach virtually, while also reducing e-waste; and

- The team in India also donated 3,800 school supply kits to students in two schools, with 28 volunteers from our team personally distributing the kits.

I am very proud that our contribution has played a small part in the success of our charitable partners across the globe, and I look forward to seeing that grow further in FY2023.

Continuing to support shareholder value

As the Chair has noted, delivering shareholder value is a critical focus for us. Despite the corporate activity we have experienced and ongoing global pandemic and market volatility associated with higher inflation and interest rates, we remained focused on our stated strategy of simplify, deliver and grow.

We have delivered on our upgraded guidance for FY2022. The Global Transformation Program has delivered $77.9 million of gross annualised benefits exceeding our target of $75 million. The India Hub continues to grow with approximately 1,100 team members now delivering services and support for our four businesses. As previously mentioned, we have also taken the next logical step towards further simplifying our Group structure and operating model.

With the termination of the Scheme Implementation Deed between Link Group and Dye & Durham, we continue to refine our business operating model to drive optimal performance and outcomes for the Group and its stakeholders.

We continue to reinvest in the business, building stronger capabilities to tailor solutions for our clients, and positioning the organisation to leverage opportunities that we expect from favourable tailwinds in the next 12–18 months. We have the right people, skill sets, technology and solutions to be successful and deliver.

I would like to thank everyone in the organisation for their ongoing dedication and commitment. Our ability to work together is what makes me extremely proud to lead this business, as we adapt and evolve the way we work to deliver for our clients and shareholders and continue to support the community.

I would also like to thank my Executive Leadership Team, and in particular wish to acknowledge the contributions of Chris Addenbrooke who retired from Link Group in FY2022. In turn, we welcomed Karl Midl, as CEO of Fund Solutions.

Finally, but certainly not least, I would like to take this opportunity to extend my thanks and appreciation to our clients, shareholders and the Link Group Board.

Vivek Bhatia
CEO and Managing Director

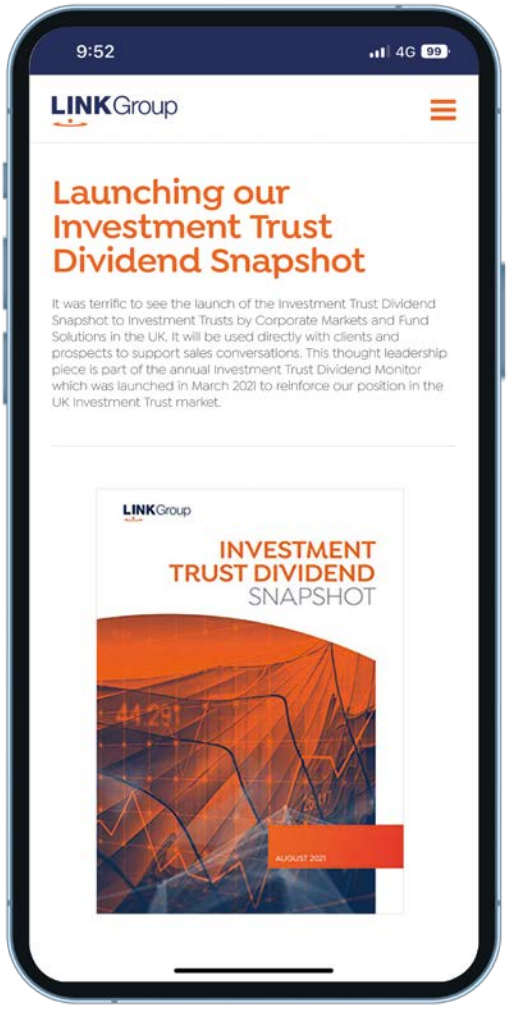
"Our ability to work together is what makes me extremely proud to lead this business, as we adapt and evolve the way we work to deliver for our clients and shareholders and continue to support the community."

Excerpts from "The VBlog"

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

LinkVote+ is live in the UK

I was delighted to see the launch of LinkVote+, our new shareholder engagement app in the UK last week. This app is the first in a new suite of digital solutions that we are bringing to life for our UK and European Corporate Markets clients this year.



Privacy and Security Awareness Month

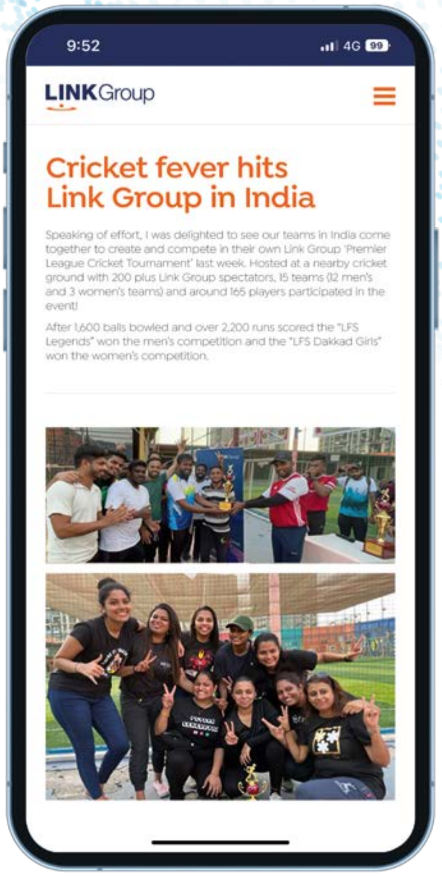
Thank you to everyone who participated in the Privacy and Security Awareness Month virtual Lunch and Learn sessions this week. These sessions were a fantastic opportunity to hear from our Information Security team about key information security habits, your responsibilities and where to find useful information through the **Cyber security hub.**

There were also lots of great questions in these sessions such as 'how to report suspicious emails; 'tips for creating a strong password'; and 'how to securely share files externally'. Thank you to everyone who attended.

The Birkenshaw Bluedogs

Speaking of gender equity, last week our Fund Solutions business unit supported the Birkenshaw Bluedogs girls under 11 and under 13 rugby teams in the UK. It's great to see these young women pioneer gender equity in rugby – a previously male-dominated sport.

We also hope that these girls will be inspired to motivate others to not only play rugby and possibly become professional players, but advocate for the equality of women's sport.



Gender Equity Month

As I mentioned in the Town Hall it is very pleasing that we are making great progress towards our Gender Equity goals across the business. So, it was wonderful to see Gender Equity Month kicking off this week. We are committed to creating a caring and inclusive workplace and this means striving to achieve gender balance and equity across our organisation.

Our **Gender Equity Employee Working Group** have organised several activities to celebrate

Gender Equity including a podcast series featuring Nicole Pelchen, Paul Gardiner, Dee McGrath and Antoinette Dunne.

Next Tuesday it's also International Women's Day (IWD) and I encourage you all to show your support for IWD by taking a ***#BreakTheBias*** pledge photo (as below) and sending it to employeecommunications@linkgroup.com.

I am looking forward to seeing your photos on the Intranet as well as the podcast and article series throughout March.

RETIREMENT & SUPERANNUATION SOLUTIONS

RSS went from strength to strength in FY2022, proactively helping to create a stronger superannuation system. Our expanding ecosystem of experience-led, technology-enabled solutions and digital services are supporting the future of better member outcomes, globally.

"In what was a progressive year, our team has focussed on driving further digitisation of our business, building a strong pipeline of new opportunities and partnering with our clients to deliver the best outcomes for members in retirement."

Dee McGrath, CEO, Retirement & Superannuation Solutions

Supporting our clients to accelerate growth

Partnering with our clients to fortify their growth strategies has been a top priority. During FY2022, we enabled our clients to successfully complete 11 transitions, migrating approximately 600,000 members. The seamless integration experience has been a credit to our expert teams and clients, who have supported intensive growth opportunities while maintaining service excellence in fund operations and support for members. We strengthened existing partnerships through advanced capabilities, while accelerating a strong pipeline of new business opportunities. We are also pleased with our UK expansion, with the numbers of members administered outperforming expectations during FY2022.

Adapting solutions for operational agility

Digital transformation remains an area of focus, with the continued roll-out of the Member Online platform, alongside the build out of our API catalogue, which has led to increased adoption of our digital, data and security solutions. Increased investment in digitising and modernising our core platform has also supported the operationalisation of more flexible operating models. Moreover, the Retirement Income Covenant has triggered a refocus on leveraging our scale to build out a core platform infrastructure, which will see the launch of a suite of services in the first half of FY2023.

Our investment into embedding human-centred design through our CX co-Lab methodology has also increased the number of collaboration and co-design opportunities with our clients – ensuring the solutions we build are aligned closely to their strategies.

Strong strides forward

Digital, Data and Transformation has become an embedded capability within how we operate. We have made significant investments into building on our foundations for Data & Insights. The launch of our PROGRSS program in the first half of FY2022 is now delivering highly improved digital experiences such as evolving our automation and straight through processing capabilities, which has ultimately driven stronger outcomes for our clients, our people, members, employers and other partners.

In FY2023, our strategic goals will centre on new market growth, further embedding solutions and operating model optimisation and a focussed shift to scaling outcomes. In one of the fastest evolving sectors, we believe we are in the best position to continue helping the industry create a better future for members.

REVENUE
$512m
FY2021 $507m

OPERATING EBIT
$106m
FY2021 $96m

OPERATING EXPENSES
$368m
FY2021 $365m

OPERATING EBIT MARGIN
21%
FY2021 19%

CORPORATE MARKETS

We have a diversified business model offering a suite of services across Registry, Employee Share Plans, Investor Relations, Corporate Governance and Communications. We delivered a strong year of client retention, new business wins and organic growth.

Success in FY2022

Our client-first approach has led to renewed contracts with long-term clients including ITV in the UK, Tabcorp in Australia, and corporate actions such as Air New Zealand's NZ$1.2bn capital raising. In FY2022, we expanded our Corporate Markets offering resulting in 252 products and services sold to 93 IPO clients across Australia, the UK and India. This includes seven of the ten largest IPOs in Australia, including GQG Partners. In India, we won 58% of IPOs in the market including Zomato, which had over 10 million applications. Since we launched Orient Capital in India in November 2020, we have doubled our client base and established ourselves as the fastest growing Investor Relations service provider in India. Orient Capital holds market leading positions in all our core markets for Shareholder Analytics, and in FY2022 provided 14,000 shareholder analyses and bondholder identifications.

LinkVote+

In the UK we launched our LinkVote+ app to facilitate wider engagement, a first in this market. The app allows shareholders to attend and participate at AGMs virtually, signalling the start of a suite of solutions providing paperless and digital journeys for shareholders and issuer companies.

Integrated solutions

Our *miraqle* platform has over 13,000 users across 1,600 companies worldwide. We are one of the only full-service providers globally that delivers an integrated solution. In FY2022, we refreshed our *miraqle* app to simplify the user experience and enhance modules including Registry. We will soon launch our Investor Centre platform to millions of new users in the UK and Ireland.

The investment we make in our technology capabilities is a testament to our purpose to connect people with their assets.

REVENUE
$366m
FY2021 $365m

OPERATING EBIT
$66m
FY2021 $54m

OPERATING EXPENSES
$267m
FY2021 $275m

OPERATING EBIT MARGIN
18%
FY2021 15%

"We combine our industry experience with technology capabilities to deliver innovative solutions for our clients and their investors. Our continual investment in developing technology-led solutions that drive efficiency for our clients is what differentiates us in the market. Our commitment to our clients is important to us and I am proud of the dedication from our teams to deliver unique, compelling value to our clients."

Paul Gardiner,
CEO, Corporate Markets

LINK FUND SOLUTIONS

Despite challenging market conditions, funds under management/administration were over AU$800 billion as at 30 June 2022. Growth was driven by our stable existing client base, with 28 new fund launches and 9 new fund manager relationships as well as the acquisition of Casa4Funds.

Completed in August 2021, the acquisition gives us additional scale in Luxembourg, Europe's largest fund domicile. We successfully integrated the business in FY2022, bringing in extensive experience across traditional and alternative assets, including private equity, real estate, infrastructure and debt. This complements our expertise in the UK and Ireland to allow us to deliver market-leading services for fund managers and financial institutions across all three of these key European fund domiciles.

We continue to simplify how we work through the integration of our oversight functions – both investment and operational – to utilise one framework across all locations, using the same systems and controls. This enables us to be more efficient and share best practice, and means clients receive a consistent experience wherever we support them.

We also continue to expand our product and service offering in all jurisdictions, including enhancing our investor-facing technology and leveraging our alternative fund expertise to support the global growth in private markets investments.

Finally, we were proud our UK Transfer Agency team was awarded the Asset Servicing Times Industry Excellence Award for Client Service for Fund Administration, and we were also shortlisted for the Funds Europe Outstanding Community Contribution of the Year award recognising our work supporting Young Enterprise – the UK's largest entrepreneurial, enterprise and financial education charity.

REVENUE
$181m
FY2021 $170m

OPERATING EBIT
$18m
FY2021 $16m

OPERATING EXPENSES
$151m
FY2021 $142m

OPERATING EBIT MARGIN
10%
FY2021 9%

"Link Fund Solutions has the bold ambition to become the leading independent Authorised Fund Manager/ManCo across the UK, Ireland and Luxembourg, whilst expanding our product offering in alternative fund administration and redefining digitalisation in transfer agency. In FY2022, we acquired and integrated Casa4Funds in Luxembourg, enhanced our investor-facing technology, rolled out consistent cross-jurisdictional oversight and governance, and further simplified our operating model, all while supporting our fund manager partners and clients."

Karl Midl, CEO, Link Fund Solutions

BANKING & CREDIT MANAGEMENT

"While FY2022 has been a period of significant change for BCMGlobal and the wider mortgage market, we are pleased to support the launch of new mortgage lenders in Ireland, the UK and the Netherlands, resulting in a material increase in our performing assets under management. This is testament to the strength of our service offering and team, and we look forward to the continued success in scaling our origination and primary servicing businesses."

Antoinette Dunne, CEO, BCMGlobal

The current macro-economic environment has led to increases in inflation and rates of interest across all jurisdictions. We continue to proactively engage with all our clients, their customers and regulators to mitigate and manage potential increasing risk of customer payment default.

In FY2022 BCMGlobal was also subject to a potential divestment from Link Group, and we are proud of our ability to deliver a solid performance against the backdrop of this and the overall economic environment.

The challenging macro-economic environment and reduced activity levels in the wholesale loan market contributed to the business delivering a lower than expected EBITDA for FY2022. However, significant originations growth and continued enhancement of our technology platform position the business well to capitalise on new opportunities across all markets.

Highlights

In Ireland, we were selected as the preferred bidder to launch the First Home Scheme – a Government sponsored shared equity scheme to support first home buyers. Through our market leading origination services proposition, we supported Avant Money and Dilosk to exceed their growth targets and acquire substantive market share. Whilst the loan sale market was subdued, we helped customers resolve financial difficulties in non-performing loan portfolios, with over 6,500 accounts redeemed or resolved in year.

In Italy, the complex work-out activity we undertake on non-performing loans, together with real estate (REOCO) asset management are in demand. We also successfully launched our first co-investment initiative in FY2022, acquiring a secured non-performing loan portfolio in partnership with a group of leading institutional investors.

In the Netherlands, we have continued to support the entry of new lenders and their funding partners into the fast growing "Buy to Let" mortgage market. Our clients have provided positive feedback on our market leading technology and service quality, enabling us to provide a highly efficient service compared to competitors. Alongside our mortgage origination services, we are pursuing our strategy to achieve a step change in scaling our servicing operations by securing a contract to service a portfolio of mortgages from a lender or investor in the sector.

In the UK, our most mature mortgage servicing market, we have added new mortgage lenders to our diversified client base, including clients who have developed transformational technology and are well funded to secure material market share. We continue to provide back-up servicing to capital providers that require enhanced operational risk mitigation as part of their funding structures for mortgage pools. Our Ipswich based mortgage business also won a coveted mortgage industry award for the quality of its services during FY2022.

REVENUE	OPERATING EXPENSES	OPERATING EBIT	OPERATING EBIT MARGIN
$132m	$134m	$(15)m	(11)%
FY2021 $141m	FY2021 $135m	FY2021 $(12)m	FY2021 (9)%

OUR BOARD

Michael Carapiet
Independent Chairman and Non-Executive Director

Michael Carapiet was appointed as a Director and Chair of the Company in 2015. He is an ex-officio member of all Board Committees.

Michael is Chair of Smartgroup Corporation Limited. He was previously Chair of Insurance & Care NSW (icare), Chair of SAS Trustee Corporation and a Director of Southern Cross Media Group Limited.

Michael has also served on Commonwealth Government boards including Infrastructure Australia, Clean Energy Finance Corporation and Export Finance Insurance Corporation.

Michael has over 30 years of experience in banking and financial services and holds a Master of Business Administration from Macquarie University, Sydney.

Vivek Bhatia
CEO and Managing Director

Vivek Bhatia joined Link Group in 2020 as CEO and Managing Director. Vivek has over two decades of experience in financial services, government and management consulting.

Vivek is an experienced chief executive, having led a number of complex businesses throughout his career. Vivek joined Link Group from QBE Insurance Group where from 2018 he was Chief Executive Officer of the ASX-listed general insurance and reinsurance company's Australia Pacific division. Vivek joined QBE from icare where he held the position of Chief Executive Officer and Managing Director. Prior to this, he co-led the Asia-Pacific Restructuring and Transformation practice at McKinsey & 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 serves as a Non-Executive Director on the Board of PEXA, which operates Australia's leading digital property settlement platform.

Vivek holds an undergraduate degree in engineering, a post graduate in business administration and is a Chartered Financial Analyst (ICFAI).

Glen Boreham, AM
Independent Non-Executive Director

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

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

Previously, Glen was the Managing Director of IBM Australia and New Zealand. He has also previously served as Chair of Screen Australia, Advance and the Industry Advisory Board for the University of Sydney, as well as Deputy Chair of the Australian Information Industry Association and a Director of the Australian Chamber Orchestra.

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

Andrew (Andy) Green, CBE
Independent Non-Executive Director

Andy Green was appointed a Non-Executive Director of the Company in 2018. He is Chair of the Risk Committee and a member of the Technology & Transformation Committee.

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

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

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

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

Peeyush Gupta, AM
Independent
Non-Executive Director

Peeyush Gupta was appointed a Non-Executive Director of the Company in 2016. He is a member of each of the Risk and Audit Committees. With over 30 years of experience in the wealth management industry, Peeyush was previously co-founder and the inaugural CEO of IPAC Securities Limited, a wealth management firm spanning financial advice and institutional portfolio management. He has extensive corporate governance experience, having served as a Director on listed corporate, not-for-profit, trustee and responsible entity boards since the 1990s.

Peeyush is currently the Chair of Charter Hall Direct Property Management Limited and Long Wale REIT and a Non-Executive Director of National Australia Bank, Insurance & Care NSW (icare), SBS and Quintessence Labs Pty Ltd. Peeyush holds a Masters of Business Administration (Finance) from the Australian Graduate School of Management and has completed the Advanced Management Program at Harvard Business School. He is a Fellow of the Australian Institute of Company Directors. In January 2019, Peeyush was awarded a Member of the Order of Australia for significant service to business, and to the community, through his governance and philanthropic roles.

Anne McDonald
Independent
Non-Executive Director

Anne McDonald was appointed a Non-Executive Director of the Company in 2016. She is a member of each of the Audit Committee and Human Resources and Remuneration Committee.

Anne has over 20 years' experience as a non-executive director. Her business and executive experience over 35 years has been in finance, accounting, auditing, risk management and governance. She was a partner of Ernst & Young for over 15 years

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

Anne is a Chartered Accountant, a graduate of the Australian Institute of Company Directors and holds a Bachelor of Economics from the University of Sydney.

Dr Sally Pitkin, AO
Independent
Non-Executive Director

Dr Sally Pitkin was appointed a Non-Executive Director of the Company in 2015. She is Chair of the Human Resources and Remuneration Committee and a member of the Risk Committee.

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

She is Chair of Super Retail Group Limited and a Fellow of the Australian Institute of Company Directors, and Chair of the Institute's Corporate Governance Committee. Formerly a senior corporate partner at a national legal firm, Sally has extensive corporate and banking law experience. She holds a PhD in Governance from The University of Queensland and a Master and Bachelor of Laws from the Queensland University of Technology.

Fiona Trafford-Walker
Independent
Non-Executive Director

Fiona Trafford-Walker was appointed a Non-Executive Director of the Company in 2015. She is Chair of the Audit Committee and a member of the Technology & Transformation Committee.

Fiona was previously an Investment Director at Frontier Advisors (Frontier).She was the inaugural Managing Director at Frontier and held that role for 11 years until 2011 when she became the Director of Consulting until 2017. Fiona played a critical role in growing Frontier and has over 28 years of experience in advising institutional investors on investment and governance-related issues.

Fiona is a Director of Perpetual Limited, Eclipx Group Limited and Prospa Group Ltd, and Chair of Prospa's Audit and Risk committee. Fiona is also a Director of Victorian Funds Management Corporation.

Fiona holds a Master of Finance from RMIT University and a Bachelor of Economics from James Cook University. Fiona is also a Graduate of the Australian Institute of Company Directors.

OUR EXECUTIVE TEAM FY2022

Vivek Bhatia
CEO and Managing Director

Vivek Bhatia joined Link Group in 2020 as CEO and Managing Director. Vivek has over two decades of experience in financial services, government and management consulting.

Vivek is an experienced chief executive, having led a number of complex businesses throughout his career. Vivek joined Link Group from QBE Insurance Group where from 2018 he was Chief Executive Officer of the ASX-listed general insurance and reinsurance company's Australia Pacific division. Vivek joined QBE from icare where he held the position of Chief Executive Officer and Managing Director. Prior to this, he co-led the Asia-Pacific Restructuring and Transformation practice at McKinsey & 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 serves as a Non-Executive Director on the Board of PEXA, which operates Australia's leading digital property settlement platform.

Vivek holds an undergraduate degree in engineering, a post graduate in business administration and is a Chartered Financial Analyst (ICFAI).

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).

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.

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, and is also a Director of Smart Pension. Dee's qualifications include business studies, economics and strategic planning and is currently a member of Chief Executive Women.

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.

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.

Nicole Pelchen
Chief Technology Officer

Nicole Pelchen joined Link Group in October 2021 as Chief Technology Officer. Nicole has over 25 years' experience in the technology and banking industries. Prior to Link Group, Nicole was most recently Chief Information Officer, Retail and Commercial at ANZ Bank, where she was responsible for technology including digital, data and automation programs, leading teams across Australia, China and India.

Prior to ANZ, Nicole held various leading technology, transformation, IT operations, digital and strategy roles. For a large part of her career, she worked at IBM in Australia and Europe, where she partnered with clients across several sectors including the public sector, financial services, telecommunications, resources and consumer goods across multiple geographic regions.

Nicole holds a Bachelor of Applied Science and is a graduate of the AICD Company Directors Course (GAICD).

Wendy Phillis
Chief Risk Officer[1]

Wendy Phillis joined Link Group as Chief Risk Officer in June 2019.

Wendy has over 25 years' experience in global leadership roles in risk, compliance and operations within the financial services industry and has held senior positions at ICAP and State Street.

Prior to joining Link Group, Wendy was the Managing Director of Regulatory Solutions at Royal Bank of Canada's Investor & Treasury Services (RBC I&TS) division.

Wendy holds a Bachelor of Science in Physics from Dickinson College in Pennsylvania, an MBA from Simmons College Graduate School of Management in Massachusetts and the Financial Times Non-Executive Directors Diploma.

Michael Rosmarin
Chief People and Group Services Officer

Michael Rosmarin was appointed Chief People & Group Services Officer in May 2021.

Michael joined Link Group in early 2019 and was Chief Human Resources & Brand Officer until his promotion. Prior to joining Link Group, Michael was Chief Operating Officer at Stockland.

Michael has over 30 years' experience in human resources and operational roles in Australia and Asia and has held executive human resources positions for Stockland, Westpac Banking Corporation and Goldman Sachs.

Michael is a Fellow Certified HR Practitioner (FCPHR), National President and Chair of the Australian Human Resources Institute (AHRI) and is a graduate of the Australian Institute of Company Directors Course (GAICD). Michael holds a Bachelor of Arts degree in Psychology and a Master of Commerce degree from the University of NSW.

Sarah Turner
General Counsel and Company Secretary

Sarah Turner joined Link Group in February 2021 as General Counsel and Company Secretary.

Sarah has over 20 years' experience in global leadership, company secretarial and legal services in Australia and the UK in industries including healthcare and technology as well as in private legal practice.

Prior to Link Group, Sarah was most recently General Counsel & Company Secretary at REA Group Ltd, a global digital media company operating leading property websites in Australia, Asia and the US. Sarah was a member of the REA Executive Leadership Team and managed the global legal team.

Sarah holds a Bachelor of Laws (Hons), a Bachelor of Arts, a Graduate Diploma in Applied Corporate Governance and is a graduate of the AICD Company Directors Course (GAICD) and a Fellow of the Governance Institute of Australia (FGIA, FCG).

1 Leaving Link Group in FY2023.

SUSTAINABILITY REPORT

As a global, digitally enabled business connecting millions of people with their assets – safely, securely, and responsibly, sustainability remains an important and key focus for Link Group.

The identification of current and emerging environmental, social, and governance (ESG) trends is an integral part of our business as is understanding the needs of our clients, and ensuring we have a sustainable business.

ABOUT THIS REPORT

This Sustainability Report provides transparency on how we approach sustainability in our operations, supply chain, and with our stakeholders. It provides an overview of initiatives underway across each pillar of our Sustainability Strategy.

This section has been prepared in accordance with the Global Reporting Initiative (GRI) Universal Standards 2016: core option. Link Group will commence reporting against the GRI Universal Standards 2021 from FY2023. Link Group's FY2022 sustainability disclosures have been selected based on those that are the most material to our business/and or of the greatest importance and relevance to our stakeholders. For a full list of disclosures referenced in this report, please refer to the GRI Content Index available at https://www.linkgroup.com/sustainability.html.

The section covers the sustainability activities of Link Group across all our controlled entities during the period 1 July 2021 to 30 June 2022 and represents more than 30 offices in the 18 jurisdictions in which we operated during the year unless otherwise stated. Please refer to the Annual Report for all major changes that occurred during the year.

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

Link Group has an internal sustainability data verification process that is linked to our sustainability data management system (DMS) to verify the integrity of any periodic disclosures of this section. Our DMS consolidates all sustainability data for disclosure purposes across 18 jurisdictions of operations and allows for a consistent approach globally for recording, monitoring, and reporting to the Greenhouse Gas (GHG) Protocol Corporate Accounting and Reporting Standards[1]. The information is validated by the business and our Global Sustainability Manager. The section is approved by the Link Group Board. No external assurance was sought for our sustainability disclosures within this report.

OUR SUSTAINABILITY COMMITMENT

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

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

OUR APPROACH TO SUSTAINABILITY

Link Group's Sustainability Strategy supports our purpose of connecting people with their assets – safely, securely, and responsibly. The strategy is comprised of three pillars that incorporate ESG focus areas considered to be material to our business.

Our strategy continues to align to the Paris Agreement and four of the 17 UN Sustainable Development Goals (SDGs) that we can contribute to progressing. We have set short, medium, and long-term targets with a focus on reducing GHG emissions to help us achieve net zero emissions by FY2030 and commenced the expansion of scope 3 emissions data including investigating ways to measure our supply chain emissions, capture data for our outsourced data centres and cloud providers, and measure emissions of our paper consumption. We remain on track for delivery of our set targets and have developed a 2030 plan to achieve them. We are pleased to announce that we have reduced absolute scope 2 emissions by 25% from the FY2019 baseline therefore achieving our FY2023 target ahead of the timeframe. Further we have achieved over 94% coverage of our business for ISO 27001:2013 certification therefore meeting our data & information security target ahead of the timeframe. Link Group is also a founding member of the Australian Sustainable Finance Institute (ASFI).

Link Group is a founding member of the Australian Sustainable Finance Institute (ASFI)
https://www.asfi.org.au/

Sustainability Strategy

A Responsible Business

A focus on our strong governance foundation, demonstrating our business ethics and respect for human rights that we adopt in all aspects of our business. This includes our general operations, business continuity and supplier management. We are also committed to acting responsibly with regards to the impact our operations have on the environment.

Aligning and Building Our Capability

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

Sustainable Growth

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

Materiality and Stakeholder Engagement

MATERIAL TOPICS[1]

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

Our approach to understanding our material sustainability impacts considers the environmental, social, and economic risks mapped as significant for our industry under the SASB materiality map.

We also consider any other material topics identified via a review of macro factors and megatrends, and by undertaking desktop-based research. Each year we review our material topics and further consider materiality in the context of emerging global trends, the GRI Standards, and the SDGs. We engage with our stakeholders and work collaboratively to manage business risks and opportunities. The review includes understanding current and emerging risks, particularly during the COVID-19 pandemic, and our position in response to these. An analysis is performed to identify topics followed by prioritisation of topics. The review demonstrates if our Sustainability Strategy continues to reflect our significant or material economic, environmental, and social impacts, and those that are most likely to influence the assessments and decisions of stakeholders including investors.

Stakeholder groups

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

Method of stakeholder engagement

We utilise a blend of indirect and direct engagement for our internal and external stakeholders. We engage with our people through surveys, regular email and video updates, town hall updates and round tables (in person and virtually) to understand how we can become a better place to work, and to assist us in attracting and retaining talent. Monitored email boxes and anonymous communication channels are also available for our people to provide feedback on any number of topics, at any time. We engage with our external stakeholders in several ways, including and not limited to:

- Client satisfaction surveys which incorporate ESG related questions;
- Interactions with key regulatory, government and industry bodies in all our jurisdictions;
- Regular participation in key industry meetings, conferences and forums;
- Regular client meetings to review our performance and identify issues and future needs; and
- Direct communication with customers of our clients e.g. fund members, shareholders and investors.

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

Governance of Sustainability Risks

The Audit Committee has oversight and responsibility of Link Group's sustainability agenda, as outlined in its Charter, including:

- reviewing whether the Company has any material exposure to any economic, environmental, or social risks and if so, develop strategies to manage such risks; and
- reviewing the annual Sustainability Report and the company's progress towards meeting sustainability targets.

Link Group's Sustainability Working Groups (WGs) are chaired by the Global Sustainability Manager and comprise senior leaders that meet at least quarterly. The WGs have been established to support the implementation of the Sustainability Strategy across all stakeholder groups including our clients and their customers.

Link Group's Global Sustainability Manager is responsible for co-ordinating the assessment and management of sustainability risks and impacts in our business operations including its supply chain. This global role collaborates and consults with business representatives via our Sustainability Working Groups which in turn engage other key internal stakeholders to ensure continuous improvement and a holistic approach to supply chain management, sustainability risks and impacts to business operations.

Link Group's Global Sustainability Manager reports to the Chief Marketing Officer who reports to the Chief People and Group Services Officer. The Chief Marketing Officer is part of the Senior Leadership team and the Chief People and Group Services Officer is part of the Executive Leadership Team and reports to Link Group's CEO and MD.

PILLAR 1

A RESPONSIBLE BUSINESS

8 DECENT WORK AND ECONOMIC GROWTH

SDG ALIGNMENT

Our approach to corporate governance and ethics continues to guide how we operate as an organisation in conducting business and how we service our clients and their customers.

It also supports sustaining long-term financial performance and creating value for our shareholders and key stakeholders.

We remain committed to acting responsibly with regard to the impact our operations and supply chain have on the environment and communities we operate in. We comply with the ASX Corporate Governance Council's Principles and Recommendations (Fourth Edition). For more information on our corporate governance practices, please see our 2022 Corporate Governance Statement and related key governance documents, at https://linkgroup.com/about-us.html.

CONTRIBUTION TO UN SDG GOAL 8

8 DECENT WORK AND ECONOMIC GROWTH

Decent work and economic growth

PROMOTE SUSTAINED, INCLUSIVE AND SUSTAINABLE ECONOMIC GROWTH, FULL AND PRODUCTIVE EMPLOYMENT AND DECENT WORK FOR ALL.

Link Group respects and promotes human rights and effective management of issues relating to modern slavery and human rights risks. We are committed to operating our business in a responsible and sustainable manner with regards to the impact our operations have on the environment to help build a sustainable future and have set a net zero carbon emissions target by FY2030. This outlines our contribution to this important goal and the UN SDG set targets 8.4 and 8.8.

SDG TARGET 8.4

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

OUR CONTRIBUTION

FY2022 Absolute Scope 2 Emissions

↓25%

from FY2019 baseline
FY2023 target achieved

FY2022 Emissions Intensity

0.74 tonnes

of CO_2e per FTE
↓ 48% from FY2019 baseline
See Global Total Emissions table on page 27

SDG TARGET 8.8

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

OUR CONTRIBUTION

39%

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

37 workplace grievances

filed with human resources globally during FY2022, of which 36 were addressed and 30 resolved prior to 30 June 2022

OUR TARGETS

Absolute Scope 2 Emissions

↓10%

from FY2019 levels of 6,378 tCO_2-e by FY2023. Achieved in FY2022

Absolute Scope 2 Emissions

↓30%

from FY2019 levels of 6,378 tCO_2-e by FY2025

Scope 2 Emissions

net zero

by FY2025

Absolute Scope 2 Emissions

↓50%[1]

by FY2030

Reduce Emissions Intensity (tCO_2-E) per FTE

↓50%

from FY2019 1.50 tCO_2-e baseline by FY2030

net zero

Emissions by FY2030

OUR GLOBAL TOTAL EMISSIONS & ELECTRICITY CONSUMPTION BY COUNTRY

	COUNTRY	FY2019 Baseline	FY2021	FY2022
MWh	Australia	4,479.64	3,607.11	3,128.46
	United Kingdom	2,769.73	2,595.63	1,062.55
	India	899.99	1,469.28	2,027.15
	Ireland	786.65	567.61	436.03
	Netherlands	97.35	406.61	421.87
	New Zealand	140.94	120.92	132.70
	South Africa	277.83	91.08	–
	Germany	131.99	116.28	77.18
	Philippines	103.88	66.30	–
	Italy	33.00	48.84	38.03
	Luxembourg	268.17	36.39	36.39
	China	16.53	16.99	19.86
	Jersey	399.41	–	–
	Hungary	136.44	–	–
	Switzerland	75.27	–	–
	United Arab Emirates	4.51	–	–
	Grand Total scope 2 MWh	**10,621.34**	**9,143.03**	**7,380.20**
tCO_2-e	Scope 1	89.91	13.36	0.96
	Scope 2	6,378.01	5,385.42	4,758.21
	Scope 3	3,118.02	186.26	565.37
	Total Emissions	**9,585.95**	**5,585.05**	**5,324.54**
	FTE (excluding contractor/temp)	6,709	7,068.77	7,169.00
	Emissions/FTE	1.43	0.79	0.74

1 Note restatement of FY2019 United Kingdom MWh data, Total FY2019 MWh data, and FY2019 scope 2 emissions due to adjustment of Bournemouth site in UK kWh consumption as actual data received for site replacing previous estimates. Note restatement of FY2021 Australia MWh as actual data received for Rhodes site replacing previous estimates. Note restatement of FY2021 Germany MWh data due to Munich previously underreported and restatement of FY2021 India MWh data due to Mumbai site previously underreported due to an entity change whereby electricity consumption was not reported. This has reduced FY2021 total MWh from 9,274.19 to 9,143.03 and revised FY2021 Scope 2 emissions, total emissions FY2021 and FY2021 emissions/FTE.

Risk management, information security and data privacy

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

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

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

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

Best practice standards and principles

We align to local and international regulatory expectations for risk management and various international and regional standards for information security/cybersecurity.

Our Enterprise Risk Management Framework sets the strategic approach for risk management by defining standards, objectives and responsibilities for all.

Our ISMS aligns to global and regional standards and principles to create a robust and mature framework for information security management. We align to a number of industry recognised standards such as ISO 27001:2013 and National Institute of Standards and Technology (NIST) cybersecurity resilience framework. We are pleased to announce that we have achieved over 94% coverage of our business for ISO 27001:2013 certification therefore meeting our data & information security target ahead of the timeframe. There are a number of other global standards and principles we align to, including relevant Privacy Act and Data Protection laws, GDPR, CIS Top 20, Mitre Att&ck Framework, and OWASP Top 10.

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

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

Our ongoing commitment to deliver robust governance and risk management can be found in our Risk Committee Charter[1] and Enterprise Risk Management Framework.

1 https://www.linkgroup.com/docs/LG-Risk-Committee-Charter.pdf

Over

6,800+

people[1] in our global business are covered under our ISO 27001:2013 certification scope

This equates to over

94%

global coverage

Meeting our FY2023 goal of

80%

ahead of our target timeframe

Approach to Tax

In accordance with the Tax Risk Governance Policy[2], Link Group continues to adopt a low risk approach to taxation, as outlined below.

Managing tax risks

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

Tax planning

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

Transparency

We are committed to transparently disclosing our tax obligations.

Relationships with tax authorities

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

International related party dealings (IRPD)

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

BREAKDOWN OF TAX PAID ($'000)

Unaudited breakdown of all tax payments for year ended 30 June 2022	Corporate income tax $'000	Employer payroll tax[3] $'000	Total tax payment $'000	Employee payroll tax[4] $'000	Goods & services /value added tax $'000	Other tax $'000
Australia and New Zealand	40,127	19,274	59,401	41,279	76,301	–
United Kingdom and Channel Islands	2,210	9,864	12,075	15,284	31,909	–
Other Countries	5,334	6,475	11,809	12,150	23,264	104

1 As at 30 June 2022, based on total headcount excluding contractors and temps.

2 https://www.linkgroup.com/docs/LG-Tax-Risk-Governance-Policy.pdf

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

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

Building a more sustainable supply chain

Link Group has social and environmental impacts related to the sourcing of goods and services within our supply chain. We seek to manage this by improving the sustainability of our supply chain as a responsible business, improving our relationships with our suppliers and clients, and working to improve transparency within the supply chain by adopting a continuous improvement approach year on year.

We are investigating ways to measure and better understand the environmental impact of our supply chain via a third-party, initial assessment to map the supply chain and calculate our GHG emissions. As we measured, monitored and managed certain indirect scope 3 emissions, we identified a lack of readily available data from our outsourced data centres and cloud providers, which is required to better understand our consumption and indirect environmental impacts. Therefore, in FY2022 we engaged the suppliers of these outsourced data centres and cloud providers to expand our scope 3 emissions measurement and we will commence reporting In FY2023.

In FY2022 we also undertook the following activities to reduce the risk of modern slavery in our supply chain.

- Annual third party risk assessment of entire supplier database;
- Annual questionnaires as part of supplier onboarding and ongoing engagement;
- Commenced a third party modern slavery risk assessment of the investment portfolios managed by Funds Solutions Limited's businesses;
- Deep dives into tier 1 suppliers that potentially have a higher risk of modern slavery, as identified in the annual third party risk assessment; and
- Partnered together with Cbus, one of our key clients for the RSS business unit, to discuss how we each approach the assessment and reduction of risk of modern slavery within our individual and collective supply chains. A case study on the engagement with Cbus can be found in the FY2022 Group Modern Slavery Statement.

There were no known instances of modern slavery incidents reported.

Link Group is subject to both the UK and Australian Modern Slavery legislation and has produced a 2022 Group Modern Slavery Statement, at https://www.linkgroup.com/sustainability.html, to fulfil our reporting obligations and to outline Link Group's progress towards identifying and addressing modern slavery risks within our business and supply chain.

The Statement further outlines how our operations including investments and supply chain have been subject to human rights assessments by a third party and employee training conducted on our human rights policy and procedures. We continue to engage with our suppliers and with our clients to improve transparency related to modern slavery risks.

Conduct, ethics and respect for all employees

Our Code of Conduct and Ethics (Code) outlines our values and the underlying behaviours that guide how we interact with each other and collaborate as an organisation in conducting our business to create positive outcomes for Link Group, our clients, and the communities in which we operate. In FY2022 we updated our Code with a new look and feel to better reflect our refreshed values and ensure continued compliance with laws and regulations in all jurisdictions of operation.

We take all reports of harassment, discrimination, bullying and any form of misconduct very seriously. Our 'Speak Up' framework encourages employees to raise concerns, report misconduct or illegal activity easily and securely and our grievance procedure facilitates the appropriate investigation and resolution of complaints. We support the right of employees to bargain collectively and maintain productive engagement with trade unions, as well as negotiating directly with employees. We generally pay above-award rates. Employees covered by collective agreements globally is 39%.

PILLAR 2

5 GENDER EQUALITY

8 DECENT WORK AND ECONOMIC GROWTH

SDG ALIGNMENT

ALIGNING AND BUILDING OUR CAPABILITY

Link Group is committed to continuing to build and provide an inclusive and collaborative environment where difference is valued, and each person can realise their potential. We recognise that embracing and harnessing individual differences and gender equity brings the breadth of perspective and depth of experience critical for our success.

Investing in our people and systems

Our continued investment in people and systems gives us the tools, knowledge, and capability to develop global innovative client solutions.

Part of being a global organisation is the ability to provide a wide range of development and career opportunities to our people. This helps us attract the right candidates, bring out the best in our people and build the capabilities and skills we need to continue to deliver innovative solutions for our clients.

In FY2022, we have focused on providing our people with greater transparency of and support for career opportunities and development. We developed and commenced the progressive rollout of Link Group's leadership and job family capability framework, providing the foundation for attracting the right capability into the organisation as well as building our people's capabilities in their roles and supporting their career progression. We ran a series of development planning webinars to help our people drive and manage their own development, and our managers support their team members' development.

We also replaced the learning management system underpinning our Link Academy to further integrate our HR systems, improve the learning experience for our people, and provide our managers with real time dashboards on learning activity for their teams.

In FY2022, in response to feedback from across our business, we identified opportunities to evolve and improve our approach to required learning program to continue to meet our risk management, regulatory and legislative obligations in a way that delivers a more engaging experience for our people and enhances the impact of the required learning.

Inclusive and equitable workforce

Diversity and Inclusion

We recognise that embracing and harnessing individual differences and gender equity brings the breadth of perspective and depth of experience critical to our success, especially as we strive to be an organisation where our people are reflective of the diverse clients we support, as well as their customers throughout the world. We remain committed to achieving gender balance and equity across all levels of management and the wider organisation.

In FY2022, we improved the representation of women across our cohort of Senior Leaders and continued to maintain a balanced representation across the other management levels and wider organisation including 50% female representation on the Executive Leadership Team.

We continue to review, enhance, and introduce people policies and processes to reduce any bias and provide a safe environment for all our people. In FY2022, we introduced our Domestic and Family Abuse Policy on the International Day for the Elimination of Violence Against Women, to provide a range of support and access to resources for our people who are either experiencing abuse or providing care and support to family members experiencing abuse.

To better understand how we can continue to improve gender equity and balance across the organisation, in FY2022 we ran global focus groups to identify and prioritise actions to address potential barriers to gender equity within the organisation.

Blended working

We understand that providing our people with flexibility in the way they work creates an inclusive work environment and supports employee wellbeing, better enabling employees to thrive and work together to contribute to Link Group's success. It also strengthens the sustainability and continuity of our operating businesses enabling us to deliver exceptional and effective client outcomes. In FY2022, we introduced flexible and blended work arrangements across our businesses globally, enabled through the rollout of several technology solutions and our FlexTogether resource hub.

Wellbeing

The safety, health and wellbeing of our people is a key priority for Link Group. In FY2022, we delivered leadership team briefings and external workshops to continue to improve mental health and employee resilience in the workplace, reinforced by ongoing access to a range of wellbeing tools and information through our Wellness hub, the introduction of monthly Stay Safe and Well emails and the expansion of our workplace health & safety incident management system across many of our locations.

Days of significance

In FY2022, we introduced monthly campaigns to recognise and promote our global days of significance (International Women's Day, International Flexible Working Day, and World Mental Health Day). These days were promoted by our Diversity and Inclusion Working Groups to further enhance employee engagement with our current Diversity and Inclusion priorities.

We also started to broaden our focus across other areas of inclusion, including LGBTIQ+ through the celebration of PRIDE month globally, and cultural diversity through the introduction of an Acknowledgement to Country guide for our Australian businesses and the translation of our employee surveys and Code of Conduct & Ethics policy into the local languages of some of the jurisdictions in which we operate.

Listening to our people

In 2021, we conducted a comprehensive Link Listens global employee engagement survey and developed an action plan in response to our people's overall feedback. In FY2022, we ran a pulse survey to check in on employee sentiment and the impact of the action plan. The results saw an improvement in overall employee engagement and confirmed the actions we are taking are having a positive impact on our people's engagement and experience and are driving alignment with our desired culture.

CONTRIBUTION TO UN SDG GOAL 5 AND GOAL 8

5 GENDER EQUALITY

Diversity, Inclusion and Gender Equity

GOAL 5 ACHIEVE GENDER EQUALITY AND EMPOWER ALL WOMEN AND GIRLS.

Link Group is committed to creating an environment where our people belong, thrive and achieve together as part of a diverse, inclusive and engaged workforce.

We continue to invest in our people's development so they can succeed in their roles and grow their careers. We remain focused on achieving gender balance of 40:40:20 at all levels of the organisation.

8 DECENT WORK AND ECONOMIC GROWTH

Conduct, Ethics and Respect for all employees

GOAL 8 PROMOTE SUSTAINED, INCLUSIVE AND SUSTAINABLE ECONOMIC GROWTH, FULL AND PRODUCTIVE EMPLOYMENT AND DECENT WORK FOR ALL.

Link Group respects and promotes human rights and effective management of issues relating to modern slavery and human rights risks. We are committed to operating our business in a responsible and sustainable manner.

The following outlines our contribution to these two important goals and UN set targets.

SDG TARGET 5.1

End all forms of discrimination against women and girls everywhere.

Our Contribution

Parental Leave

Eligible
2,439 women
2,350 men

Utilised
256 women
82 men

Retention rate[1]
83%

Voluntary departures 12-month rolling turnover rate
29%

SDG TARGET 5.5

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

Our Contribution

See Gender Equity Balance table on page 36

EMPLOYEE STATUS	HEADCOUNT	FTE'S
Permanent	6,749	6,595
Fixed-term	478	468
Parental	95	90
Casual	15	15

SDG TARGET 8.5

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

Our Contribution

Training

Over
3 hours
facilitated face-to-face training per participating FTE[2] employees

Over
40,600 hours
total compliance training for FTE employees

Over
7 hours
average total training per employee[3], globally

Over
11 hours
compliance training per FTE employee

1 Retention rates and voluntary departure turnover rates have decreased and reflect the impact of the current talent shortages/competitiveness in the Industry labour market.
2 Total workforce excludes temporary and contractor employees.
3 Excludes temporary and contractor employees.

Link Group Level[1]

Actual FY2022 Gender Equity Balance

	Women	Men
Board[2]	38%	62%
Senior Executives	50%	50%
Senior Leaders **Global Target FY2023: 30% women**	28%	72%
Women in Management[3]	42%	58%
All Employees	48%	52%

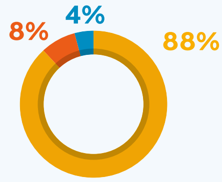
Link Group has adopted the 40:40:20 approach and has achieved/maintained this except at Senior Leaders and Board Level.

Total Employees[4] (excluding contracts and temps)

Full-time employees

7,337

7,169 FTE

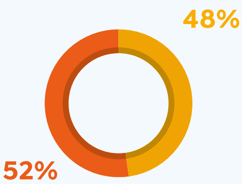


Total Workforce[5]

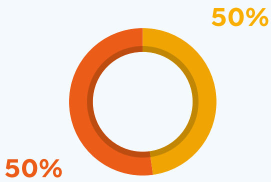
49% Women

51% Men

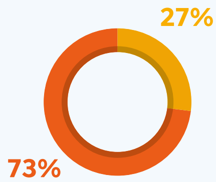
Permanent



Fixed-term



Casuals



1 As at 30 June 2022 includes 14 countries where Link Group operates globally, not including UAE.

2 Board includes the Managing Director. Senior Executives includes the Managing Director and members of the executive leadership team globally as at 30 June 2022.

3 Comprises women in senior leader roles (global) and people management roles globally excluding Link Intime in India and Germany (Munich and Frankfurt offices).

4 Proportion of permanent + fixed term 94.8%, temp + contractor 3.8%, parental leave 1.2%, casual 0.2%.

5 Total workforce excludes temporary and contractor employees.

PILLAR 3

SUSTAINABLE GROWTH

4 QUALITY EDUCATION

13 CLIMATE ACTION

SDG ALIGNMENT

Digital technologies, innovation, and analytics helps us to drive continual improvements in our services and to develop new solutions that are aligned with our clients changing needs.

As part of this we aim to understand the environmental and social risks involved and how our service offerings may aid the management of these risks.

We continue to be committed to building a more sustainable future through identifying ways to reduce our emissions and positively contribute to our communities through our community engagement strategy, LinkTogether For Good (LTFG). Our Sustainability Strategy is aligned to the Paris Agreement, a legally binding international treaty on climate change, and we're committed to a target of net zero carbon emissions by FY2030.

Environmental performance

Achieving net-zero will require ongoing work to optimise the energy efficiency of the buildings we occupy and reduce resource use. This will require the maintenance of innovative and sustainable workplaces and continuing to build a sustainable supply chain. Our Sustainability Strategy continues to focus on a people-centric framework that's robust, integrated and diverse, designed around our hub locations with scalability and longevity in mind. We remain committed to delivering our services while also procuring goods and services in a sustainable manner that minimises the impact on our surrounding community and environment.

We produce mainly intangible, technology-based products and services requiring limited use of resources. We operate out of over 30 office locations across 18 jurisdictions with over 70% of the premises we occupy certified either nationally or internationally as sustainable buildings[1]. We continue to identify ways to understand and reduce our emissions. We have set a net zero emissions target for FY2030 and short, medium, and long-term targets to continue to reduce our scope 2 absolute emissions.

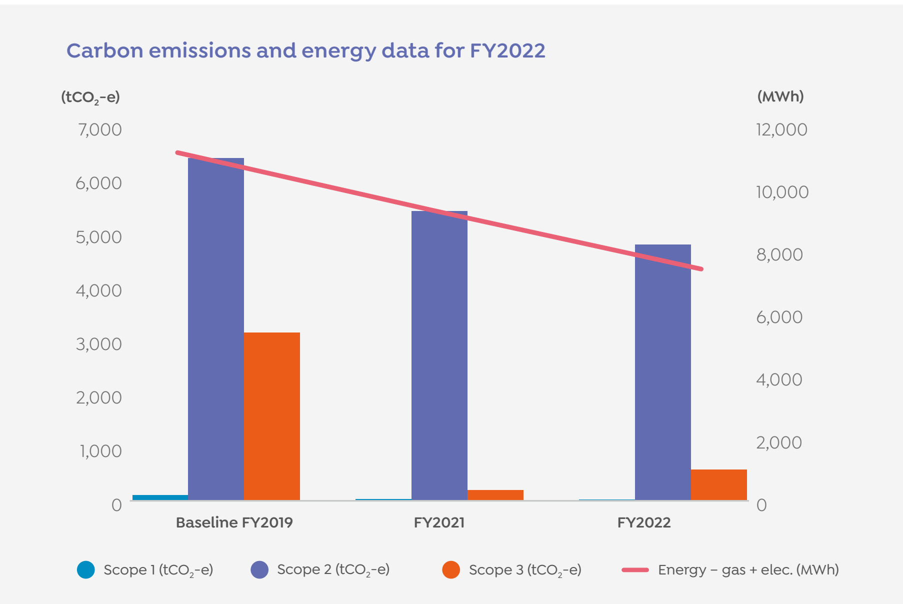
To track progress against our targets we measure and report on:

- Scope 1: Onsite gas heating[2] for buildings at tenanted corporate office locations
- Scope 2: Electricity consumed onsite at tenanted corporate office locations; and
- Scope 3: business travel.

We are not externally certified to an environmental management system as we have sufficient responsible energy consumption and environmental practices in place. Our direct environmental impact relates to the resources we consume in our offices, and our indirect impact relates to our outsourced data centres and cloud providers, external paper consumption (managed on behalf of our clients), our supply chain and business travel.

We have identified some areas of focus in pursuing our net zero strategy. These relate to the measurement, management, and reporting on certain indirect scope 3 emissions from parts of our supply chain and outsourced data centres and cloud providers. As previously stated, in FY2022, we commenced the capture of data related to the environmental impact of our outsourced data centres and cloud providers and will commence reporting this in FY2023. Further, we commenced investigation into how to measure the environmental Impact of our supply chain and external paper consumption[3].

We continue to support our long-term sustainability by understanding and addressing the material financial impacts of climate-related opportunities, as the world shifts to a low carbon economy. We are focused on direct disclosures to stakeholders, streamlining our reporting processes and public disclosure of climate-related risk information in alignment with the Taskforce for Climate-related Financial Disclosures (TCFD) from FY2023. We continue to manage these impacts in accordance with set targets by measuring progress, monitoring, and where possible, reducing resource use.



1 Definition of sustainably rated buildings refers to LEED-certified to gold or above, BREEAM certified excellent or above or NABERS Level 5 or above. The UK buildings we occupy are compliant with the Energy Savings Opportunity Scheme (ESOS). Phase 3 of the scheme will be completed in 2023.
2 Scope 1 (direct) emissions combusted on-site within office buildings (natural gas).
3 Managed on behalf of our clients that is required under certain regulation in the jurisdictions of operation.

CONTRIBUTION TO UN SDG GOAL 4 AND GOAL 13

4 QUALITY EDUCATION

Community impact

GOAL 4 ENSURE INCLUSIVE AND EQUITABLE QUALITY EDUCATION AND PROMOTE LIFELONG LEARNING OPPORTUNITIES FOR ALL.

Link Group believes that education is crucial to improving communities and building a sustainable future. LTFG focuses on providing education support to the disadvantaged and vulnerable in our communities. A global focus to create positive local impact. Since the launch of LTFG in November 2020, we have taken the actions outlined below to empower youth through literacy skills and numeracy skills development.

13 CLIMATE ACTION

Environmental performance

GOAL 13 TAKE ACTION TO COMBAT CLIMATE CHANGE AND ITS IMPACTS.

We continue to support our long-term sustainability by understanding and addressing the material financial impacts of climate-related risks and opportunities. In FY2022 we have achieved the following reductions in energy consumption as set out in FY2022 highlights below.

SDG GOAL 4 – TARGET 4.6

By 2030, ensure that all youth and a substantial proportion of adults, both men and women, achieve literacy and numeracy.

Our Contribution

Proudly partnered with

7 Local Community Partners that align to education across key regions in India, United Kingdom, Ireland and Australia

Donated

$273,521

toward improving education for the vulnerable and disadvantaged in our communities

↑18% from FY2021

Increase contribution (donations and contribution in kind)

↑250%

by FY2025 from the FY2019 baseline of $400k

OUR TARGETS

Absolute Scope 2 Emissions

↓10%

from FY2019 levels of 6,378 tCO_2-e by FY2023 Achieved in FY2022

Reduce Emissions Intensity (tCO_2-E) per FTE

↓50%

from the FY2019 1.43 tCO_2-e baseline by 50% by FY2030

Absolute Scope 2 Emissions

↓30%

from FY2019 levels of 6,378 tCO_2-e by FY2025

Absolute Scope 2 Emissions

↓50%

from FY2019 levels of 6,378 tCO_2-e by FY2030

Scope 2 Emissions

net zero

by FY2025

net zero

Emissions by FY2030

SDG Goal 13 | target 13.1

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

FY2022 Highlights

Emissions

Absolute scope 2 emissions
↓25%
from FY2019 baseline

Scope 3 emissions of CO_2e
565 tonnes
↑ 204% from FY2021

Total emissions of CO_2e
5,324 tonnes
↓5% from FY2021
FY2021: 5,585[1] tonnes

Emissions intensity of CO_2e per FTE
0.74 tonnes
↓6% from FY2021
FY2021: 0.79[2] tonnes

Travel

Total distance flown
2.265m km
FY2021: 0.607m km

Emissions of CO_2e
393 tonnes
FY2021: 141 tonnes CO_2e

Rail travel total distance travelled
651,441km
FY2021: 101,142km

Rail travel emissions of CO_2e
21.30 tonnes
FY2021: 2.31 tonnes CO_2e

Office space

Proportion of sustainably-rated[3] office space globally
70%
maintained from FY2021

Global electricity consumption
↓19.3%
from FY2021

1 Note restatement of FY2021 total emissions of CO_2e as previously mentioned in footnote 1 page 27.
2 Note restatement of FY2021 emissions intensity per FTE as previously mentioned in footnote 1 page 27.
3 Definition of sustainably-rated buildings refers to LEED-certified to gold or above, BREEAM-certified excellent or above, or NABERS Level 5 or above. The UK buildings we occupy are compliant with the Energy Savings Opportunity Scheme (ESOS). Phase 3 of the scheme will be completed in 2023.

Emissions from energy use and travel

The energy consumed in our office premises was almost entirely grid electricity. Less than 1% was gas for building heating in our UK offices. In FY2022, our total emissions were 5,324 tonnes of CO_2e, a decrease of 5% from FY2021, due some further COVID-19 impacts and our continued leasing energy efficiency strategy. Similarly, our emissions intensity decreased by 6% compared to FY2021 to 0.74 tonnes of CO_2e per FTE.

Our continued office leasing strategy seeks energy-efficient buildings that allow us to reduce our energy consumption and emissions. This strategy, paired with our strategic global hubs, continues to improve our capacity to provide enhanced service across multiple jurisdictions, to continue to reduce our scope 2 emissions and to establish a strong foundation for us to grow, support our clients and operate more efficiently. The combination of these strategies and our global adoption of blended working continues to see our energy consumption and emissions reduce.

During FY2022 as part of our global hub and energy efficiency leasing strategy:

- we closed offices in the UK and Australia; and
- continued the build out of our global hubs with new offices in:
  - Parramatta, Australia; and
  - Pune, India.

FY2022 Scope 2 emissions were 4,758 tonnes of CO_2e and reduced 12% from FY2021, and we consumed a total of 7,380 MWh of electricity, a 19.3% reduction from FY2021 which can be attributed to blended working approach, some COVID-19 lockdown impacts and our continued focus on energy use in all locations globally, including our continued global hub delivery.

FY2022 Scope 3 emissions increased by 204% compared with FY2021 due to an increase in flight miles globally following borders reopening post pandemic. We continue to encourage the use of virtual conferencing where possible, to reduce the need for business travel.

Resource efficiency

We continue to raise awareness among our people and improve our resource efficiency and waste production across our global hub locations. Our resource and waste strategy continues to focus on our energy consumption, e-waste production and its disposal method and responsibly managing our paper consumption. We are not disclosing FY2022 waste data and proportion of general was recycled due to incomplete data.

In FY2022, we recycled and reused 24.04 tonnes of e-waste. Our internal paper consumption was 20.27 tonnes and decreased by 48% compared to FY2021. The environmental impact of our paper consumption continues to be addressed through an ongoing commitment to use certified sustainable paper stock. Approximately 79% of our internal paper consumption is certified sustainable and 52% of our total internal paper consumption is certified carbon neutral. In FY2022, we recycled 260 tonnes of paper.

A total of 920 tonnes of paper was consumed externally on behalf of our clients, a decrease of 5% from FY2021. We continue to encourage our clients to adopt improved sustainable approaches to communicating with their customers either electronically or through an ongoing commitment to use certified sustainable or recycled paper stock. In FY2022, 49% of our external paper consumption consisted of certified sustainable, a decrease of 24% from FY2021.

We launched Sustainability Month in April 2022 to reinforce our commitment to being a responsible and sustainable business. The month commenced with the participation in Earth Hour across all our office locations on Saturday 26 March 2022 and culminated on the celebration of Earth Day on 22 April 2022. During the month we held several events including a live webinar with a guest speaker, sustainability competition, and activities to engage our people including tips and articles on how they can live more sustainably for the benefit of our planet and our future.

Community Engagement

We continue to support and give back to the communities we operate in through our community engagement strategy LinkTogether For Good (LTFG). LTFG is focused on improving education for the disadvantaged and vulnerable and is an opportunity to make an even stronger positive impact in the communities we operate in.

LinkTogether For Good

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

1. Supporting our LTFG community partners to improve access to education for the disadvantaged and vulnerable in the communities we operate in. We believe that numeracy and literacy skills are crucial to improving educational outcomes for communities and building a sustainable future.
2. Employee giving which allows our people to donate financially towards charitable causes, and / or utilise their volunteer leave and give back to their communities in more meaningful ways. Our people can do this either through our LTFG partnerships which enables them to have rewarding experiences that provide an opportunity to help less fortunate students learn and grow, or through a registered charity of their choice.
3. Supporting emergency relief for extreme events such as bushfires, floods, or the impacts of pandemics like COVID-19.

In FY2022, 'Giving Back' Month celebrated our making a difference in the communities we operate in and encouraged our employees to get involved. It commenced on International Volunteer Day – 5 December and culminated on UN International Day of Education – 24 January. During this month, our people donated and volunteered their time, resulting in a total amount of over $60,000 being raised. Since launching LTFG in FY2021, we have raised over $500,000 towards improving educational outcomes.

Target
increase contribution
(donations and contributions in kind)
↑250%
by 2025 from the FY2019 baseline of $400k

Total
charitable donations
$371,490+
↑12% from FY2021

Over
1,480
volunteer leave hours
↑2.8x from FY2021

Our Community Partners

Young Enterprise (YE)

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

Ardoch

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

basis.point

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

Ireland UK

India

Bharatiya Vidya Bhavan

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

Australia

SPRJ Kanyashala Trust

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

GO Foundation

works to create a brighter future for Indigenous Australians and provides mentoring, leaderships networks and support to GO students on their journey from Kindergarten to Employment.

Since launching LTFG in FY2021 we have raised over half a million dollars towards improving educational outcomes.

South Indian Education Society (SIES)

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

FINANCIAL REPORT

FINANCIAL REPORT CONTENTS

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 2022 and the auditor's report thereon.

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

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 has over two decades of experience in financial services, government and management consulting.

Vivek is an experienced chief executive, having led a number of complex businesses throughout his career. Vivek joined Link Group from QBE Insurance Group where from 2018 he was Chief Executive Officer of the ASX-listed general insurance and reinsurance company's Australia Pacific division. Vivek joined QBE from icare where he held the position of Chief Executive Officer and Managing Director. Prior to this, he co-led the Asia-Pacific Restructuring and Transformation practice at McKinsey & 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 serves as a Non-Executive Director on the Board of PEXA, which operates Australia's leading digital property settlement platform.

Vivek holds an undergraduate degree in engineering, a post graduate in business administration and is a Chartered Financial Analyst (ICFAI).

DIRECTORS AND COMPANY SECRETARIES (CONTINUED)

DIRECTORS	EXPERIENCE AND BACKGROUND

Glen Boreham, AM
Independent
Non-Executive Director
Appointed 23.09.2015

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

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

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

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

Andrew (Andy) Green, CBE
Independent
Non-Executive Director
Appointed 09.03.2018

Andy Green was appointed a Non-Executive Director of the Company in 2018. He is Chair of the Risk Committee and a member of the Technology & Transformation Committee.

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

Andy is a Commissioner at the UK's National Infrastructure Commission, Chair of WaterAid UK, Vice Chair of The Disasters Emergency Committee and a trustee of WWF UK.

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

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

Peeyush Gupta, AM
Independent
Non-Executive Director
Appointed 18.11.2016

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

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

Peeyush is currently the Chair of Charter Hall Direct Property Management Limited and Long Wale REIT and a Non-Executive Director of National Australia Bank, Insurance & Care NSW (icare), SBS and Quintessence Labs Pty Ltd.

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

DIRECTORS AND COMPANY SECRETARIES (CONTINUED)

DIRECTORS | **EXPERIENCE AND BACKGROUND**

Anne McDonald

Independent
Non-Executive Director

Appointed 15.07.2016

Anne McDonald was appointed a Non-Executive Director of the Company in 2016. She is a member of each of the Audit Committee and Human Resources and Remuneration Committee.

Anne has over 20 years' experience as a non-executive director. Her business and executive experience over 35 years has been in finance, accounting, auditing, risk management and governance. She was a partner of Ernst & Young for over 15 years.

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

Anne is a Chartered Accountant, a graduate of the Australian Institute of Company Directors and holds a Bachelor of Economics from the University of Sydney.

Sally Pitkin, AO

Independent
Non-Executive Director

Appointed 23.09.2015

Dr Sally Pitkin was appointed a Non-Executive Director of the Company in 2015. She is Chair of the Human Resources and Remuneration Committee and a member of the Risk Committee.

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

Sally is Chair of Super Retail Group Limited and a Fellow of the Australian Institute of Company Directors, and Chair of the Institute's Corporate Governance Committee.

Formerly a senior corporate partner at a national legal firm, Sally has extensive corporate and banking law experience. She holds a PhD in Governance from The University of Queensland and a Master and Bachelor of Laws from the Queensland University of Technology.

Fiona Trafford-Walker

Independent
Non-Executive Director

Appointed 23.09.2015

Fiona Trafford-Walker was appointed a Non-Executive Director of the Company in 2015. She is Chair of the Audit Committee and a member of the Technology & Transformation Committee.

Fiona was previously an Investment Director at Frontier Advisors (Frontier). She was the inaugural Managing Director at Frontier and held that role for 11 years until 2011 when she became the Director of Consulting until 2017. Fiona played a critical role in growing Frontier and has over 28 years of experience in advising institutional investors on investment and governance-related issues.

Fiona is a Director of Perpetual Limited, Eclipx Group Limited, Prospa Group Ltd, and Chair of Prospa's Audit and Risk committee. Fiona is also a Director of Victorian Funds Management Corporation.

Fiona holds a Master of Finance from RMIT University and a Bachelor of Economics (with Honours) from James Cook University. Fiona is also a Graduate of the Australian Institute of Company Directors.

DIRECTORS AND COMPANY SECRETARIES (CONTINUED)

Company Secretaries

Sarah Turner joined Link Group in February 2021 as General Counsel and Company Secretary and was appointed as Joint Company Secretary on 23 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. Prior to Link Group, Sarah was most recently General Counsel & Company Secretary at REA Group Ltd, a global digital media company operating leading property websites in Australia, Asia and the US. Sarah was a member of the REA Executive Leadership Team and managed the global legal team. Sarah holds a Bachelor of Laws (Hons), a Bachelor of Arts, a Graduate Diploma in Applied Corporate Governance and is a graduate of the AICD Company Directors Course (GAICD) and a Fellow of the Governance Institute of Australia (FGIA, FCG).

Emily McCaffery joined Link Group and was appointed as Joint Company Secretary on 16 December 2021. Emily has more than 20 years' legal and company secretarial experience in public and private entities. Emily holds a Bachelor of Laws and Bachelor of Commerce and a Graduate Diploma of Applied Corporate Governance. Emily resigned as Joint Company Secretary on 15 July 2022.

Emma Lawler resigned as Joint Company Secretary on 10 September 2021. Emma has more than 20 years' corporate governance and company secretarial experience in public and private, listed and unlisted entities. Emma holds a Bachelor of Business from the University of Technology and a Graduate Diploma of Applied Corporate Governance. Emma is also a Fellow of the Governance Institute of Australia.

Directors' Meetings

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:

	BOARD – SCHEDULED		BOARD – UNSCHEDULED[1]		RISK		AUDIT COMMITTEE		HUMAN RESOURCES & REMUNERATION		TECHNOLOGY & TRANSFORMATION		NOMINATION		SPECIAL PURPOSE	
	H	A	H	A	H	A	H	A	H	A	H	A	H	A	H	A
M Carapiet [2]	10	10	16	16	4	4	4	4	6	6	3	3	1	1	7	7
V Bhatia	10	10	16	16	–	4*	–	4*	–	6*	–	3*	1	1	7	7
G Boreham	10	10	16	16	–	2*	–	2*	6	6	3	3	1	1	7	7
A Green	10	10	16	13	4	4	–	3*	–	4*	3	3	1	1	7	6
P Gupta	10	9	16	14	4	4	4	4	–	4*	–	2*	1	1	–	3*
A McDonald	10	10	16	16	–	4*	4	4	6	6	–	3*	1	1	–	2*
S Pitkin	10	10	16	15	4	4	–	4*	6	6	–	3*	1	1	7	7
F Trafford-Walker	10	10	16	16	–	4*	4	4	–	6*	3	3	1	1	–	2*

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 exofficio 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.

The Board also convenes Special Purpose Committee meetings from time to time as may be required.

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

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).
 **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.

EXECUTIVE KEY MANAGEMENT PERSONNEL (KMP) (CONTINUED)

CONTINUING EXECUTIVE KMP	EXPERIENCE AND BACKGROUND
 **Dee McGrath** Chief Executive Officer, Retirement & Superannuation Solutions	Dee McGrath joined Link Group as Chief Executive Officer of Retirement & Superannuation Solutions in May 2019. Dee has over 20 years' of 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, and is also a Director of Smart Pension. Dee's qualifications include business studies, economics and strategic planning and is currently a member of Chief Executive Women.
 **Karl Midl** Chief Executive Officer, Fund Solutions	Karl Midl was appointed as Chief Executive Officer of Fund Solutions on 1 February 2022. Prior to this, Karl was Managing Director of the Fund Solutions business in the UK. 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, Program 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.

EXECUTIVES THAT CEASED TO BE KMP	EXPERIENCE AND BACKGROUND
 **Chris Addenbrooke** Chief Executive Officer, Fund Solutions	Chris Addenbrooke retired from the position of Chief Executive Officer of Fund Solutions on 31 January 2022. Previously, Chris was CEO of the fund solutions business having joined Link Group in November 2017 when Capita Asset Services was acquired by Link Group from Capita plc. Previous positions include Technical Director of BWD Rensburg (now part of Franklin Templeton) from 1987 to 2001. In 1988 Chris formed both Northern Registrars and Northern Administration and was Managing Director until 2003. Following the acquisition of Northern Administration and Northern Registrars by Capita, Chris was appointed CEO of Capita Registrars. Chris has over 30 years in financial services, operations, IT, transfer agency, registration and fund governance, having joined the Water Authorities Superannuation Fund in 1979. Chris represented Link Group on a number of industry committees including the UK Markets Advisory Group and the TA Forum.

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.

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

DIVIDENDS

Dividends paid by the Company during the financial year were:

	CENTS PER SHARE	TOTAL AMOUNT	FRANKED/UNFRANKED	DATE OF PAYMENT
Final 2021	**5.5**	**$29,492,439**	**100% franked**	**20.10.2021**
Interim 2022	**3.0**	**$15,389,624**	**100% franked**	**08.04.2022**

The Directors of the Company have not declared a 2022 final dividend. The proposed acquisition of Link Group by Dye & Durham Corporation ("Dye & Durham") by way of scheme of arrangement (Scheme), pursuant to a Scheme Implementation Deed announced to the ASX on 22 December 2021 and amended on 21 July 2022 (Revised Scheme Implementation Deed), permitted Link Group to pay a 2022 interim dividend of $0.03. The interim dividend was paid on 8 April 2022. The Revised Scheme Implementation Deed permits up to $0.08 per share of the Scheme consideration to be paid as a Special Dividend. It is proposed that the Special Dividend would be 100% franked, subject to available franking credits. As at the date of these consolidated financial statements, the Special Dividend remains subject to implementation of the Revised Scheme Implementation Deed. Further information can be found in the Explanatory and Supplementary Explanatory Booklets at www.linkgroup.com/scheme-meeting.

REVIEW OF OPERATIONS

The net loss after tax of Link Group for the financial year was $67.6 million (2021: net loss after tax of $162.7 million).

Operating EBIT, which excludes certain significant items and Acquired Amortisation, for the financial year ended 30 June 2022 was $153.9 million (2021: $141.4 million). A reconciliation of Operating EBIT to the net profit of Link Group is included in Note 3 to the financial statements and further explanation of the results and defined terms is included in the Operating and Financial Review section within this report.

Operating NPATA, which excludes certain significant items and Acquired Amortisation, for the financial year ended 30 June 2022 was $121.3 million (2021: $113.2 million).

Link Group continues to be resilient in response to the challenges brought on by the COVID-19 pandemic and other macroeconomic factors impacting global markets during the year ended 30 June 2022. During the financial year, Link Group maintained a focus on safeguarding the well-being of employees, as well as ensuring continuity of service for clients and other stakeholders.

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.

OPERATING AND FINANCIAL REVIEW

1. SUMMARY

Revenue	Operating EBIT	Operating NPATA
$1.18bn	**$154**m	**$121**m
FY2021: $1.16 billion	FY2021: $141 million	FY2021: $113 million

Statutory loss after tax	Basic earnings per share	Net operating Cash Flow Conversion
$(**68**)m	(**13.1**)cps	**81**%
FY2021: $(163) million	FY2021: (30.8) cps	FY2021: 114%

2. BASIS OF PREPARATION

This Operating Financial Review (OFR)[1] is designed to assist shareholders' understanding of Link Group's business performance and the factors underlying its financial results and financial position. It complements the financial disclosures in the Financial Statements. The OFR covers the period from 1 July 2021 to 30 June 2022 (FY2022), including a comparative prior year (FY2021). A full reconciliation of the adjustments made to the statutory results is disclosed in more detail in section 5 (b).

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 believe it will assist the readers' understanding of performance to compare year-on-year results on an Operating before Significant items basis. Therefore, unless otherwise stated, all of the analysis is presented on an Operating basis, with reconciliation back to statutory results provided in section 5(b).

1 All financial amounts contained in this OFR are expressed in Australian Dollars and rounded to the nearest $0.1 million, unless otherwise stated. Some numerical figures included have been subject to rounding adjustments. Any discrepancies between totals and sums of components in figures or tables contained in this OFR are due to rounding.

OPERATING AND FINANCIAL REVIEW (CONTINUED)

3. OVERVIEW

Link Group uses digitally enabled platforms to connect millions of people globally with their assets safely, securely and responsibly. Link Group is a sustainable business with strong cashflow and long-term client relationships, high levels of recurring revenue and diversified earnings. The organisation has strong market positions in all our core markets underpinned by a dedicated workforce and market-leading technology that is focused on innovation and a world class user experience.

During FY2022, a number of key macro-industry trends positively impacting the business, including:

- Global pension and superannuation markets continued to grow as a result of aging populations and rising demand for retirement solutions. Link is the largest superannuation administrator in Australia (Australia is the 5th largest pool of retirement savings in the world[1]) and supports many of Australia's largest superannuation funds. Link Group has expanded internationally and is growing strongly in the UK as the organisation leverages its unique market experience;
- Regulatory oversight continues to increase creating opportunities for Link Group to support its clients in discharging their responsibilities and allowing them to focus on growing their businesses; and
- Technology, data security and data privacy remain a major focus for all organisations. Link Group continues to make significant investment in these areas, building strong proprietary expertise and driving efficient, scalable solutions for its clients.

4. STRATEGY

FY2022: DOING WHAT WE SAID WE WOULD DO

Deliver

- Delivered on upgraded FY2022 guidance provided in February 2022;
- $77.9 million of gross annualised savings delivered from Global Transformation Program (GTP) as at 30 June 2022 and exceeded the target of $75.0 million;
- RSS Australia onboarded 350k new members in the 4Q FY2022;
- The India Hub continues to grow with approximately 1,100 team members now delivering services to all four businesses.

Simplify

- Evolved global operating model with four global businesses operating with end-to-end accountability from FY2023;
- Services transformation program continues to deliver digitisation, automation and improved customer experience for RSS clients;
- Established CM centres of excellence for software development and Orient Capital operations to support clients globally;
- Fund Solutions (FS) Australia is now part of Corporate Markets (CM) offering integrated registry services for listed and unlisted clients.

Grow

- RSS services over 10 million superannuation and pension members across 3 jurisdictions as of 30 June 2022, up 10% on FY2021;
- Link Intime (India) reported FY2022 revenue growth of 36%. Intime won 60% of all IPOs in FY2022;
- FS appointed as fund administrator on two of the largest LSE listed investment fund IPOs in FY2022;
- BCM is the #1 servicer for buy-to-let mortgages in Netherlands with 6 new lenders launched over the past 18 months.

1 Global Pension Assets Study – 2022, Willis Towers Watson.

OPERATING AND FINANCIAL REVIEW (CONTINUED)

5. SOLID FINANCIAL RESULTS AND PLATFORM FOR FURTHER GROWTH

Link Group delivered a solid overall financial performance and executing on a number of operational objectives, notwithstanding the ongoing multi-transaction takeover activity over the past 12 months.

The Retirement & Superannuation Solutions division continued to show strong underlying member growth, whilst the Corporate Markets division capitalised on improved capital market activity in the first half of the financial year and is well placed to benefit from rising interest rates going forward. FY2022 also saw the completion of the Global Transformation Program, delivering a further $78 million of gross annualised savings to 30 June 2022.

Link Group's financial position remains robust, with the business ending the financial year with comfortable leverage (within our guidance range of 2.0–3.0 times), substantial debt service capacity and increased operating margins. Consistent with its stated objectives and the needs of the market and client base, Link Group continued to invest in its technology platforms and product and service innovation during FY2022.

Table 1 below contains an overview of Link Group's financial results.

Table 1: Statutory & Operating Financial Results

	IN $M	FY2022	FY2021	VARIANCE (%)
Statutory Results	Revenue	**1,175.3**	1,160.3	1.3
	(Loss)/profit before tax	**(64.6)**	(141.5)	54.3
	Statutory NPAT	**(67.6)**	(162.7)	58.5
	Earnings per share (cents)	**(13.1)**	(30.8)	57.5
Operating Results	Operating EBITDA	**252.3**	256.6	(1.7)
	Operating EBIT	**153.9**	141.5	8.8
	NPATA	**66.2**	74.1	(10.5)
	Operating NPATA	**121.3**	113.2	7.1
	Operating Earnings per share (cents)	**23.5**	21.3	10.3

(a) Statutory NPAT

Statutory Net Profit after Tax (Statutory NPAT) reflected a loss of $67.6 million compared to a prior year Statutory NPAT loss f $162.7 million. The improved Statutory NPAT result in FY2022 reflects:

- higher Operating EBIT contribution;
- higher equity accounted profit after tax relating to the stronger operating result of PEXA as it grew revenue and underlying earnings substantially during the year; and
- lower impairment expenses in FY2022. In 2021 the company recognised of an impairment charge relating to the Banking & Credit Management division of $182.8 million.

OPERATING AND FINANCIAL REVIEW (CONTINUED)

(b) Operating NPATA

Operating NPATA of $121.3 million was up 7% on the prior year result of $113.2 million reflecting stronger revenues and a higher Operating EBIT, particularly from RSS and Corporate Markets business units. The strong operating performance of PEXA also contributed positively to Link Group's Operating NPATA.

Figure 2 below provides a reconciliation of Operating NPATA to Statutory NPAT.

Figure 2: Statutory & Operating Financial Results[1,2]

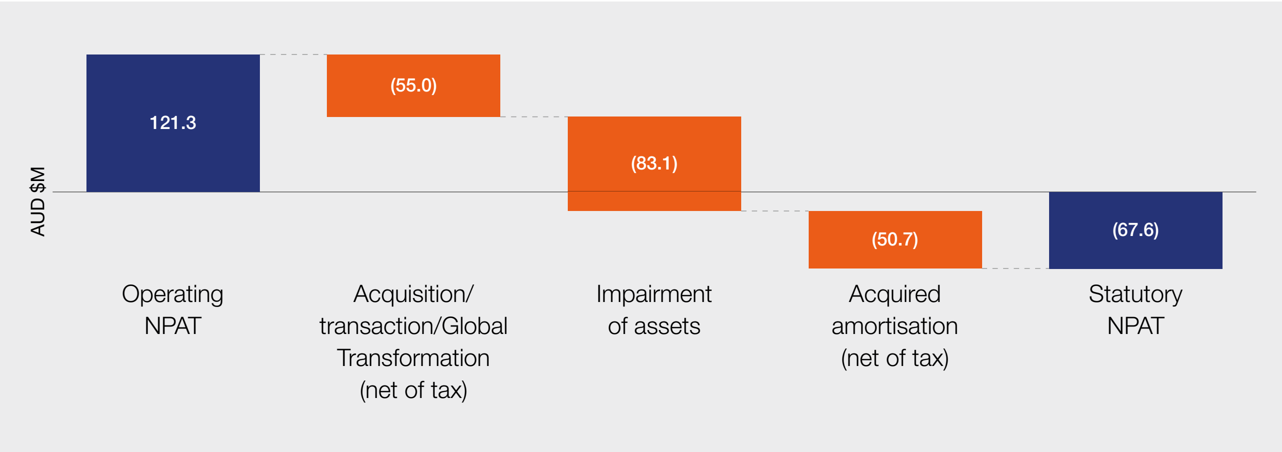
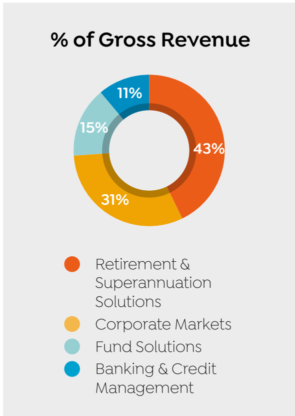


Table 2 below provides a summary of revenue and Operating EBIT by reporting segment.

Table 2: Revenue and Operating EBIT by reporting segment

IN $M	FY2022	FY2021	VARIANCE (%)
Revenue			
Retirement & Superannuation Solutions	**511.7**	506.9	0.9
Corporate Markets	**366.0**	364.9	0.3
Fund Solutions	**181.4**	170.5	6.4
Banking & Credit Management	**131.6**	141.1	(6.7)
Gross Revenue	**1,190.7**	1,183.4	0.6
Eliminations	**(15.4)**	(23.0)	(33.0)
Total Revenue	**1,175.3**	1,160.3	1.3
Recurring Revenue	**84%**	85%	



IN $M	FY2022	FY2021	VARIANCE (%)
Operating EBIT			
Retirement & Superannuation Solutions	**105.9**	96.0	10.3
Corporate Markets	**65.7**	54.2	21.2
Fund Solutions	**17.6**	15.7	12.1
Banking & Credit Management	**(14.8)**	(12.1)	(22.3)
Head Office	**(20.5)**	(12.4)	(65.3)
Total Operating EBIT	**153.9**	141.5	8.8
Operating EBIT margin	**13%**	12%	

1 'Significant Items (other) after tax' includes significant items both above and below the EBITDA line.
2 This reconciliation reflects significant items after tax. Note Table 7 reflects significant items before tax.

OPERATING AND FINANCIAL REVIEW (CONTINUED)

Retirement & Superannuation Solutions

Retirement & Superannuation Solutions revenue increased 1% year-on-year to $511.7 million resulting from higher Recurring Revenue and Non-Recurring Revenue. Recurring Revenue was driven by higher member numbers and fund merger activity, with Non-Recurring Revenue also benefiting from the project related revenues associated with the increased fund merger activity.

Table 3: Retirement & Superannuation Solutions Revenue, Operating EBITDA and Operating EBIT

IN $M	FY2022	FY2021	VARIANCE (%)
Revenue	**511.7**	506.9	0.9
Operating Expenses	**(367.9)**	(364.5)	(0.9)
Operating EBITDA	**143.8**	142.4	1.0
Depreciation & Amortisation	**(37.9)**	(46.3)	18.1
Operating EBIT	**105.9**	96.0	10.3
Recurring Revenue	**89%**	90%	
Operating EBITDA margin	**28%**	28%	
Operating EBIT margin	**21%**	19%	

Recurring Revenue of $456 million (or 89% of the total revenue) was up $1.8 million or 0.4% on the prior year.

Recurring Revenue performance can be attributed mainly to the following factors:

- underlying member growth of 9.5%[1];
- full year benefit of revenue from the delivery of Hostplus client contact centre (won in FY2021);
- indexation-linked price increases; and
- increased member numbers from fund consolidation,

partly offset by:

- impact of some client exits and outward migrations of clients merging with funds not administered by Link Group;
- revenue impact of the Protect Your Super legislation on members accounts swept to the ATO; and
- revenue reductions from re-contracting activity.

Non-Recurring Revenue of $56 million represents 11% of total Retirement & Superannuation Solutions revenue. Non-Recurring Revenue was 6% higher than the prior year as project related revenue benefited from the increased fund merger activity across the financial year.

1 Underlying members assumes the full impact of Protect Your Super and Early Release of Superannuation Scheme member losses is reflected in June 2020.

OPERATING AND FINANCIAL REVIEW (CONTINUED)

Corporate Markets

Corporate Markets revenue increased by $1.1 million to $366.0 million and Operating Expenses and Depreciation and Amortisation decreased by $8.8 million and $1.6 million respectively. The cost improvement increased Operating EBIT to $65.7 million, which was $11.5 million or 21% higher than the previous year.

Table 4: Corporate Markets Revenue, Operating EBITDA and Operating EBIT

IN $M	FY2022	FY2021	VARIANCE (%)
Revenue	**366.0**	364.9	0.3
Operating Expenses	**(266.6)**	(275.4)	3.2
Operating EBITDA	**99.4**	89.5	11.1
Depreciation & Amortisation	**(33.7)**	(35.3)	4.5
Operating EBIT	**65.7**	54.2	21.2
Recurring Revenue	**74%**	74%	
Operating EBITDA margin	**27%**	25%	
Operating EBIT margin	**18%**	15%	

Both Recurring Revenue of $271 million and Non-Recurring Revenue of $95 million were broadly consistent with the prior year.

The Recurring Revenue performance can be attributed mainly to the following factors:

- higher registry revenues across the division with significant growth in India a feature, benefiting from a strong IPO market in FY2022;
- cross-selling of value-added services; and
- strong overall client retention,

partly offset by:

- part year impact from the disposal of LMS South Africa concluded on 1 November 2020;
- lower print and mail volumes; and
- continued competitive fee pressure.

Non-Recurring Revenue increased to $95 million, broadly consistent with the previous year, reflecting higher levels of margin income, share dealing and investor relations support services as capital markets recovered from COVID-19.

OPERATING AND FINANCIAL REVIEW (CONTINUED)

Fund Solutions

Fund Solutions has performed well under challenging circumstances in FY2022. Revenues continued to grow, increasing by 6% driven by broadly positive asset markets and an increase in net new monies. However, operating expenses increased to address additional regulatory challenges in the market. Fund Solutions' Operating EBIT for the period was $17.6 million with a margin of 10%, which was up $1.9 million on the prior year result.

Table 5 Fund Solutions Revenue, Operating EBITDA and Operating EBIT

IN $M	FY2022	FY2021	VARIANCE (%)
Revenue	**181.4**	170.5	6.4
Operating Expenses	**(150.9)**	(142.3)	(6.0)
Operating EBITDA	**30.5**	28.2	8.2
Depreciation & amortisation	**(12.9)**	(12.5)	(3.2)
Operating EBIT	**17.6**	15.7	12.1
Recurring Revenue	**92%**	92%	
Operating EBITDA margin	**17%**	17%	
Operating EBIT margin	**10%**	9%	

Recurring revenue, reflecting 92% of total revenue, was up 6% on the prior year, mainly attributable to higher assets under management (AuM) in the UK and Ireland and the additional revenues from an acquisition in Luxembourg.

The average assets under management and administration in EMEA for FY2022 amounted to £119 billion ($210 billion), up from £111 billion ($204 billion) in the prior year. The increase is largely driven by higher asset prices observed across financial markets during the FY2022.

Banking & Credit Management

The operating environment for this business unit continues to be challenging. During FY2021, Banking & Credit Management revenue was $131.6 million, reflecting a 7% reduction on the prior year. Operating EBIT for the period was ($14.8) million with a margin of (11%), which was also down on the prior year.

Table 6: Banking & Credit Management Revenue, Operating EBITDA and Operating EBIT

IN $M	FY2022	FY2021	VARIANCE (%)
Revenue	**131.6**	141.1	(6.7)
Operating Expenses	**(134.0)**	(135.2)	0.9
Operating EBITDA	**(2.4)**	5.9	nmf [1]
Depreciation & Amortisation	**(12.4)**	(18.0)	31.1
Operating EBIT	**(14.8)**	(12.1)	(22.3)
Recurring Revenue	**84%**	86%	
Operating EBITDA margin	**(2%)**	4%	
Operating EBIT margin	**(11%)**	(9%)	

Banking & Credit Management revenue of $131.6 million was down 7% from $141.1 million in the prior year largely due to inherent non-performing loan portfolio run-off. Revenue in the performing loan market increased via winning new business and supporting new lenders in the UK Ireland and the Netherlands. However, new business opportunities in the non-performing loan market remained limited during FY2022. Assets under administration at 30 June 2022 amounted to €42 billion ($63 billion), down from €46 billion ($73 billion) in the prior year.

1 'nmf' denotes a variance that is not meaningful.

OPERATING AND FINANCIAL REVIEW (CONTINUED)

(d) Significant items

Total Significant items expense of $188.8 million was lower than the prior year expense of $275.9 million. The table below reflects the impact of significant items on each line item.

Table 7: Summary of Significant Items

IN $M	FY2022	FY2021	VARIANCE (%)
Significant Items/One-off costs			
Business Combinations Costs	**(28.1)**	(21.5)	(30.7)
Global Transformation Program	**(40.1)**	(27.2)	(47.4)
Total Significant Items (impacting EBITDA)	**(68.2)**	(48.6)	(40.3)
Depreciation and amortisation	**(2.2)**	(1.6)	(37.5)
Acquired Amortisation	**(43.2)**	(46.9)	7.9
Impairment of non-current assets	**(83.1)**	(182.8)	54.5
Total Significant Items (impacting EBIT)	**(196.7)**	(279.9)	29.7
Net finance expense	**(0.1)**	(0.2)	50.0
Gain/(Loss) on Assets Held at Fair Value	**–**	2.6	–
Gain on Disposal of Subsidiary	**–**	15.3	–
Loss from Equity Accounted Investments[1]	**(23.7)**	(26.5)	10.6
Total Significant Items (impacting NPBT)	**(220.5)**	(288.6)	23.6
Tax benefit/(expense)	**31.7**	12.7	149.6
Total Significant Items (impacting NPAT)	**(188.8)**	(275.9)	31.6

The decrease in Significant items impacting EBIT was largely due to lower impairment of intangibles in FY2022 offset by higher business combination and higher costs relating to the Global Transformation Program. FY2022 business combination costs includes those associated with responding to the Carlyle and Dye & Durham proposals as well as those costs incurred implementing the Scheme Implementation Deed with Dye & Durham, the process to attempt to dispose of the Banking & Credit Management division and the exploration of a PEXA de-merger.

The Group recognised an impairment expense of $83.1 million in FY2022 relating to an impairment charge in both Plant and Equipment and Intangible Assets. The impairment expense in Plant and Equipment of $22.4 million related to certain premises assets and a review undertaken to assess the expected usage following an announcement to move to a blended working model. The impairment expense in Intangible Assets of $60.7 million related to the Banking & Credit Management Cash Generating Unit following the non-binding indicative offers to acquire BCM received from LC Financial Holdings and the syndicate led by Pepper European Servicing Limited, in November 2021. The non-binding indicative offers received were less than the recoverable amount of the BCM CGU and gave rise to an indicator of impairment. An impairment expense was recognised against goodwill in the BCM CGU to ensure the carrying value of the BCM cash-generating unit did not exceed the higher of the value-in-use and fair value (estimated sale price) less costs to sell as at 31 December 2021. Notwithstanding ongoing interest to acquire BCM, there was no sale transaction in progress at 30 June 2022. For this reason, a value in use calculation was performed at 30 June 2022, although it did not impact on the BCM goodwill recognised because it exceeded the written down value of goodwill and impairment charges cannot be reversed. The value in use of the Banking & Credit Management division has reduced from prior periods following a reduction in forecast cash flows, primarily due to lower levels of non-performing loan books expected to come to market in the forecast period, following the economic impact and government responses to the COVID-19 pandemic.

The income tax benefit reflects the tax effect of the above items.

1 The market value of Link Group's holding in PEXA was $1.1 billion as at 30 June 2022.

OPERATING AND FINANCIAL REVIEW (CONTINUED)

(e) Other expenses below EBITDA

Table 8: Other Expenses Below EBITDA

IN $M	FY2022	FY2021	VARIANCE (%)
EBITDA after Significant Items	**184.1**	208.0	(11.5)
Depreciation and amortisation	**(100.6)**	(116.7)	13.8
EBITA	**83.5**	91.2	(8.4)
Acquired Amortisation	**(43.2)**	(46.9)	7.9
Impairment of non-current assets	**(83.1)**	(182.8)	54.5
EBIT	**(42.8)**	(138.4)	69.1
Net Finance Expense	**(30.7)**	(24.0)	(27.9)
Gain/(Loss) on Assets Held at Fair Value	**(0.1)**	3.6	(102.8)
Gain on Disposal of Subsidiary	**–**	15.3	–
Profit/(Loss) from Equity Accounted Investments	**8.9**	1.9	368.4
NPBT	**(64.6)**	(141.5)	54.3
Tax Expense	**(2.9)**	(21.2)	86.3
NPAT	**(67.6)**	(162.7)	58.5
Add Back Acquired Amortisation and Impairment of non-current assets[1]	**133.8**	236.8	(43.5)
NPATA	**66.2**	74.1	(10.5)
Add Back Significant Items After Tax	**55.0**	39.1	40.7
Operating NPATA	**121.3**	113.2	7.1

Depreciation and Amortisation

Depreciation and amortisation expense decreased by 14% to $100.6 million compared with the prior year largely due to lower amortisation on right of use assets, due to the ongoing consolidation of global premises and reassessment of the useful lives of some assets. Acquired Amortisation reflects the amortisation of client lists and the revaluation impact of acquired intangible assets resulting from business combinations. Acquired Amortisation decreased by 8% to $43.2 million compared with the prior year. This reflected assets from prior years' acquisitions reaching the end of their useful lives in FY2021 and FY2022 and the lower level of intangibles following the impairment of intangibles recorded in FY2021 and FY2022.

Net Finance Expense

Net finance expense of $30.7 million is higher by $6.7 million on the previous year's net finance expense largely reflecting the increase in interest rates and a higher level of debt.

Gain/(Loss) on Assets Held at Fair Value

Gain on assets held at fair value was not material in FY2022. The amount recorded in FY2021 reflected a fair value gain on the SMART Pension investment, net of a fair value loss on the Leveris investment.

Gain on Disposal of Subsidiary

There was no gain on disposal of subsidiary in FY2022. In FY2021, the amount reflected the gain on disposal of LMS South Africa.

Profit/(Loss) from Equity Accounted Investments

Profit from equity accounted investments increased to $8.9 million, largely reflecting Link Group's share of the stronger operating result of PEXA.

Tax Expense

The effective tax rate of (4.5%) is reflective of non-taxable items such as the impairment expense, gain on disposal and fair value adjustments.

1 Acquired Amortisation is net of tax and includes Link Group's share of PEXA's Acquired Amortisation.

OPERATING AND FINANCIAL REVIEW (CONTINUED)

6. SOLID BALANCE SHEET AND CASH FLOW CONVERSION

Link Group maintained a prudent balance sheet in FY2022 with a moderate level of gearing (31%[1]) as at 30 June 2022 (2021: 24%). The business generates high levels of cash which enables it to maintain a substantial ongoing investment in enhancing its proprietary systems and in new products and services.

(a) Balance Sheet

Table 9: Summary Balance Sheet

IN $M	AS AT 30 JUNE FY2022	AS AT 30 JUNE FY2021
Assets		
Cash	**193.3**	395.0
Trade & Other Receivables	**236.9**	235.4
Other Current Assets	**818.3**	908.9
Total Current Assets	**1,248.5**	1,539.3
Deferred Tax Asset	**60.5**	65.3
Other Non-Current Assets	**2,633.1**	2,672.2
Total Non-Current Assets	**2,693.6**	2,737.4
TOTAL ASSETS	**3,942.2**	4,276.8
Liabilities		
Trade & Other Payables	**288.3**	340.6
Interest Bearing Liabilities	**36.4**	31.0
Other Current Liabilities	**833.4**	956.7
Total Current Liabilities	**1,158.1**	1,328.3
Interest Bearing Liabilities	**1,137.5**	1,037.0
Deferred Tax Liability	**107.1**	120.7
Other Non-Current Liabilities	**30.3**	51.2
Total Non-Current Liabilities	**1,274.9**	1,208.9
TOTAL LIABILITIES	**2,433.0**	2,537.2
NET ASSETS	**1,509.1**	1,739.6
Equity		
Contributed Equity	**1,816.0**	1,917.7
Reserves	**(73.5)**	(11.2)
Retained Earnings	**(233.9)**	(167.8)
Non-Controlling Interest	**0.6**	0.8
TOTAL EQUITY	**1,509.1**	1,739.6

Interest-bearing liabilities have increased by $105.9 million compared with the prior year. This largely reflects the purchase of the Company's shares in FY2022 following the announcement of the on-market share buy-back in August 2021. Total contributed equity decreased to $1,816.0 million from $1,917.1 million during FY2022. The increased level of gearing, together with the increased interest rates has also resulted in increased finance expenses during FY2022.

1 Gearing ratio calculated as Senior Debt/(Market Capitalisation + Senior Debt).

OPERATING AND FINANCIAL REVIEW (CONTINUED)

(b) Cash flow

The Company recorded Cash flow conversion continues to be a key focus of the business and Link Group achieved a strong operating cash conversion rate of 81%, down from 114% in the previous year.

Table 10: Summary Pro Forma Cash Flow

IN $M	FY2022	FY2021	VARIANCE (%)
Operating EBITDA	**252.3**	256.6	(1.7)
Changes in Fund Assets & Liabilities	**2.2**	(0.8)	(375.0)
Changes in Working Capital	**(49.6)**	37.2	(233.3)
Net Operating Cash Flow	**205.0**	292.9	(30.0)
Cash Impact of Significant Items	**(57.6)**	(36.3)	(58.7)
Tax	**(46.6)**	(14.1)	(230.5)
Interest	**(29.5)**	(27.6)	(6.9)
Net Cash Provided by Operating Activities	**71.3**	214.9	(66.8)
Capital Expenditure	**(69.2)**	(41.1)	(68.4)
Right of use asset payments	**(41.0)**	(34.9)	(17.5)
Free Cash Flow (available for capital management)	**(38.9)**	139.0	(128.0)
Other investing activities	**(52.3)**	210.9	(124.8)
Dividends Paid	**(45.1)**	(33.0)	(36.7)
Other financing Activities	**(61.9)**	(183.5)	(66.3)
Net Increase/(decrease) in Cash	**(198.2)**	133.4	nmf [1]
Net Operating Cash Flow Conversion	**81%**	**114%**	**(33.0)**

Negative working capital movement of $49.6 million reflects a normalisation of trade debtors and creditors, following a particularly strong performance in FY2021 (FY2021 positively impacted by COVID cash conservation measures), an unwind of claims provisions, an unwind of unearned revenue and timing on payments for insurance and multi-year IT agreements (prepayments).

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. In FY2022, capital expenditure was $69.2 million, representing 5.9% of revenue, consistent with its benchmark and up on FY2021 due to the non-recurrence of one-off premises related capital expenditure and cash conservation measures undertaken during the pandemic in the prior year.

1 'nmf' denotes a variance that is not meaningful.

OPERATING AND FINANCIAL REVIEW (CONTINUED)

(c) Net debt

The Net Debt/Operating EBITDA ratio has increased to 2.6 times. This reflects the impact of a higher net debt, mostly arising from the share buy-back initiative undertaken during the year. The Operating EBITDA/net interest cost ratio has marginally increased to 15.1 times, reflecting higher earnings for the year.

As at 30 June 2022, Link Group had $243.2 million of undrawn committed facilities available. On 1 November 2021, Link Group refinanced all of its debt facilities.

Table 11: Summary of Net Debt

IN $M	FY2022	FY2021
Assets		
Cash	**(193.3)**	(395.0)
Long Term Debt	**881.2**	849.6
Net Debt	**687.9**	454.6
Debt ratios		
Net Debt/Operating EBITDA [1]	**2.6x**	1.8x
Operating EBITDA/Net Interest Costs [2]	**15.2x**	11.7x

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

OPERATING AND FINANCIAL REVIEW (CONTINUED)

7. 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 Risk 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 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 Committee with independent assurance over the effectiveness of the Group's governance, risk management and control practices.

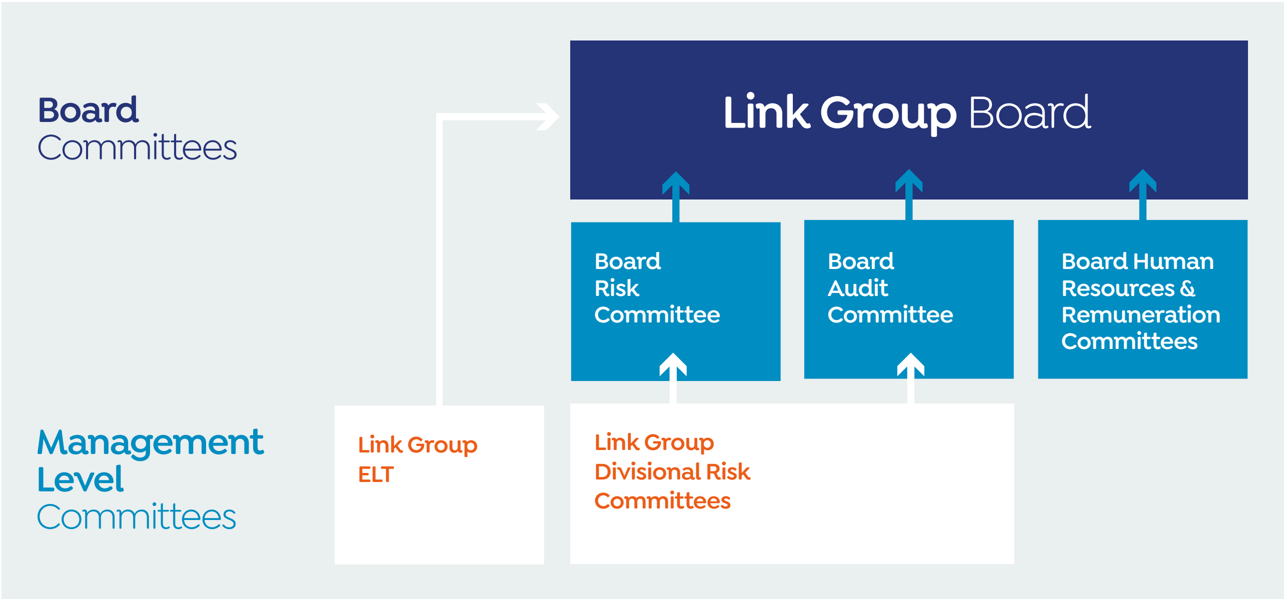
All employees are responsible for managing risks. Leaders also have additional responsibilities commensurate with their positions.

OPERATING AND FINANCIAL REVIEW (CONTINUED)

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;
- 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 two 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 reports 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 Internal Audit function 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.

OPERATING AND FINANCIAL REVIEW (CONTINUED)

Link Group's risk culture

Risk culture can be defined as the norms, 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 demonstrate, expect and reward the right behaviours from a risk and control perspective; and
- employees 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 which 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

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. Material breaches of the Code are reported to the Board.

(d) Changes Relevant to the Group Risk Profile

Link Group continues to focus on identifying and adopting global 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:

- Executed a Scheme Implementation Deed with Dye & Durham;
- Appointed a new, highly experienced Chief Technology Officer;
- Refinanced Link Group's senior debt facilities in October 2021;
- Enhanced the Board approved Group Risk Appetite Statement (RAS), comprising revised risk appetite categories, measures and limits;
- Enhanced our strategic risk management documentation with the implementation of a new Enterprise Risk Management Framework and Three Lines of Defence model Standard;
- Continued to consolidate infrastructure and decommission aging technology assets as we execute on our cloud strategy;
- Expanded our technology and administration operations capabilities in Mumbai and Pune in India; and
- Enhanced our global treasury policy and management of treasury risks.

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, Sustainability and Governance (ESG) risk. Link Group acknowledges the impacts that climate change could have on our business, that its impact may increase in 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.

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;
- ongoing impacts of the COVID-19 pandemic; and
- our ability to attract and retain key personnel.

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

OPERATING AND FINANCIAL REVIEW (CONTINUED)

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. Escalating geopolitical risks and the COVID-19 pandemic continued to be a source of increased Cybersecurity risks as the majority of our people were required to work remotely and perpetrators focused 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.

OPERATING AND FINANCIAL REVIEW (CONTINUED)

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

OPERATING AND FINANCIAL REVIEW (CONTINUED)

MATERIAL EXISTING OR EMERGING RISK	DESCRIPTION OF THE RISK AND ITS IMPACT	HOW WE RESPOND
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; • technological disruption and innovation; and/or • uncertainty caused by the proposed Dye & Durham acquisition of Link Group and planned business divestments. 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. It has invested over $400 million in the last 10 years in delivering technology-driven solutions for our clients and continues to partner with industry leaders to expand the range of value-added services for clients to further enhance competitive advantage.

OPERATING AND FINANCIAL REVIEW (CONTINUED)

MATERIAL EXISTING OR EMERGING RISK	DESCRIPTION OF THE RISK AND ITS IMPACT	HOW WE RESPOND
Benefit realisation from acquisition, integration and transformation	Description The benefits of investment, acquisition, integration, migration, relocation, consolidation or transformation in a timely and commercial manner could be less than or greater than expected. Some factors may include: • appropriateness of each plan; • accuracy of the calculation of expected benefits; • quality and efficiency of execution; • market conditions and client receptivity; and • unexpected intervening events. Impact The extent to which expected synergies and other benefits are realised can affect Link Group's financial performance, organisational efficiency, allocation of resources and strategic plans.	Having successfully executed and integrated more than 40 business combinations over the past 15 years, Link Group has significant experience delivering on the expected benefits. This is achieved principally through: • established and robust processes encapsulating people, systems, products and clients; • partnering with organisations and employing people with appropriate skills, expertise, and experience to optimise each specific opportunity; • disciplined project governance controls; • initial strategic and financial analysis; • contingency factoring; • sound due diligence practices; and • contractual protections. Link Group's Global Transformation Program concluded in June 2022. The Program successfully delivered against targeted cost savings across the following key areas: Operational Efficiencies and Centres of Excellence including cost benefits achieved via process automation and other key operational efficiencies; Vendor Consolidation & Management including the review, cancellation, renegotiation and scaling back of vendor contracts; and Premises Strategy including savings achieved through premises consolidation.

OPERATING AND FINANCIAL REVIEW (CONTINUED)

MATERIAL EXISTING OR EMERGING RISK	DESCRIPTION OF THE RISK AND ITS IMPACT	HOW WE RESPOND
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 ongoing impacts from COVID-19 lockdowns in China; 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 offerings; • 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 Groups 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 attrition and recruitment challenges across the Group as are inflationary pressures and the highly competitive labour markets.	Link Group mitigates this risk through: • Continual reinforcement of Link Group's culture and values including the global 'Appreciate' Recognition Program that recognises people who are living the Group's values; • Actions supporting employee retention, development and engagement, including employee pulse survey, mainstreaming flexible and blended working arrangements ("FlexTogether"), remuneration benchmarking, job architecture, recruitment and career development initiatives; • Ongoing review and where required evolution of Link Group's operating model and structure to support continued delivery of its strategic objectives; • 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.

OPERATING AND FINANCIAL REVIEW (CONTINUED)

8. OUTLOOK

FY2023

Revenue: Low single digit growth

Operating EBITDA: 8–10% higher than FY2022

Operating EBIT: 10–12% higher than FY2022

- FY2023 capital expenditure to be at the upper end of the 4%–6% of revenue range;
- FY2023 net operating cash flow conversion ratio expected to be in the 90%–100% range;
- FY2023 depreciation and amortisation expected to be in the $100 to $110 million range (operating component – excluding acquired amortisation);
- Margin income contribution expected to be significantly higher in FY2023 relative to FY2022 (Based on current market interest rate expectations);
- Leverage ratio expected to be in the 2.0x–3.0x range.

OPERATING AND FINANCIAL REVIEW (CONTINUED)

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 that are referred to in this OFR are as follows.

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

OPERATING AND FINANCIAL REVIEW (CONTINUED)

Operating NPATA	is net profit after tax and after adding back tax affected Significant items and Acquired Amortisation. Link Group management considers Operating NPATA to be a meaningful measure of after-tax profit as it excludes the impact of Significant items and the large amount of non-cash amortisation of acquired intangibles reflected in NPAT. This measure includes the tax effected amortisation expense relating to acquired software which is integral to the ongoing operating performance of the business. Link Group also presents Operating NPATA margin which is Operating NPATA divided by revenue, expressed as a percentage. Operating NPATA margin is a measure that Link Group management uses to evaluate the profitability of the overall business.
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, Global Transformation 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 2022. This Report has been prepared on a consistent basis to previous years for ease of reference.

Our Remuneration Report received a first strike at the 2021 AGM. The Board welcomes feedback and we have taken this into account in determining the FY2022 remuneration outcomes. Our aim is to continue to align remuneration structures and decisions with sustainable shareholder value creation.

Company Performance

FY2022 was impacted by multi-transaction takeover related activity for the majority of the year, a volatile global economy and challenging employment conditions. In this context, the Company achieved an Operating NPATA of $121.3 million, which represents a 7.1% increase on FY2021. This earnings result exceeded the target of $117.5 million set by the Board for the financial performance metric in the short-term incentive program. A fully franked dividend of 8.5 cents per share comprising the final dividend for FY2021 of 5.5 cents per share and the interim dividend for FY2022 of 3.0 cents per share was paid in FY2022.

Remuneration Outcomes

In FY2022, the remuneration measures foreshadowed in the FY2021 Remuneration Report were implemented, including an equity based retention plan for senior leaders critical to successfully manage the Company through the takeover transaction activity.

The FY2020 long term incentive grant will be tested against the performance hurdles in October 2022 and the outcome will be advised to shareholders at or before the Annual General Meeting.

We welcome your feedback on our FY2022 Remuneration Report.

Yours sincerely,

Sally Pitkin, AO
Human Resources & Remuneration Committee Chair

REMUNERATION REPORT (CONTINUED)

ABOUT THIS REMUNERATION REPORT

The Remuneration Report (Report) summarises the remuneration of Link Group's KMP; namely Directors and Executive KMP that are named in this Report for the year ended 30 June 2022. 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.

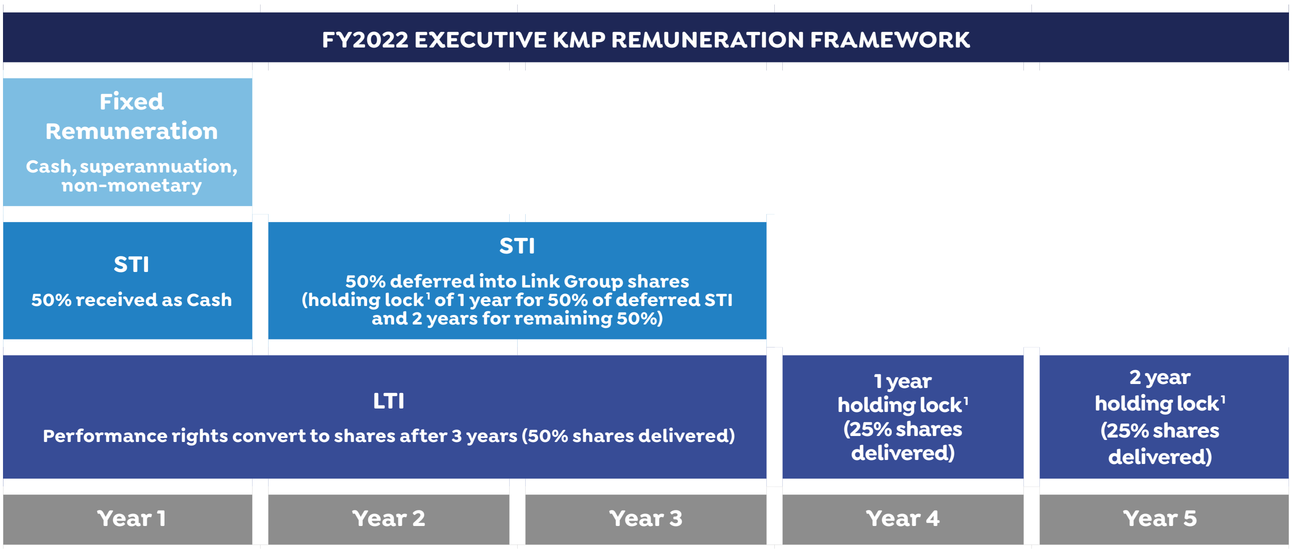
The Board recognises that the extraordinary nature of the takeover related activity created significant demands on Executive KMP and other leaders during the period. Retention of critical executives and managers was a dominant consideration for the Board determining remuneration outcomes for FY2022. Without these key people the dual challenges of focus and momentum operating the business and meeting takeover transaction demands would not have been achieved.

REMUNERATION REPORT (CONTINUED)

1.2 FY2022 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: FY2022 Executive KMP remuneration framework



FY2022 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.

REMUNERATION REPORT (CONTINUED)

EXECUTIVE KMP REMUNERATION IN FY2022

What changes to Executive KMP remuneration have been made in FY2022?

The Board reviewed FY2022 remuneration for the Executive KMP in the context of the scale, complexity and geographical reach of Link Group, and market benchmarking data.

As a result, Fixed Pay increased for Vivek Bhatia (Chief Executive Officer & Managing Director) and Dee McGrath (Chief Executive Officer, Retirement & Superannuation Solutions) to $1,400,000 and $670,000 respectively effective 1 October 2021. There were no changes to their STI and LTI target percentages. No other Executive KMP received a Fixed Pay increase in FY2022.

In FY2022, Dee McGrath and Andrew MacLachlan (Chief Financial Officer) received an equity grant as part of a retention scheme to retain key talent during a critical period for the Company where the CEO & Managing Director transitioned, and the Company dealt with the extraordinary demands of multi-transaction takeover related activity. They were awarded Link Group share rights in December 2021 equivalent to approximately 50% of their FY2021 Fixed Pay. The grant is subject to a service condition with 50% being delivered one year after being awarded and the remaining 50% two years after being awarded.

How has the Board responded to the strike against the FY2021 Remuneration Report?

The Board has responded to the key addressable shareholder concerns raised in relation to the FY2021 Remuneration Report and remains committed to aligning remuneration structures and decisions with sustainable shareholder value creation.

SHAREHOLDER FEEDBACK	BOARD RESPONSE
FY2021 STI gateway was considered to be low	The FY2022 Operating NPATA STI gateway, which is the minimum required to be met in order for any STI to be paid, was $99.9 million. This represents a $21.8 million (27.9%) increase on FY2021. The FY2022 target Operating NPATA, on which Executive KMP performance is assessed, was $117.5 million, a $4.3 million increase on the Operating NPATA result of FY2021.
FY2021 STI outcomes for the CEO & Managing Director and certain Executive KMP were considered to not be reflective of company performance	The FY2022 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 takeover related activity.
More detailed information for Executive KMP performance information was requested	Additional information has been provided in relation to Executive KMP performance in section 2.2. The Performance Management framework was revised in FY2022 to focus the performance categories on the critical areas of Financial, Client/Customer and People.

REMUNERATION REPORT (CONTINUED)

EXECUTIVE KMP REMUNERATION IN FY2022

How is Link Group's performance reflected in FY2022 remuneration outcomes?	In FY2022, Link Group achieved an Operating NPATA of $121.3 million exceeding the Operating NPATA Target of $117.5 million set by the Board as the financial metric in the STI program. The level of Operating NPATA performance in FY2022 is $8.1 million (7.1%) higher than the level of Operating NPATA performance in FY2021. This sound financial result and the achievement of pre-financial metrics results in STI awards being made to Executive KMP. Refer section 2.2 for further detail. Executive KMP provided strong and consistent leadership to Link Group during a period of extraordinary demands of running and supporting the business units while attending to multi-transaction takeover related activity. The critical need to retain key executives and managers to support the business and the completion of the Dye & Durham transaction is reflected in the FY2022 remuneration outcomes and is aligned to the interests of shareholders. The FY2020 long term incentive grant will be tested against the performance hurdles in October 2022 and the outcome will be advised to shareholders at or before the Annual General Meeting. Further detail on performance outcomes is provided in Section 2.2.
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 was provided by external consultants in May 2021 and used 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%.
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.

REMUNERATION REPORT (CONTINUED)

EXECUTIVE KMP REMUNERATION IN FY2022

What was the target remuneration mix for each continuing Executive KMP for FY2022?

EXECUTIVE KMP	TOTAL FIXED REMUNERATION %	TARGET STI %	LTI GRANT %	TOTAL VARIABLE REMUNERATION %
Continuing Executive KMP				
Vivek Bhatia	29%	28%	43%	71%
Antoinette Dunne	45%	33%	22%	55%
Paul Gardiner	40%	30%	30%	60%
Andrew MacLachlan	40%	30%	30%	60%
Dee McGrath	45%	33%	22%	55%
Karl Midl	45%	33%	22%	55%

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

An Operating NPATA gateway must be met before any STI is awarded. The Operating NPATA gateway was $99.9 million, an increase of $21.8 million on the FY2021 gateway. The Board determines an annual Operating NPATA target as the Group financial metric for the STI scorecards. The Operating NPATA Target for FY2022 was $117.5 million, an increase of $4.3 million on the FY2021 Operating NPATA result.

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 2.2.

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 32% of total target remuneration. Target STI ranges from 75% to 100% of fixed remuneration.

Executive KMP have the opportunity to earn up to 150% of their target STI where the Operating NPATA is 110% of budget. This represents the maximum STI. No Executive KMP achieved maximum STI in FY2022.

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.

REMUNERATION REPORT (CONTINUED)

EXECUTIVE KMP REMUNERATION IN FY2022

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 acquisition as well as organic growth in our existing businesses. This strategy requires dealing effectively with the inherent complexity in managing the acquisition pipeline and the need to integrate well and achieve synergies. 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 FY2022 is measured against 56 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 Figure 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.

REMUNERATION REPORT (CONTINUED)

EXECUTIVE KMP REMUNERATION IN FY2022

Were there any changes to Non-Executive Director remuneration in FY2022?	Non-Executive Director (NED) base fees were adjusted in FY2022 by 5%, following a suspension of fee increases in FY2020 and FY2021. 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 FY2022.
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

REMUNERATION REPORT (CONTINUED)

2. SUMMARY INFORMATION

2.1 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	STATUS	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	Part year	Commenced 1 February 2022
Former Executive KMP			
Chris Addenbrooke	Chief Executive Officer, Fund Solutions	Part year	Ceased 31 January 2022

REMUNERATION REPORT (CONTINUED)

2.2 FY2022 Overview – alignment between performance and Executive KMP remuneration

In FY2022, 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 Target of $117.5m, STIs were paid to continuing Executive KMP in FY2022.

Tables 1, 2 and 3 provide further detail of our performance against our strategic goals in FY2022 and STI awarded, and table 4 details Company performance over five years.

For FY2022, Executive KMP performance has been contextualised by the financial performance, multi-transaction takeover related activity for the majority of the year, a volatile global economy and challenging employment conditions. Below is a summary of performance for FY2022 against goals set.

Overall Performance

Table 1: Overall FY2022 Performance against expectations

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

FY2022 FOCUS AREAS	PERFORMANCE COMMENTARY	BELOW EXPECTATIONS	MET EXPECTATIONS	ABOVE EXPECTATIONS
Company Financial Performance	• Link Group achieved an Operating NPATA of $121.3 million exceeding the Operating NPATA Target of $117.5 million by $3.8 million (3.2%). The level of Operating NPATA performance in FY2022 is $8.1 million (7.1%) higher than the level of Operating NPATA performance in FY2021; • Cash dividends of 8.5 cents per share (100% franked) were paid to shareholders in FY2022 in line with guidance range; • Global Transformation Program benefits of $77.9 million annualised exceeded the Target of $75 million by $2.9 million; • Link Group successfully executed on a $102 million share buyback (out of $150 million guidance) which was suspended due to takeover activity.			
Divisional Finance Performance	• Retirement & Superannuation Solutions (R&SS), Funds Solutions and Corporate Markets exceeded their Operating EBIT targets; Banking and Credit Management was below their target; • Funds Solutions and Corporate Markets exceeded their Revenue Growth targets; Banking and Credit Management achieved their target and Retirement & Superannuation Solutions was slightly below target.			

REMUNERATION REPORT (CONTINUED)

FY2022 FOCUS AREAS	PERFORMANCE COMMENTARY	BELOW EXPECTATIONS	MET EXPECTATIONS	ABOVE EXPECTATIONS
Client/ customer outcomes	• Key clients were retained, new clients were acquired and new products and services were implemented. Key highlights included: – Successfully onboarded new clients in R&SS and developed pipeline for geographic expansion; – Key client renewals in the UK and Australia in Corporate Markets; – Link Group being the largest registrar by number of clients in the UK and ranked number 1 registrar in India by Prime Database for managing the highest number of mainboard IPOs and other transactions; – Key clients retained in BCM, 4 new lenders were supported to enter the Buy to Let market in the Netherlands, and the First Home Scheme tender in Ireland was won; – Key clients retained in Funds Solutions, the Casa4Funds acquisition in Luxembourg was completed and new clients won in the UK. • Key governance objectives were achieved in FY2022 including meeting all required reporting deadlines, quarterly risk management reporting and execution of the Link Group corporate governance framework to drive good corporate governance in how we operate to create sustainable value for shareholders.		●	

REMUNERATION REPORT (CONTINUED)

FY2022 FOCUS AREAS	PERFORMANCE COMMENTARY	BELOW EXPECTATIONS	MET EXPECTATIONS	ABOVE EXPECTATIONS
People outcomes	• Link Group recognises its people are paramount to the ongoing success of the business. In FY2022: – Link Group launched its blended and flexible working approach, including providing appropriate equipment, empowering our people in relation to how and where they work; – The India Hub expanded to over 1,000 employees with a second site opened in Pune; – The wellbeing of our employees continues to be addressed through regular communications about mental health, supporting a diverse and inclusive culture through targeted programs; – The global operating model was embedded; – Voluntary turnover was 30%, driven by economic and market trends in one of the toughest employment markets; senior leader turnover was significantly lower and well within the target; – A virtual careers offering was held to encourage employees to pursue their careers within Link Group; – Diversity targets were exceeded with balanced gender participation achieved at management and ELT level (which has a 50/50 gender mix) and strong improvement at Senior Leader level; – Link Group launched its domestic and family abuse policy, providing a range of support for employees who are experiencing domestic and family abuse, or who are providing care or support to a close relative who is experiencing domestic and family abuse; – 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 additional on-line training solutions provided to all employees and the SPARK frontline leaders program was rolled out globally.		●	

REMUNERATION REPORT (CONTINUED)

Table 2: Performance of Executive KMP for FY2022

	PERFORMANCE COMMENTARY	FINANCIAL	CLIENT / CUSTOMER	PEOPLE	OVERALL
Vivek Bhatia	• Operating NPATA of \$121.3 million exceeded Target of \$117.5 million by \$3.8 million (3.2%); • Annualised Global Transformation Program benefits of \$77.9 million exceeded Target of \$75.0 million; • Strategy developed with positive market feedback; • Strategic priorities achieved and key clients retained while managing takeover activity; • Diversity targets were exceeded, key initiatives implemented and while overall turnover target was not achieved, senior leader retention was high.	Above expectations	Met expectations	Met expectations	Met expectations
Antoinette Dunne	• Operating EBIT of -\$14.8 million was below Target of -\$11.7 million; • Revenue growth Target was achieved; • Divestment activity of BCM was managed keeping the business stabilised during the process; • Key clients across primary and secondary markets were retained; • Three new lenders were supported to enter the Buy to Let market in the Netherlands, two new lenders were supported to enter the market by the UK Ipswich mortgage team and the First Home Scheme tender in Ireland was won; • Diversity targets were exceeded, key senior leaders were retained, overall turnover target was not achieved, and key initiatives were implemented.	Slightly below expectations	Met expectations	Met expectations	Met expectations

REMUNERATION REPORT (CONTINUED)

	PERFORMANCE COMMENTARY	FINANCIAL	CLIENT / CUSTOMER	PEOPLE	OVERALL
Paul Gardiner	• Operating EBIT of $65.7 million exceeded Target of $56.0 million; • Revenue growth was above Target; • Key clients were retained with improved product penetration across IPO clients; • Corporate Markets is the largest registrar by number of clients in the UK and ranked number one Registrar in India by Prime Database for managing the highest number of mainboard IPOs and other transactions; • Diversity targets were exceeded, key senior leaders were retained, overall turnover target was not achieved, and key initiatives were implemented.	Above expectations	Met expectations	Met expectations	Above expectations
Andrew MacLachlan	• Operating NPATA of $121.3 million exceeded Target of $117.5 million; • Capital Management Targets were achieved including executing on a $102 million share buyback (out of $150 million guidance) which was stopped due to takeover activity; debt facilities were refinanced; • Total leverage ratio of 2.6 times was within guidance; • Annualised Global Transformation Program benefits of $77.9 million exceed Target of $75.0 million; • Diversity targets were exceeded, key senior leaders were retained, overall turnover target was not achieved, and key initiatives were implemented.	Above expectations	Met expectations	Met expectations	Met expectations

REMUNERATION REPORT (CONTINUED)

	PERFORMANCE COMMENTARY	FINANCIAL	CLIENT / CUSTOMER	PEOPLE	OVERALL
Dee McGrath	• Operating EBIT of \$105.9 million exceeded Target of \$101.0 million; • Revenue growth year on year, however was slightly below Target; • New portfolios were onboarded, key clients were retained and service levels improved; • Pipeline for geographic expansion was developed; • New Retirement Platform solution for Australia developed; • Diversity targets were exceeded, key senior leaders were retained, overall turnover target was not achieved, and key initiatives were implemented.	Met expectations	Met expectations	Met expectations	Met expectations
Karl Midl	• Operating EBIT of \$17.6 million exceeded Target of \$11.6 million; • Revenue growth was above Target; • Key clients were retained, Casa4Funds acquisition was completed in Luxembourg and new clients were acquired in the UK; • Diversity targets were exceeded, key senior leaders were retained, overall turnover target was not achieved, and key initiatives were implemented.	Above expectations	Met expectations	Met expectations	Met expectations

REMUNERATION REPORT (CONTINUED)

Table 3: STI amounts awarded

	STI TARGET $	STI MAX $	TOTAL STI PAYABLE $	STI ACHIEVED (% OF MAXIMUM)	% OF MAXIMUM FORFEITED	STI TO BE PAID IN CASH $
Continuing Executive KMP						
Vivek Bhatia	1,400,000	2,100,000	1,372,000	65%	35%	686,000
Antoinette Dunne[1]	331,760	497,641	303,561	61%	39%	151,780
Paul Gardiner	502,500	753,750	542,700	72%	28%	271,350
Andrew MacLachlan	450,000	675,000	432,000	64%	36%	216,000
Dee McGrath	502,500	753,750	482,400	64%	36%	241,200
Karl Midl[1,2]	131,348	197,023	128,722	65%	35%	64,361

No FY2022 STI is payable to Former KMP.

Table 4 outlines the financial performance of Link Group.

Table 4: Five-year performance of Link Group

		2022	2021	2020	2019	2018
EPS	(cents)	**(13.14)**	(30.75)	(19.67)	60.71	27.86
Operating EBIT	($millions)	**153.9**	141.4	179.7	291.5	294.1
Operating NPATA	($millions)	**121.3**	113.2	137.6	196.9	203.2
Net Profit (loss) after tax	($millions)	**(67.6)**	(162.7)	(102.5)	324.1	139.8
Change in share price to 30 June	($)	**(1.25)**	0.94	(0.90)	(2.33)	(0.57)
Declared Dividends	(cents per share)	**3.0**	10.00	19.00	20.50	20.50

Note: The Directors of the Company have not declared a 2022 final dividend. The proposed acquisition of Link Group by Dye & Durham Corporation ("Dye & Durham") permitted Link Group to pay a 2022 interim dividend of $0.03. The Scheme Implementation Deed permits up to $0.08 per share of the scheme consideration to be paid as a special dividend, should the Scheme be successfully implemented.

1 Antoinette Dunne is based in Ireland and Karl Midl is based in the UK, and accordingly they are remunerated in EUR and GBP respectively. Their STI Targets have been converted to AUD using the prevailing exchange rates that were used to prepare the financial statements for FY2022.

2 STI Targets and STI payable for Karl Midl represent a pro-rata amount for his period as Executive KMP.

REMUNERATION REPORT (CONTINUED)

Actual Remuneration Received[1]

Table 5 shows the actual cash remuneration paid to Continuing Executive KMP during FY2022 and FY2021 and deferred payments received.

Table 5: Actual remuneration received in FY2022 and FY2021[2,3]

	YEAR	FIXED REMUNERATION $	CASH STI PAID[4] $	DEFERRED STI REALISED $	LTI REALISED $	SERVICE BASED GRANTS REALISED[5] $	TERMINATION BENEFITS $	TOTAL REMUNERATION $
Continuing Executive KMP								
Vivek Bhatia	**2022**	**1,465,692**	**942,500**	**–**	**–**	**–**	**N/A**	**2,408,192**
	2021	907,359	–	–	–	–	N/A	907,359
Antoinette Dunne	**2022**	**494,014**	**187,201**	**–**	**–**	**16,659**	**N/A**	**697,874**
	2021	51,338	–	–	–	–	N/A	51,338
Paul Gardiner	**2022**	**693,350**	**252,500**	**–**	**–**	**40,797**	**N/A**	**986,647**
	2021	625,333	–	–	–	–	N/A	625,333
Andrew MacLachlan	**2022**	**626,448**	**287,500**	**–**	**–**	**36,531**	**N/A**	**950,479**
	2021	580,015	–	–	–	–	N/A	580,015
Dee McGrath[6]	**2022**	**684,574**	**281,500**	**–**	**–**	**100,746**	**N/A**	**1,066,820**
	2021	611,836	–	–	–	100,963	N/A	712,799
Karl Midl	**2022**	**182,872**	**–**	**–**	**–**	**–**	**N/A**	**182,872**
	2021	N/A	N/A	N/A	N/A	N/A	N/A	N/A

1 The above table 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.
2 Remuneration for KMP is included from the date they are designated as KMP until they cease as KMP. Vivek Bhatia commenced as KMP on 2 November 2020, Antoinette Dunne on 1 June 2021 and Karl Midl on 1 February 2022.
3 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 FY2022.
4 Cash STI paid refers to the portion of the FY2021 STI paid in cash in September 2021.
5 Service based grants realised include the vesting of half of the Special Equity Grant made in December 2020.
6 Dee McGrath was issued with shares on commencement. The amount included under service based grants realised includes 19,774 in FY2021 and 12,278 in FY2022 which were released from a holding lock. The remainder of the shares are held under a holding lock.

2.3 Executive KMP statutory remuneration table

Table 6 presents the remuneration for Executive KMP for FY2022 and comparative information for FY2021. 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 in Section 2.2.

Table 6: Executive KMP statutory remuneration

				SHORT-TERM BENEFITS	POST-EMPLOYMENT BENEFITS	OTHER LONG-TERM BENEFITS		EQUITY BASED PAYMENTS					
NAME	YEAR	SALARY AND FEES $	CASH STI $	OTHER BENEFITS[1] $	SUPERANNUATION BENEFITS $	LONG SERVICE LEAVE $	TERMINATION BENEFITS $	LTI $	SERVICE BASED GRANTS $	DEFERRED STI[2,3] $	TOTAL $	% OF REMUNERATION RELATED TO PERFORMANCE	VALUE OF PSRS AS A % OF REMUNERATION
Continuing Executive KMP[4,5]													
Vivek Bhatia	**2022**	**1,442,124**	**686,000**	**13,869**	**23,568**	**3,153**	**–**	**1,039,857**	**554,011**	**758,570**	**4,521,152**	**32%**	**23%**
	2021	892,896	942,500	8,615	14,463	787	–	422,538	368,835	392,708	3,043,342	44%	14%
Antoinette Dunne	**2022**	**470,632**	**151,780**	**24,941**	**23,382**	**–**	**–**	**81,182**	**15,043**	**113,110**	**880,070**	**30%**	**9%**
	2021	49,365	14,355	2,105	1,973	–	–	1,296	2,120	5,980	77,194	26%	2%
Paul Gardiner	**2022**	**669,782**	**271,350**	**12,862**	**23,568**	**12,104**	**–**	**244,004**	**236,837**	**239,707**	**1,710,214**	**30%**	**14%**
	2021	603,639	252,500	12,409	21,694	12,094	–	92,328	170,587	105,208	1,270,459	28%	7%
Andrew MacLachlan	**2022**	**598,948**	**216,000**	**14,005**	**27,500**	**10,840**	**–**	**218,509**	**177,611**	**234,201**	**1,497,614**	**30%**	**15%**
	2021	555,015	287,500	12,673	25,000	10,840	–	77,720	32,542	119,791	1,121,081	36%	7%
Dee McGrath	**2022**	**661,006**	**241,200**	**9,277**	**23,568**	**9,954**	**–**	**159,013**	**208,866**	**241,694**	**1,554,578**	**31%**	**10%**
	2021	590,142	281,500	8,791	21,694	2,165	–	70,540	112,856	117,290	1,204,978	33%	6%
Karl Midl	**2022**	**173,841**	**64,361**	**12,967**	**9,031**	**–**	**–**	**30,814**	**87,731**	**81,746**	**460,491**	**32%**	**7%**
	2021	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Executives that ceased to be KMP													
Chris Addenbrooke[6]	**2022**	**260,964**	**–**	**21,684**	**13,735**	**–**	**–**	**139,923**	**130,562**	**131,754**	**698,622**	**19%**	**20%**
	2021	435,135	262,675	35,501	21,294	–	–	66,529	25,166	109,446	955,746	39%	7%
Total	**2022**	**4,277,297**	**1,630,691**	**109,605**	**144,352**	**36,051**	**–**	**1,913,302**	**1,410,661**	**1,800,782**	**11,322,741**	**30%**	**17%**
	2021	3,126,192	2,041,030	80,094	106,118	25,886	–	730,951	712,106	850,423	7,672,800	38%	10%

1 Other benefits include a car allowance for Karl Midl and Antoinette Dunne and car parking for other Executive KMP.
2 Deferred STI shares awarded in respect of FY2021 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.
3 Deferred STI for 2021 has been restated to reflect the amortisation of the FY2021 STI expense over the performance and vesting period.
4 Karl Midl and Chris Addenbrooke are based in the UK and accordingly are 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 FY2022.
5 Vivek Bhatia commenced as KMP on 2 November 2020, Antoinette Dunne on 1 June 2021 and Karl Midl on 1 February 2022.
6 Chris Addenbrooke ceased as an Executive KMP on 31 January 2022.

REMUNERATION REPORT (CONTINUED)

3. DETAILED REMUNERATION INFORMATION

3.1 Detail of Executive KMP remuneration framework

Table 7 outlines the detail of the FY2022 STI and LTI arrangements.

Table 7: FY2022 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 32% 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. A sliding scale applies between 100% and 110% achievement of the Operating NPATA target to determine the STI pool accrual. 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 FY2022, the STI Gateway Operating NPATA target for Executive KMP was \$99.9 million representing a \$21.8m (27.9%) increase on FY2021. As the STI gateway target was exceeded, Executive KMP were eligible to be considered to receive a STI payment in FY2022. The FY2022 financial and pre-financial measures were achieved including the Operating NPATA Target of \$117.5m being exceeded and as a result, continuing Executive KMP will be paid a STI.
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 Company Financial Performance, Divisional Financial Performance, Client/Customer and People. In providing a final assessment of performance against goals, the Board may use its discretion as detailed below. For FY2022, 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 FY2022, 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.

REMUNERATION REPORT (CONTINUED)

STI	
Board Discretion	In reviewing the final assessment of annual performance against KPIs and STI awarded, the Board may in its discretion take into consideration: • company, business unit and individual performance; • external market factors; • alignment to Link Group's core values and behaviours; • internal and external stakeholder relationship management; • prudent risk taking; and • the impact of circumstances, either positive or negative, that arise through the year such as an acquisition or disposal event, fraud, information security or privacy breach, reputational damage, client wins or losses, and any other events it deems relevant. The Board endeavours to apply discretion fairly and consistently and considers the use of discretion in the awards of STI to Executive KMP based on: • Link Group and relevant Business Unit performance; • results of individual ELT performance reviews which are based on weighted KPIs set at the commencement of the year, and includes an assessment in relation to behaviours and risk management; and • input from the Risk Committee Chair and Chief Risk Officer 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 FY2022.
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 45% of the total target remuneration package for continuing Executive KMP, or 50% to 150% of fixed remuneration. The number of performance rights granted is determined based on the opportunity available to each participant divided by the five trading day VWAP for Link Group shares from the date of announcement of Link Group's full year results.

REMUNERATION REPORT (CONTINUED)

LTI – OMNIBUS EQUITY PLAN

Performance measures

The following performance measures apply for FY2022 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 FY2022 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%

REMUNERATION REPORT (CONTINUED)

LTI – OMNIBUS EQUITY PLAN

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.

REMUNERATION REPORT (CONTINUED)

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.

REMUNERATION REPORT (CONTINUED)

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 FY2022, Michael Carapiet received an allowance for takeover related international travel and UK-based Andy Green received a travel allowance for his return trips to Australia. 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[1]

	2022		2021	
	CHAIR FEE $	MEMBER FEE $	CHAIR FEE $	MEMBER FEE $
Base fees	**383,880**	**176,505**	365,600	168,100
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	**–**	**–**	–	–

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

REMUNERATION REPORT (CONTINUED)

Fees paid to NEDs during FY2022 and FY2021 were:

Table 10: Statutory remuneration for Non-Executive Directors

NAME	YEAR	FEES[1] $	SUPERANNUATION BENEFITS $	TOTAL $
Michael Carapiet	**2022**	**472,327**	**–**	**472,327**
	2021	388,716	–	388,716
Glen Boreham, AM	**2022**	**263,798**	**–**	**263,798**
	2021	252,124	–	252,124
Andrew (Andy) Green, CBE[2]	**2022**	**316,433**	**–**	**316,433**
	2021	261,820	–	261,820
Peeyush Gupta, AM	**2022**	**189,550**	**18,955**	**208,505**
	2021	170,557	16,203	186,760
Anne McDonald	**2022**	**189,550**	**18,955**	**208,505**
	2021	203,096	17,286	220,382
Sally Pitkin, AO	**2022**	**263,728**	**–**	**263,728**
	2021	235,996	–	235,996
Fiona Trafford-Walker	**2022**	**224,505**	**–**	**224,505**
	2021	202,203	–	202,203
Total	**2022**	**1,919,891**	**37,910**	**1,957,801**
	2021	1,714,512	33,489	1,748,001

Minimum shareholding requirements

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

1 NEDs who participated in Special Purpose Committees relating to Link Group takeover activity were paid Special Exertion Fees. There were 23 meetings in FY2022 and the fee for Michael Carapiet was $78,447, plus an allowance of $10,000 for takeover related international travel. The fee for each of Glen Boreham, Sally Pitkin and Andy Green was $39,223.

2 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. In addition, he receives a travel allowance of £5,575 for each return trip to Australia to attend Board meetings.

REMUNERATION REPORT (CONTINUED)

3.4 Remuneration governance

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

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

Figure 2

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 polices with the Company's purpose, values, strategic objectives and risk appetite; and
- Reviews and approves recommendations 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 recommendations 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 FY2022, no remuneration recommendations were provided by any external advisors.

REMUNERATION REPORT (CONTINUED)

3.5 Additional required disclosures

Table 11 outlines the grant of PSRs for Continuing Executive KMP in FY2022.

Table 11: FY2022 Grant of PSRs to Continuing Executive KMP

	TOTAL NUMBER OF PSRS AS AT 1 JULY 2021[1]	PSRS GRANTED IN FY2022	GRANT DATE	EXERCISE PRICE FOR PSRS GRANTED IN FY2022	FAIR VALUE OF PSRS GRANTED IN FY2022		TOTAL NUMBER OF PSRS VESTED DURING THE YEAR	TOTAL NUMBER OF PSRS FORFEITED/ LAPSED OR EXPIRED DURING THE YEAR[2]	TOTAL NUMBER OF PSRS AS AT 30 JUNE 2022
					EPS $	TSR $			
Continuing Executive KMP									
Vivek Bhatia	482,649	469,368	2 Dec 2021	Nil	4.46	2.49	–	–	952,017
Antoinette Dunne	48,062	54,065	2 Dec 2021	Nil	4.46	2.49	–	9,439	92,688
Paul Gardiner	280,414	112,313	2 Dec 2021	Nil	4.46	2.49	–	63,873	328,854
Andrew MacLachlan	238,582	100,578	2 Dec 2021	Nil	4.46	2.49	–	44,665	294,495
Dee McGrath	134,664	74,875	2 Dec 2021	Nil	4.46	2.49	–	–	209,539
Karl Midl[3]	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	87,577

Vesting of all PSRs granted during FY2022 is subject to a performance period from 1 July 2021 to 30 June 2024. 50% of any PSRs that vest is delivered with the remaining 50% subject to a holding lock of up to two years.

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 2021[4]	GRANT DATE[5]	SERVICE BASED GRANTS GRANTED IN FY2022	EXPIRY DATE FOR SERVICE BASED GRANTS GRANTED IN FY2022[6]	EXERCISE PRICE FOR SERVICE BASED GRANTS GRANTED IN FY2022	FAIR VALUE OF SERVICE BASED GRANTS GRANTED IN FY2022 $	TOTAL NUMBER OF SERVICE BASED GRANTS VESTED DURING THE YEAR[7]	TOTAL NUMBER OF UNVESTED SERVICE BASED GRANTS AS AT 30 JUNE 2022
Continuing Executive KMP								
Vivek Bhatia	279,457	N/A	–	N/A	N/A	N/A	–	279,457
Antoinette Dunne	6,772	N/A	–	N/A	N/A	N/A	3,386	3,386
Paul Gardiner	115,588	N/A	–	N/A	N/A	N/A	8,292	107,296
Andrew MacLachlan	14,850	2 Dec 2021	67,052	2 Dec 2023	Nil	4.93	7,425	74,477
Dee McGrath	35,567	2 Dec 2021	69,287	2 Dec 2023	Nil	4.93	20,013	84,841
Karl Midl[8]	N/A	N/A	N/A	N/A	N/A	N/A	N/A	42,433

1 LTI granted prior to FY2021 had an EPS target compound annual growth rate ranging from 7%, with maximum being achieved at 12%.
2 PSRs lapsed relate to the FY2019 LTI plan where performance hurdles were not deemed to have been met.
3 Karl Midl began as KMP from 1 February 2022 and there have been no PSRs granted following this date, hence this is showing as N/A.
4 Service based grants at 1 July 2021 include previously allocated sign on, special equity and retention grants. The balance for Vivek Bhatia relates to sign on shares with a vesting date of 21 September 2022. 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.
5 Share rights were awarded to Andrew MacLachlan and Dee McGrath.
6 The expiry dates listed reflect the final vesting dates of the retention awards granted in FY2022, although fifty percent will be delivered in December 2022, and the remaining fifty percent in December 2023.
7 Fifty percent of the special Equity Grant award was delivered on 1 December 2021.
8 Karl Midl began as KMP from 1 February 2022 and there have been no Service based grants made following this date, hence showing N/A. The closing balance includes share rights and restricted shares.

REMUNERATION REPORT (CONTINUED)

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 2021	INSTRUMENT	GRANT DATE	DEFERRED STI GRANTED IN FY2022	EXPIRY DATE FOR DEFERRED STI GRANTED IN FY2022[1]	EXERCISE PRICE FOR DEFERRED STI GRANTED IN FY2022	FAIR VALUE OF DEFERRED STI GRANTED IN FY2022	TOTAL NUMBER OF DEFERRED STI VESTED DURING THE YEAR	TOTAL NUMBER OF DEFERRED STI AS AT 30 JUNE 2022
Continuing Executive KMP									
Vivek Bhatia	–	Restricted shares	2 Dec 2021	210,656	31 Aug 2023	Nil	4.93	–	210,656
Antoinette Dunne	–	Share rights	2 Dec 2021	13,594	31 Aug 2023	Nil	4.93	–	13,594
Paul Gardiner	–	Restricted shares	2 Dec 2021	56,435	31 Aug 2023	Nil	4.93	–	56,435
Andrew MacLachlan	–	Restricted shares	2 Dec 2021	64,258	31 Aug 2023	Nil	4.93	–	64,258
Dee McGrath	–	Restricted shares	2 Dec 2021	62,917	31 Aug 2023	Nil	4.93	–	62,917
Karl Midl[2]	N/A	Share rights	N/A	N/A	N/A	N/A	N/A	N/A	13,343

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[3]

	BALANCE AT 1 JULY 2021	RECEIVED ON EXERCISE OF OPTIONS/ RIGHTS	PURCHASED/ ACQUIRED	DISPOSED[4]	BALANCE AT 30 JUNE 2022	MINIMUM SHAREHOLD-ING STATUS
Michael Carapiet	1,967,160	–	125,000	–	2,092,160	Met
Glen Boreham, AM	122,720	–	1,494	–	124,214	Met
Andrew (Andy) Green, CBE	26,030	–		–	26,030	Met
Peeyush Gupta, AM	47,581	–	579	–	48,160	Met
Anne McDonald	33,149	–	190	–	33,339	Met
Sally Pitkin, AO	85,517	–		–	85,517	Met
Fiona Trafford-Walker	31,742	–	386	–	32,128	Met
Vivek Bhatia	279,457	–	210,656	–	490,113	Met
Antoinette Dunne	0	3,386	–	–	3,386	N/A
Paul Gardiner	893,646	–	56,435	–	950,081	Met
Andrew MacLachlan	110,982	–	64,258	–	175,240	Met
Dee McGrath	80,794	–	62,917	–	143,711	Met
Karl Midl[5]	N/A		–	N/A	5,074	N/A
Former Executive KMP						
Chris Addenbrooke	59,525	–	–	2,706	N/A	N/A

Loans to Key Management Personnel and their related parties

There were no loans to Executive KMP during the year.

1 The expiry dates listed reflect the final vesting dates of the Deferred STI granted in relation to FY2021 STI in December 2021, and fifty percent will be delivered in August 2022, and the remaining fifty percent in August 2023.
2 Karl Midl began as KMP from 1 February 2022 and there has been no Deferred STI grants made following this date, hence showing N/A.
3 Current KMP who have not met the threshold and are not yet required to meet the threshold are shown as N/A.
4 The UK and Ireland have a tax withholding requirement at vesting, and shares may be sold to cover the required withholding tax.
5 Executives who were not KMP at the start or end of the financial year have their respective share opening or closing holdings shown as N/A.

REMUNERATION REPORT (CONTINUED)

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.

OTHER INFORMATION

Significant Changes in State of Affairs

Scheme Implementation Deed with Dye & Durham Corporation

On 22 December 2021, Link Group entered a Scheme Implementation Deed ("Original Scheme") with Dye & Durham under which Dye & Durham will acquire 100% of the share capital of Link Group by way of a Scheme of Arrangement. On 21 July 2022, Link Group announced it had entered a Revised Scheme Implementation Deed (Revised Scheme) with Dye & Durham under which Dye & Durham will acquire 100% of the share capital of Link Group by way of a Scheme of Arrangement. The Revised Scheme arose after Dye & Durham made several proposed reductions to the Original Scheme consideration acknowledging the undertaking required to achieve ACCC approval of the Scheme, and the change in global financial markets between December 2021 and June 2022.

Under the Revised Scheme, Link Group shareholders will receive $4.81 per share in base cash consideration. Link Group intends to pay a Special Dividend of approximately $0.08 per share expected to be franked at 100% subject to available franking credits, and this Special Dividend will be deducted from the $4.81 per share base consideration. In addition to the base consideration, under the Revised Scheme, if Dye & Durham reaches an agreement to sell the Banking & Credit Management (BCM) business, shareholders are entitled to receive any net consideration received from the sale of BCM prior to, or up to 12 months after, the implementation of the Revised Scheme, up to $0.13 per share.

Link Group's Board unanimously recommended that Link Group shareholders vote in favour of the Revised Scheme in the absence of a superior proposal and subject to the Independent Expert continuing to conclude that the Revised Scheme is fair and reasonable and in the best interests of Link Group shareholders.

Other changes in state of affairs

Link Group successfully refinanced its senior debt facilities on 1 November 2021. The details of the new facilities available to Link Group are:

- $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.

On 26 August 2021, Link Group announced its intention to undertake an on-market buy-back of up to 53,032,844 shares (being approximately up to 5% of Link Group's issued ordinary shares). Following the receipt of the conditional, non-binding indicative proposal from Carlyle Asia Partners V, L.P., and as announced to the market on 5 November 2021, Link Group suspended its on-market share buyback. At the date of suspension on 5 November 2021, Link Group had bought back 23,238,691 shares for a value of $101.7 million out of the announced total buyback size of up to $150 million.

In the opinion of the Directors, aside from the matters described above, there were no other significant changes in the state of the affairs of the Company or Link Group that occurred during the financial year ended 30 June 2022.

Events Subsequent to Reporting Date

Link Group Scheme Meeting

The Link Group Scheme Meeting was held on 22 August 2022, pursuant to an order of the Supreme Court of New South Wales made on 2 August 2022. Link Group shareholders voted in favour of the proposed acquisition of Link Group by Dye & Durham Corporation by way of scheme of arrangement (Scheme).

The Special General Meeting was held on 22 August 2022, immediately following the Link Group Scheme Meeting. The resolution to approve the proposed BCM Capital Return in connection with the Scheme (**Capital Return Resolution**), as set out in the Notice of Special General Meeting included in the Explanatory Booklet dated 10 May 2022, was approved by the requisite majority of Link Group shareholders.

Significant progress has been made on the Revised Scheme and is expected to be finalised at the end of September 2022, subject to remaining regulatory approvals and the approval of the Supreme Court of New South Wales (**Court**) at the hearing scheduled for 9:15am (Sydney time) on 9 September 2022.

OTHER INFORMATION (CONTINUED)

Acquisition of HS Pensions

On 26 August 2022, Link Group signed an agreement to acquire HS Pensions in the United Kingdom for cash free, debt free purchase consideration of GBP 6.3 million ($10.5 million). The acquisition will deliver core pension administration and a platform for Link Group's RSS division in the UK. The transaction is expected to complete in the first half of the financial year ending 30 June 2023.

Impact of macroeconomic environment on post balance date trading

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

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

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.

OTHER INFORMATION (CONTINUED)

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 $541,465 (2021: $793,624). 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;
- 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; and

Details of the amounts paid to KPMG for audit and non-audit services provided during the year are disclosed in Note 29 to the financial statements.

The Lead Auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 108 and forms part of the Directors' Report for the financial year ended 30 June 2022.

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

Dated 30 August 2022 at Sydney.

Michael Carapiet
Chair

Vivek Bhatia
Chief Executive Officer & Managing Director

LEAD AUDITOR'S INDEPENDENCE DECLARATION

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

To the Directors of Link Administration Holdings Limited

I declare that, to the best of my knowledge and belief, in relation to the audit of Link Administration Holdings Limited for the financial year ended 30 June 2022 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.

KPMG

Eileen Hoggett
Partner

Sydney
30 August 2022

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME for the financial year ended 30 June 2022

	NOTE	2022 $'000	2021 $'000
Revenue – contracts with clients	5	**1,175,329**	1,160,340
Expenses:			
Employee expenses		**(655,872)**	(614,349)
Occupancy expenses		**(19,471)**	(20,118)
IT costs		**(117,464)**	(116,944)
Administrative and general expenses	6	**(170,904)**	(179,310)
Acquisition and capital management related expenses		**(27,495)**	(21,651)
		(991,206)	(952,372)
Depreciation expense	14	**(49,077)**	(53,740)
Intangibles amortisation expense	15	**(87,941)**	(102,687)
Contract fulfilment cost amortisation expenses		**(6,775)**	(7,193)
		(143,793)	(163,620)
Gain/(loss) on financial assets held at fair value through profit and loss		**(64)**	3,607
Share of profit/(loss) of equity-accounted investees, net of tax	4	**8,931**	1,942
Profit on disposal of subsidiaries		**–**	15,347
Impairment expense	14, 15	**(83,099)**	(182,779)
Finance income		**1,507**	8,866
Finance costs	18	**(32,249)**	(32,840)
Net finance costs		**(30,742)**	(23,974)
Profit/(loss) before tax		**(64,644)**	(141,509)
Tax expense	8(a)	**(2,927)**	(21,195)
Profit/(loss) for the year		**(67,571)**	(162,704)
Other comprehensive income			
Items that will not be reclassified to profit or loss:			
Defined benefit re-measurement		**312**	(111)
Items that may be reclassified subsequently to profit or loss:			
Foreign currency translation differences for foreign operations		**(29,345)**	(7,006)
Other comprehensive income/(loss), net of tax		**(29,033)**	(7,117)
Total comprehensive income/(loss) for the year		**(96,604)**	(169,821)

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 2022 (continued)

	NOTE	2022 $'000	2021 $'000
Profit attributable to:			
Owners of the Company		**(67,890)**	(163,352)
Non-controlling interest		**319**	648
Profit/(loss) for the year		**(67,571)**	(162,704)
Total comprehensive income attributable to:			
Owners of the Company		**(96,923)**	(170,493)
Non-controlling interest		**319**	672
Total comprehensive income/(loss) for the year		**(96,604)**	(169,821)

EARNINGS PER SHARE		CENTS PER SHARE	CENTS PER SHARE
Basic earnings per share	7	**(13.14)**	(30.75)
Diluted earnings per share	7	**(13.14)**	(30.75)

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 2022

	NOTE	30 JUNE 2022 $'000	30 JUNE 2021 $'000
Current assets			
Cash and cash equivalents		**193,278**	395,024
Trade and other receivables	9	**236,927**	235,388
Derivative financial assets		**–**	273
Other assets		**44,879**	36,458
Current tax assets		**17,288**	7,290
Fund assets	11	**756,163**	**864,901**
Total current assets		**1,248,535**	**1,539,334**
Non-current assets			
Trade and other receivables	9	**7,640**	1,651
Investments	20	**110,587**	103,502
Equity-accounted investments	4	**551,335**	535,247
Plant and equipment	14	**274,172**	215,711
Intangible assets	15	**1,675,622**	1,798,436
Deferred tax assets	8(d)	**60,537**	65,275
Other assets		**13,735**	17,612
Total non-current assets		**2,693,628**	2,737,434
Total assets		**3,942,163**	4,276,768
Current liabilities			
Trade and other payables	10	**288,336**	340,595
Interest bearing loans and borrowings	17	**36,366**	30,952
Provisions	12	**22,079**	14,147
Employee benefits	13	**50,397**	49,910
Current tax liabilities		**6,389**	31,909
Fund liabilities	11	**754,558**	860,746
Total current liabilities		**1,158,125**	1,328,259
Non-current liabilities			
Trade and other payables	10	**5,116**	7,379
Interest-bearing loans and borrowings	17	**1,137,453**	1,036,961
Provisions	12	**19,722**	37,940
Employee benefits	13	**5,546**	5,892
Deferred tax liabilities	8(d)	**107,069**	120,742
Total non-current liabilities		**1,274,906**	1,208,914
Total liabilities		**2,433,031**	2,537,173
Net assets		**1,509,132**	1,739,595
Equity			
Contributed equity	21	**1,815,983**	1,917, 748
Reserves	22	**(73,496)**	(11,172)
Retained earnings	23	**(233,926)**	(167,815)
Total equity attributable to equity holders of the parent		**1,508,561**	1,738,761
Non-controlling interest		**571**	834
Total equity		**1,509,132**	1,739,595

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 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)
Disposal of subsidiaries with non-controlling interest	–	–	–	–	–	–
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 CHANGES IN EQUITY
as at 30 June 2022 (continued)

	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 2020	1,889,733	16,669	21,237	1,927,639	4,606	1,932,245
Net loss after tax	–	–	(163,352)	(163,352)	648	(162,704)
Defined benefit remeasurement	–	(111)	–	(111)	–	(111)
Foreign currency translation differences, net of tax	–	(7,030)	–	(7,030)	24	(7,006)
Total other comprehensive income, net of income tax	–	(7,141)	–	(7,141)	24	(7,117)
Total comprehensive income	–	(7,141)	(163,352)	(170,493)	672	(169,821)
Transfer from retained earnings to reserves	–	29,070	(29,070)	–	–	–
Transactions with shareholders						
Dividends declared during the year	–	(42,657)	–	(42,657)	(304)	(42,961)
Equity settled share-based payments	–	10,414	1,402	11,816	–	11,816
Treasury shares acquired	–	(18,490)	–	(18,490)	–	(18,490)
Disposal of subsidiaries with non-controlling interest	–	2,026	–	2,026	(1,133)	893
Transactions with non-controlling interest without a change in control	–	(1,063)	1,968	905	(3,007)	(2,102)
Issue of share capital, net of costs of raising capital and tax	28,015	–	–	28,015	–	28,015
Total contributions by and distributions to owners	28,015	(49,770)	3,370	(18,385)	(4,444)	(22,829)
Balance at 30 June 2021	1,917,748	(11,172)	(167,815)	1,738,761	834	1,739,595

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 2022

	NOTE	2022 $'000	2021 $'000
Cash flows from operating activities			
Cash receipts in the course of operations		**1,304,978**	1,290,851
Cash payments in the course of operations		**(1,099,985)**	(997,928)
		204,993	292,923
Cash payments for global transformation, acquisition/divestment and other one-off costs		**(57,591)**	(36,334)
Interest received		**1,446**	2,693
Dividends received		**283**	458
Interest paid		**(31,265)**	(30,719)
Income taxes paid, net of refunds received		**(46,572)**	(14,100)
Net cash provided by operating activities	16(a)	**71,294**	214,921
Cash flows from investing activities			
Payments for plant and equipment		**(18,526)**	(15,219)
Payments for software		**(50,708)**	(25,868)
Proceeds from disposal of subsidiaries, net of cash disposed		**–**	20,315
Proceeds from loan repayments		**–**	200,000
Acquisition of subsidiary, net of cash acquired	25	**(14,313)**	(7,072)
Acquisition of equity-accounted investments	4(b)	**(20,631)**	–
Proceeds from derivatives		**75**	475
Payments for investments		**(18,649)**	(4,993)
Proceeds from sale of investments		**309**	1,278
Sub-lease receipts		**917**	936
Net cash used in investing activities		**(121,526)**	169,852
Cash flows from financing activities			
Proceeds from borrowings		**248,408**	11,960
Repayment of borrowings		**(198,916)**	(195,057)
Payment of borrowing transaction costs		**(6,527)**	–
Repayment of lease liabilities		**(40,958)**	(34,852)
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		**(3,133)**	(432)
Dividends paid to owners of the Company		**(44,882)**	(32,695)
Dividends paid to non-controlling interest		**(197)**	(304)
Net cash (used in)/provided by financing activities		**(147,970)**	(251,380)
Net (decrease)/increase in cash and cash equivalents		**(198,202)**	133,393
Cash and cash equivalents at the beginning of the financial year		**395,024**	264,092
Effect of exchange rate fluctuations on cash held		**(3,544)**	(2,461)
Cash and cash equivalents at the end of the financial year		**193,278**	395,024

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 2022 comprise the Company and its subsidiaries and Link Group's interest in associates. Link Group is a for-profit entity. Link Group's purpose is connecting people with their assets – safely, securely and responsibly. Link Group 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.

Link Group continues to be resilient in response to the challenges brought on by the escalating geopolitical risks and the COVID-19 pandemic's continued impact on global markets. During the year, Link Group maintained a focus on safeguarding the well-being of employees, as well as ensuring continuity of service for clients and other stakeholders. Link Group's response was aided by, but not limited to, the following:

- Continued investment in new technology and products to enable better servicing of our clients;
- A resilient earnings profile supporting operating cash flow, with approximately 84% of revenue recurring in nature;
- Additional initiatives were implemented to reduce costs and support operating cash flow;
- A strong liquidity position supported by cash reserves and committed, undrawn credit facilities; and
- Debt serviceability and leverage remained comfortably within existing bank covenants.

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

The consolidated financial statements were approved by the Board of Directors on 30 August 2022.

(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.

PREPARATION OF THIS REPORT (CONTINUED)

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

- Note 8(e) Utilisation of tax losses;
- Note 12 Provisions;
- Note 15 Reassessment of remaining useful economic lives of core software platforms;
- Note 15 Key assumptions in impairment testing for cash generating units (CGUs) containing goodwill;
- Note 20 Fair value of level 3 financial instruments;
- Note 24 Share-based payments; and
- Note 25 Business combinations.

Whilst escalating geopolitical risks and the COVID-19 pandemic's continued impact on global markets have 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 9 Assumptions within our expected credit losses on trade and other receivables;
- Note 15 Impact on cash flows forecasts used for impairment testing for CGUs containing goodwill; and
- Note 20 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

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

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 Managing Director (the chief operating decision maker).

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

- Retirement & Superannuation Solutions (RSS) – provides core member and employer administration services, combined with a full range of value-added services including an integrated clearing house, financial planning and advice, direct investment options and trustee services;
- Corporate Markets (CM) – provides a uniquely integrated range of corporate markets capabilities including shareholder management and analytics, stakeholder engagement, share and unit registry, employee share plans, company secretarial support, as well as various specialist offerings such as insolvency solutions;
- Banking & Credit Management (BCM) – provides loan origination and servicing, debt work-out, compliance and regulatory oversight services to a range of clients including retail banks, investment banks, private equity funds and other investors;
- Fund Solutions (FS) – provides authorised fund manager/management company, third-party administration and transfer agency services to asset managers and a variety of investment funds.

The chief operating decision makers primarily use 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 2022	RSS $'000	CM $'000	BCM $'000	FS $'000	TOTAL REPORTABLE SEGMENTS $'000	HEAD OFFICE $'000	TOTAL LINK GROUP $'000
Segment revenue	**511,726**	**366,008**	**131,628**	**181,410**	**1,190,772**	**–**	**1,190,772**
Inter-segment eliminations	**(1,185)**	**(14,160)**	**(60)**	**(38)**	**(15,443)**	**–**	**(15,443)**
Revenues from external clients	**510,541**	**351,848**	**131,568**	**181,372**	**1,175,329**	**–**	**1,175,329**
Operating EBIT	**105,885**	**65,736**	**(14,783)**	**17,617**	**174,455**	**(20,511)**	**153,944**
Impairment expense[1]	**–**	**–**	**(60,663)**	**–**	**(60,663)**	**(22,436)**	**(83,099)**
Total assets at 30 June 2022	**687,651**	**908,562**	**96,364**	**1,336,273**	**3,028,850**	**913,313**	**3,942,163**

FOR THE YEAR ENDED 30 JUNE 2021	RSS $'000	CM $'000	BCM $'000	FS $'000	TOTAL REPORTABLE SEGMENTS $'000	HEAD OFFICE $'000	TOTAL LINK GROUP $'000
Segment revenue	506,905	364,938	141,053	170,456	1,183,352	–	1,183,352
Inter-segment eliminations	(2,033)	(20,908)	(67)	(4)	(23,012)	–	(23,012)
Revenues from external clients	504,872	344,030	140,986	170,452	1,160,340	–	1,160,340
Operating EBIT	96,045	54,230	(12,112)	15,722	153,885	(12,436)	141,449
Impairment expense[2]	–	–	(182,779)	–	(182,779)	–	(182,779)
Total assets at 30 June 2021	617,849	898,133	174,753	1,505,453	3,196,188	1,080,580	4,276,768

1 Refer to Note 14 Plant and Equipment ($22.4 million) and Note 15 Intangibles Assets ($60.7 million).
2 Refer to Note 15 Intangibles Assets ($182.8 million).

OPERATING RESULTS (CONTINUED)

(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.

	2022 $'000	2021 $'000
Operating EBIT	**153,944**	141,449
Significant items/One-off costs:		
• Global transformation costs	**(40,064)**	(27,153)
• Business combination/acquisition & divestment costs	**(28,141)**	(21,470)
Total significant items	**(68,205)**	(48,623)
Depreciation expense – non-operating	**(2,115)**	(1,507)
Intangibles amortisation expense – non-operating	**(109)**	(88)
Intangibles amortisation expense – acquisition related	**(43,185)**	(46,883)
Gain/(loss) on financial assets held at fair value through profit and loss	**(64)**	3,607
Share of profit of equity-accounted investees (excluding Acquired Amortisation), net of tax	**25,747**	19,433
Share of Acquired Amortisation of equity-accounted investees, net of tax	**(16,816)**	(17,491)
Profit on disposal of subsidiaries	**–**	15,347
Impairment expense	**(83,099)**	(182,779)
Finance income	**1,507**	8,866
Finance expense	**(32,249)**	(32,840)
(Loss)/profit before tax	**(64,644)**	(141,509)
Income tax expense	**(2,927)**	(21,195)
Net (loss)/profit after tax	**(67,571)**	(162,704)

(c) Geographic information

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

	REVENUE		NON-CURRENT ASSETS	
	2022 $'000	2021 $'000	2022 $'000	2021 $'000
Australia and New Zealand	**669,865**	660,111	**1,518,955**	1,432,299
United Kingdom and Channel Islands	**309,378**	305,009	**916,119**	1,065,103
Ireland	**102,875**	115,007	**19,898**	22,114
Other countries	**93,211**	80,213	**59,024**	47,490
	1,175,329	1,160,340	**2,513,996**	2,567,006

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 include plant and equipment, intangible assets, equity-accounted investments and other assets.

(d) Major clients

Link Group had one (2021: one) major client in the RSS segment, which generated revenues of $143.7 million (2021: $131.4 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.

OPERATING RESULTS (CONTINUED)

4. EQUITY-ACCOUNTED INVESTMENTS

Set out below are the equity-accounted investments of Link Group as at 30 June 2022.

EQUITY-ACCOUNTED INVESTMENTS	PLACE OF BUSINESS	% OWNERSHIP INTEREST 2022	% OWNERSHIP INTEREST 2021	2022 $'000	2021 $'000
PEXA Group Limited	Australia	**42.8**	42.8	**544,592**	535,247
Moneysoft Pty Limited	Australia	**47.9**	–	**6,743**	–
Total equity-accounted investments				**551,335**	535,247

On 30 June 2021, Link Group's ownership in PEXA Group Limited (PEXA) decreased from 44.2% to 42.8% as a result of a series of equity transactions that led to PEXA Group Limited's shares commencing trading on the Australian Securities Exchange (ASX) on 1 July 2021. Link Group continues to account for PEXA as an equity-accounted investment on the basis Link Group has significant influence over PEXA.

On 1 October 2021, restrictions attached to the conversion of Link Group's convertible debt in Moneysoft Pty Limited (Moneysoft) ceased, allowing Link Group the option to convert the convertible debt to ordinary equity. On 31 March 2022, Link Group elected to convert the convertible debt in Moneysoft to ordinary shares, increasing its ownership of Moneysoft from 9.5% to 49.9% (42.9% on a fully diluted basis taking into account unvested share options held by Moneysoft's Directors and management). Link Group has assessed Moneysoft is a joint venture in which it has joint control in accordance with AASB 11 *Joint Arrangements*, and the investment has been equity-accounted from 1 October 2021 in accordance with AASB 128 *Investments in Associates and Joint Ventures*. Moneysoft is not publicly listed and is structured as a separate vehicle, and is a provider of personal financial management technology to a range of clients from individuals to corporate enterprises. In determining the Group has joint control over Moneysoft, consideration was given to collective control existing over decisions made at the Board level based on collective rights, and the exposure and ability to affect variable returns.

Link Group's interest in Moneysoft reduced from 49.9% to 47.9% on 21 June 2022 as a result of the exercise of share options by another shareholder in June 2022. Prior to 1 October 2021, Link Group's investment in Moneysoft was accounted for at fair value through profit or loss, refer Note 20(d).

(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 interest in PEXA.

PEXA SUMMARY BALANCE SHEET AS AT 30 JUNE 2022	2022 $'000	2021 $'000
Cash and cash equivalents	**75,391**	51,517
Other current assets	**42,906**	33,130
Non-current assets	**1,543,964**	1,528,469
Current financial liabilities (excluding trade payables)	**(1,882)**	(194,775)
Other current liabilities	**(56,234)**	(54,825)
Non-current financial liabilities (excluding trade payables)	**(305,614)**	(307,328)
Other non-current liabilities	**(33,830)**	(24,416)
Net Assets	**1,264,701**	1,031,792
Link Group's share of net assets (42.8%)	**540,854**	441,250
Link Group's share of PEXA IPO funds (and related costs recognised directly in PEXA equity) raised on 1 July 2021	**3,738**	93,997
Carrying value of equity-accounted investment	**544,592**	535,247
Fair value of Link Group's investment based on PEXA ASX close price[1]	**1,053,334**	1,300,553

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

OPERATING RESULTS (CONTINUED)

PEXA SUMMARY STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2022	2022 $'000	2021 $'000
Revenue	**279,839**	221,046
Depreciation expense and intangibles amortisation expense – non-acquisition related	**(12,701)**	(9,448)
Intangibles amortisation expense – acquisition related	**(56,174)**	(56,560)
Net finance (expense)/income	**(5,315)**	(36,495)
Income tax expense	**(11,069)**	(3,695)
Profit/(loss) for the year	**21,851**	(11,787)
Other comprehensive income for the year	**–**	–
Total comprehensive income for the year	**21,851**	(11,787)
Link Group's share of comprehensive income (42.8%)	**9,345**	(5,207)
Elimination of shareholder loan interest	**–**	7,149
Link Group's share of comprehensive income	**9,345**	**1,942**

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

	2022 $'000	2021 $'000
Carrying value at beginning of the year	**535,247**	705,259
Share of profit/(loss) of PEXA, net of tax	**9,345**	1,942
Share of other comprehensive income	**–**	–
Return of capital from PEXA, converted to shareholder loan	**–**	(419,460)
Shareholder loan converted to additional shares in PEXA	**–**	234,024
Additional shares in PEXA acquired in IPO	**–**	20,631
Elimination of shareholder loan interest	**–**	(7,149)
Carrying value at the end of the year	**544,592**	535,247

(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 2022.

	2022 $'000	2021 $'000
Carrying value of investment in Moneysoft	**6,743**	–
Link Group's share of Moneysoft:		
Loss for the year	**(414)**	–
Link Group's share of comprehensive income	**(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.

OPERATING RESULTS (CONTINUED)

5. 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 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 2022	RSS $'000	CM $'000	BCM $'000	FS $'000	TOTAL REPORTABLE SEGMENTS $'000	INTER-SEGMENT ELIMINATIONS $'000	TOTAL LINK GROUP $'000
Geographic location							
Australia and New Zealand	**504,511**	**158,475**	**–**	**20,982**	**683,968**	**(14,103)**	**669,865**
United Kingdom and Channel Islands	**7,188**	**146,793**	**28,317**	**128,427**	**310,725**	**(1,347)**	**309,378**
Ireland	**–**	**4,817**	**75,065**	**22,976**	**102,858**	**17**	**102,875**
Other countries	**27**	**55,923**	**28,246**	**9,025**	**93,221**	**(10)**	**93,211**
Revenues from contracts with clients	**511,726**	**366,008**	**131,628**	**181,410**	**1,190,772**	**(15,443)**	**1,175,329**

FOR THE YEAR ENDED 30 JUNE 2021	RSS $'000	CM $'000	BCM $'000	FS $'000	TOTAL REPORTABLE SEGMENTS $'000	INTER-SEGMENT ELIMINATIONS $'000	TOTAL LINK GROUP $'000
Geographic location							
Australia and New Zealand	501,458	160,667	–	19,710	681,835	(21,724)	660,111
United Kingdom and Channel Islands	5,447	143,885	28,823	127,886	306,041	(1,032)	305,009
Ireland	–	5,405	87,026	22,576	115,007	–	115,007
Other countries	–	54,981	25,204	284	80,469	(256)	80,213
Revenues from contracts with clients	506,905	364,938	141,053	170,456	1,183,352	(23,012)	1,160,340

OPERATING RESULTS (CONTINUED)

(b) Contract balances

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

	2022 $'000	2021 $'000
Contract assets (included in trade and other receivables)	–	–
Contract liabilities – current (included in trade and other payables)	**(22,068)**	(31,278)
Contract liabilities – non-current (included in trade and other payables)	**(4,102)**	(6,135)
	(26,170)	(37,413)

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 2022 that was included in contract liabilities at the beginning of the financial year was $28.3 million (2021: $27.6 million).

(c) Unsatisfied performance obligations

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

	2022 $'000	2021 $'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.	**1,157,761**	**1,396,076**

Link Group expects that approximately 45% of revenue allocated to the unsatisfied contracts as at 30 June 2022 (2021: 35%) will be recognised during the next financial year. The majority of the remaining 45% (2021: 59%) will be recognised as revenue between 1 July 2023 and 30 June 2027 (2021: 1 July 2022 and 30 June 2026).

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 2022 or any future contract renewals that may occur.

(d) Contract fulfilment costs

The following table provides information about contract fulfilment costs.

	2022 $'000	2021 $'000
Contract fulfilment costs (included in non-current other assets)	**12,962**	17,129

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 client are classified as contract liabilities and amortised over the same period where they do not relate to a separate performance obligation.

OPERATING RESULTS (CONTINUED)

6. ADMINISTRATIVE AND GENERAL EXPENSES

	2022 $'000	2021 $'000
Costs recharged to clients	**(67,039)**	(70,091)
Professional & consulting expenses	**(43,261)**	(42,091)
Office expenses	**(7,707)**	(7,407)
Insurance costs	**(22,873)**	(19,853)
Travel expense	**(3,506)**	(806)
Other expenses	**(26,518)**	(39,062)
	(170,904)	(179,310)

7. EARNINGS PER SHARE

(a) Basic earnings per share

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

	2022 $'000	2021 $'000
Profit/(loss) for the year attributable to owners of the Company	**(67,890)**	(163,352)

	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	**532,423**	530,266
Effect of allotments, issuances and buybacks	**(16,794)**	3,157
Effect of treasury shares acquired	**1,025**	(2,223)
Weighted average number of ordinary shares (basic)	**516,654**	531,200

OPERATING RESULTS (CONTINUED)

(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.

	2022 $'000	2021 $'000
Profit/(loss) for the year attributable to owners of the Company	**(67,890)**	(163,352)

	NUMBER OF SHARES '000	NUMBER OF SHARES '000
Weighted average number of ordinary shares (diluted)		
Basic weighted average number of ordinary shares	**516,654**	531,200
Effect of dilutive PSRs and SRs	**8,589**	7,085
Weighted average number of ordinary shares (diluted)	**525,243**	538,285
Basic earnings per share (cents)	**(13.14)**	(30.75)
Diluted earnings per share (cents)	**(13.14)**	(30.75)

Potential ordinary shares, which comprise Performance Share Rights (PSRs) and Share Rights (SRs), are antidilutive 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.

OPERATING RESULTS (CONTINUED)

8. TAXATION

(a) Income tax expense

	2022 $'000	2021 $'000
Current tax expense		
Current year	**(12,300)**	(51,422)
Adjustment for prior years	**1,470**	(863)
	(10,830)	(52,285)
Deferred tax (expense)/benefit		
Origination and reversal of temporary differences	**7,761**	31,586
Adjustment for prior years	**142**	(496)
	7,903	31,090
Tax expense	**(2,927)**	(21,195)
Loss before income tax	**(64,644)**	(141,509)
Prima facie income tax expense calculated at 30% on operating profit from ordinary activities:	**19,393**	42,453
Effect of tax rates in foreign jurisdictions	**(7,440)**	(24,468)
Non-deductible expenses[1]	**(18,811)**	(40,655)
Non-assessable income	**4,203**	10,204
Recognition of previously unrecognised tax losses	**(1,913)**	2,730
Effect of change in UK tax rates	**29**	(10,100)
(Under)/over provision of tax in respect of prior years	**1,612**	(1,359)
Income tax expense	**(2,927)**	(21,195)
Movement in temporary differences	**(6,568)**	(31,586)
Utilisation of recognised tax losses	**–**	–
Income tax payable on current year profits	**(9,495)**	(52,781)

(b) Effective tax rates for Australian and overseas operations

	2022			2021		
	PROFIT/(LOSS) BEFORE TAX $'000	INCOME TAX EXPENSE $'000	EFFECTIVE TAX RATE	PROFIT/(LOSS) BEFORE TAX $'000	INCOME TAX EXPENSE $'000	EFFECTIVE TAX RATE
Australian operations	**4,301**	**(2,334)**	**54.3%**	63,087	(6,382)	10.1%
Overseas operations	**(68,945)**	**(593)**	**(0.9%)**	(204,596)	(14,813)	(7.2%)
Link Group	**(64,644)**	**(2,927)**	**(4.5%)**	(141,509)	(21,195)	(15.0%)

1 Included tax effect of impairment of goodwill of $60.7 million (2021: $173.1 million), which is not deductible.

OPERATING RESULTS (CONTINUED)

The effective tax rate for the year ended 30 June 2022 for Link Group was impacted by the following material factors:

- Loss before tax of \$60.7 million (2021: \$182.8 million) related to goodwill impairment expense (Note 15), which did not give rise to an income tax benefit for overseas operations;
- Non-deductible acquisition and capital management related expenses of \$5.2 million incurred in Australia; and
- Tax losses of \$18.3 million incurred in certain European tax jurisdictions which were not recognised as a deferred tax asset as it is not probable they will be utilised in the foreseeable future.

After adjusting for the above factors, Australian operations had an effective tax rate of 26.7% (2021: 26.2%), overseas operations had an effective tax rate of 37.6% (2021: 41.2%), and Link Group had an effective tax rate of 35.4% (2021: 30.8%).

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 publish on its website (www.linkgroup.com/corporategovernance.html).

(c) Tax recognised in other comprehensive income and equity

	2022			2021		
	BEFORE TAX \$'000	TAX BENEFIT \$'000	NET OF TAX \$'000	BEFORE TAX \$'000	TAX EXPENSE \$'000	NET OF TAX \$'000
Foreign Currency Translation Reserve	**(31,027)**	**1,682**	**(29,345)**	(6,470)	(536)	(7,006)
	(31,027)	**1,682**	**(29,345)**	(6,470)	(536)	(7,006)

(d) Deferred tax assets/(liabilities)

	2022 \$'000	2021 \$'000
Deferred tax asset:		
Provisions & accruals	**36,324**	37,294
Other	**16,401**	20,793
Tax losses	**7,812**	7,188
	60,537	65,275
Deferred tax liability:		
Intangible assets	**(47,817)**	(65,808)
Plant, equipment & software	**(1,691)**	(4,476)
Equity-accounted investments	**(36,778)**	(33,974)
Other	**(20,783)**	(16,484)
	(107,069)	(120,742)

OPERATING RESULTS (CONTINUED)

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

	BALANCE AT 1 JULY 2020 $'000	ACQUIRED IN BUSINESS COMBINATION $'000	RECOGNISED IN PROFIT OR LOSS $'000	RECOGNISED IN OCI $'000	BALANCE AT 30 JUNE 2021 $'000
Deferred tax asset:					
Provisions & Accruals	31,359	–	5,858	77	37,294
Other	16,231	–	4,554	8	20,793
Tax losses	8,882	–	(1,932)	238	7,188
	56,472	–	8,480	323	65,275
Deferred tax liability:					
Intangible assets	(73,826)	–	8,721	(703)	(65,808)
Plant, equipment & software	(7,606)	–	3,130	–	(4,476)
Equity-accounted investments	(57,632)	–	23,658	–	(33,974)
Other	(3,428)	–	(12,900)	(156)	(16,484)
	(142,492)	–	22,609	(859)	(120,742)

(e) Unrecognised tax losses

As at 30 June 2022, 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 $172.8 million (2021: $177.0 million);
- European tax losses of $22.6 million (2021: $14.7 million); and
- Other jurisdiction tax losses of $0.1 million (2021: $0.6 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.

OPERATING RESULTS (CONTINUED)

(f) Franking credits

	2022 $'000	2021 $'000
Amount of franking credits available to shareholders for subsequent financial years	**23,072**	3,526

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

9. TRADE AND OTHER RECEIVABLES

	2022 $'000	2021 $'000
Current		
Trade receivables	**159,228**	151,452
Less: Expected credit losses	**(3,501)**	(3,555)
	155,727	147,897
Investment management debtors	**71,111**	78,297
Contract assets	**–**	–
Lease receivables	**12**	929
Other receivables	**10,077**	8,265
	236,927	235,388
Non-current		
Lease receivables	**6,237**	13
Other receivables	**1,403**	1,638
	7,640	1,651

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 2022, 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 Authorised Corporate Director.

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.

OPERATING ASSETS AND LIABILITIES (CONTINUED)

The following table sets out a maturity analysis of lease receivables, showing the undiscounted lease payments to be received after the reporting date:

	2022 $'000	2021 $'000
Within one year	**12**	932
One to two years	**–**	13
Two to three years	**1,426**	–
Three to four years	**1,779**	–
Four to five years	**1,841**	–
Beyond five years	**2,229**	–
Unearned finance income	**(1,038)**	(3)
Lease receivables	**6,249**	942

10. TRADE AND OTHER PAYABLES

	2022 $'000	2021 $'000
Current		
Trade creditors	**28,388**	50,405
Investment management creditors	**132,425**	135,859
Deferred consideration	**–**	1,109
Accrued operational expenses	**54,285**	45,041
Contract liabilities	**22,068**	31,278
IT related creditors	**13,653**	15,175
Indemnified payables	**4,409**	4,712
PEXA IPO contribution payable	**–**	20,631
Other creditors and accruals	**33,108**	36,385
	288,336	340,595
Non-current		
Contract liabilities	**4,102**	6,135
Other creditors	**1,014**	1,244
	5,116	7,379

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 Authorised Corporate Director.

OPERATING ASSETS AND LIABILITIES (CONTINUED)

11. FUND ASSETS AND LIABILITIES

	2022 $'000	2021 $'000
Fund assets		
Fund receivables	**756,163**	864,901
	756,163	864,901
Fund liabilities		
Fund payables	**(754,558)**	(860,746)
	(754,558)	(860,746)

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 Authorised Corporate Director. Link Fund Solutions Limited acts in the role of principal in the transactions, and the balances are due to and from the investors and investment funds. As at 30 June 2022, $1.6 million ($756.2 million assets net of $754.6 million liabilities) of net cash was due from investors and investment funds. The net receivable position arose because Link Fund Solutions Limited was yet to receive settlement from some investors and/or funds. The majority of funds need to be settled within a 4-day settlement period.

12. PROVISIONS

	2022 $'000	2021 $'000
Current		
Provisions	**22,079**	14,147
Non-current		
Provisions	**19,722**	37,940

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

	CLAIMS $'000	INTEGRATION $'000	ONEROUS CONTRACTS $'000	OTHER $'000	TOTAL $'000
Balance at 1 July 2021	**36,179**	**2,496**	**4,502**	**8,910**	**52,087**
Provisions made during the year	**2,205**	**11,638**	**3,402**	**172**	**17,417**
Provisions used during the year	**(4,246)**	**(858)**	**(3,055)**	**(2,421)**	**(10,580)**
Provisions reversed during the year	**(13,725)**	**(584)**	**(117)**	**(1,426)**	**(15,852)**
Foreign exchange translation difference	**(986)**	**49**	**(124)**	**(210)**	**(1,271)**
Balance at 30 June 2022	**19,427**	**12,741**	**4,608**	**5,025**	**41,801**
Current	**7,436**	**11,659**	**1,546**	**1,438**	**22,079**
Non-current	**11,991**	**1,082**	**3,062**	**3,587**	**19,722**

OPERATING ASSETS AND LIABILITIES (CONTINUED)

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.

Provisions

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

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

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

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

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

13. EMPLOYEE BENEFITS

	2022 $'000	2021 $'000
Current		
Employee entitlements	**50,397**	49,910
Non-current		
Employee entitlements	**5,546**	5,892

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).

OPERATING ASSETS AND LIABILITIES (CONTINUED)

14. PLANT AND EQUIPMENT

	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**

	PLANT & EQUIPMENT $'000	FIXTURES & FITTINGS $'000	RIGHT-OF-USE $'000	TOTAL $'000
Cost				
Balance at 1 July 2020	88,370	86,724	271,286	446,380
Acquisitions through business combinations	17	–	–	17
Additions	11,317	2,657	14,828	28,802
Effects of movements in exchange rates	283	(64)	564	783
Disposals/write offs	(4,903)	(11,661)	(34,691)	(51,255)
Balance at 30 June 2021	95,084	77,656	251,987	424,727
Depreciation and impairment losses				
Balance at 1 July 2020	(58,323)	(37,108)	(100,520)	(195,951)
Depreciation charge for the year	(12,896)	(7,362)	(33,482)	(53,740)
Effects of movements in exchange rates	284	248	(341)	191
Disposals/write offs	4,795	8,264	27,425	40,484
Balance at 30 June 2021	(66,140)	(35,958)	(106,918)	(209,016)
Carrying amount at 30 June 2021	28,944	41,698	145,069	215,711

OPERATING ASSETS AND LIABILITIES (CONTINUED)

Recognition and measurement

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

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

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

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

Right-of-use assets

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

- the contract must convey the right to control the use of an identifiable asset;
- Link Group must have 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 17);
- 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 in July 2021 to move to a blended working model for staff globally. 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 $22.4 million was recognised in relation to right-of-use premises and fixture & fittings assets as a result of the assessment.

OPERATING ASSETS AND LIABILITIES (CONTINUED)

15. INTANGIBLE ASSETS

	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 $'000	CLIENT RELATIONSHIPS $'000	SOFTWARE $'000	BRAND NAMES $'000	TOTAL $'000
Cost					
Balance at 1 July 2020	1,559,260	510,285	678,386	4,520	2,752,451
Acquisitions through business combinations	653	–	–	–	653
Additions	–	–	26,834	–	26,834
Effects of movements in exchange rates	8,128	3,653	205	73	12,059
Disposals/Assets written off	–	(12,269)	(22,402)	–	(34,671)
Balance at 30 June 2021	1,568,041	501,669	683,023	4,593	2,757,326
Amortisation and impairment losses					
Balance at 1 July 2020	(109,667)	(209,333)	(388,150)	(3,056)	(710,206)
Amortisation charge	–	(39,687)	(62,694)	(306)	(102,687)
Impairment expense	(173,112)	–	(9,667)	–	(182,779)
Effects of movements in exchange rates	632	(615)	2,246	(38)	2,225
Disposals/Assets written off	–	12,269	22,288	–	34,557
Balance at 30 June 2021	(282,147)	(237,366)	(435,977)	(3,400)	(958,890)
Carrying amount at 30 June 2021	1,285,894	264,303	247,046	1,193	1,798,436

Goodwill

Goodwill arises on the acquisition of subsidiaries 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.

OPERATING ASSETS AND LIABILITIES (CONTINUED)

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

Change in estimates

During the year, Link Group conducted an internal review of its expected usage of core software platforms used in servicing clients, which resulted in an increase to the remaining useful economic lives for some platforms. The revised useful lives reflect the long term expected use of these core software platforms, Link Group's commitment to ongoing enhancement projects underway, and that the technologies underpinning these platforms remain and will continue to be widely used within the broader industries.

The effect of these changes on actual (FY2022) and forecast (FY2023 and beyond) amortisation expense is as follows.

	FY2022 $'000	FY2023 $'000	FY2024 $'000	FY2025 $'000	FY2026 $'000	LATER $'000
Decrease/(increase) in amortisation expense	**7,604**	**7,220**	**2,026**	**(3,063)**	**(3,065)**	**(10,722)**

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.

OPERATING ASSETS AND LIABILITIES (CONTINUED)

(a) Impairment testing for CGUs containing goodwill

For the purposes of impairment testing, goodwill is allocated to Link Group's cash-generated units (CGUs). The CGUs align with Link Group's Operating Segments as disclosed in Note 3 and are consistent with the comparative period, with one exception. For impairment testing at 30 June 2022, Link Fund Solutions Australia became part of the Corporate Markets CGU (transferring from Fund Solutions). The Link Fund Solutions Australia business is highly complementary to existing Corporate Markets clients. Accordingly, the impairment testing for the Corporate Markets and Fund Solutions CGUs reflects this change. The aggregate carrying amounts of goodwill allocated to each CGU are as follows:

CGUS FOR THE YEAR ENDED 30 JUNE	2022 $'000	2021 $'000
Retirement & Superannuation Solutions (RSS)	**306,167**	306,243
Corporate Markets (CM)	**519,692**	511,950
Banking & Credit Management (BCM)	**20,663**	82,743
Fund Solutions (FS)	**362,270**	384,958
Total goodwill	**1,208,792**	1,285,894

The carrying amounts of Link Group's goodwill and intangible assets are tested annually for impairment.

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. 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 economic conditions and uncertainty due to the escalating geopolitical risks and the COVID-19 pandemic's continued impact on global markets when determining the cash flow forecasts. The forecast assumptions are based on the information available as at 30 June 2022. While operations across Link Group have been impacted to varying degrees during the financial year, Link Group has, in the main, remained resilient to date.

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	2022	2021	2022	2021
Retirement & Superannuation Solutions	**2.6%**	2.4%	**9.49%**	8.43%
Corporate Markets	**2.4%**	2.3%	**9.92%**	8.74%
Banking & Credit Management	**2.0%**	2.0%	**11.18%**	9.13%
Fund Solutions	**2.0%**	2.1%	**9.75%**	8.53%

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.

OPERATING ASSETS AND LIABILITIES (CONTINUED)

Banking & Credit Management (BCM) CGU impairment

As previously disclosed in Link Group's Interim Financial Report for the six-month ended 31 December 2021, Link Group reassessed the recoverable amount of the Banking & Credit Management (BCM) CGU following the non-binding indicative offers to acquire BCM received from LC Financial Holdings and the syndicate led by Pepper European Servicing Limited, in November 2021. The non-binding indicative offers received were less than the recoverable amount of the BCM CGU as assessed in Link Group's 2021 Annual Report, giving rise to an indicator of impairment. An impairment expense of $60.7 million was recognised against goodwill in the BCM CGU to ensure the carrying value of the BCM cash-generating unit did not exceed the higher of the value-in-use and fair value (estimated sale price) less costs to sell as at 31 December 2021.

No additional impairment expense was recognised as a result of the impairment assessment performed at 30 June 2022, and the impairment expense recognised for goodwill in a previous period is not reversible in accordance with Australian and International Accounting Standards.

VALUE IN USE IMPAIRMENT TESTING RESULT FOR THE YEAR ENDED 30 JUNE 2022	BCM $'000
Value in use (recoverable amount)	**69,694**
Carrying amount	**59,977**
Headroom	**9,717**

Sensitivity analysis

Management considered, for all cash generating units, 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.

- Plus/minus 0.5% change in pre-tax discount rates;
- Plus/minus 5% change in 5-year 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 calculation 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.

OPERATING ASSETS AND LIABILITIES (CONTINUED)

16. NOTES TO THE STATEMENT OF CASH FLOWS

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

	2022 $'000	2021 $'000
Loss after income tax	**(67,571)**	(162,704)
Add/(less) non-cash items		
Depreciation expense	**49,077**	53,740
Intangibles amortisation expense	**87,941**	102,687
Contract fulfilment costs amortisation expense	**6,775**	7,193
Impairment expense	**83,099**	182,779
Share of profit of equity-accounted investees, net of tax	**(8,931)**	(1,942)
Profit on disposal of subsidiaries	**–**	(15,347)
Equity-settled share-based payment expense	**16,118**	11,816
Loss/(gain) on financial assets held at fair value through profit & loss	**64**	(3,607)
Unrealised foreign exchange loss/(gain)	**(553)**	100
Unwinding discount on provisions and deferred consideration	**–**	91
Borrowing cost amortisation	**3,864**	1,471
Loss/(gain) on disposal/write off of plant and equipment	**106**	(1,152)
Net cash inflow from operating activities before changes in assets and liabilities	**169,989**	175,125
Change in operating assets and liabilities		
Change in trade and other receivables	**21,057**	1,806
Change in other assets	**(12,359)**	(6,957)
Change in fund assets and fund liabilities	**2,231**	(838)
Change in trade and other payables	**(57,618)**	41,768
Change in employee benefits	**467**	11,762
Change in provisions	**(8,828)**	(14,840)
Change in current and deferred tax balances	**(43,645)**	7,095
Net cash inflow from operating activities	**71,294**	214,921

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

			NON-CASH			
	30 JUNE 2021 $'000	FINANCING CASH FLOWS $'000	BORROWING COST AMORTISATION $'000	OTHER NON-FINANCING ACTIVITIES[1] $'000	FOREIGN EXCHANGE MOVEMENT $'000	30 JUNE 2022 $'000
Interest-bearing loans and borrowings – Current	**30,952**	**5,338**	**–**	**403**	**(327)**	**36,366**
Interest-bearing loans and borrowings – Non-current	**1,036,961**	**(2,045)**	**3,864**	**119,936**	**(21,263)**	**1,137,453**
Total liabilities from financing activities	**1,067,913**	**3,293**	**3,864**	**120,339**	**(21,590)**	**1,173,819**

1 Other non-financing activities relate primarily to the addition of right-of-use assets during the financial year ended 30 June 2022, refer Note 14.

CAPITAL STRUCTURE, FINANCING AND RISK MANAGEMENT

17. INTEREST BEARING LOANS AND BORROWINGS

	2022 $'000	2021 $'000
Current		
Lease liabilities	**36,366**	30,952
	36,366	30,952
Non-current		
Lease liabilities	**260,100**	188,653
Loans	**877,353**	848,308
	1,137,453	1,036,961

FINANCING ARRANGEMENTS	FACILITY NOTIONAL CURRENCY	INTEREST RATE AT 30 JUNE 2022 (P.A.)	2022 $'000	2021 $'000
Total facilities available:				
Non-amortising term loan facility	AUD	2.8% – 3.0%	**630,000**	550,000
Working capital facility	AUD	1.9% – 3.0%	**30,000**	30,000
Non-amortising term loan facility	GBP	2.9% – 3.1%	**440,839**	856,511
Working capital facility	GBP	1.9% – 3.1%	**35,267**	36,839
			1,136,106	1,473,350
Facilities utilised at reporting date:				
Non-amortising term loan facility	AUD	2.8% – 3.0%	**521,500**	158,000
Working capital facility	AUD	1.9%	**11,520**	11,520
Non-amortising term loan facility	GBP	2.9% – 3.1%	**359,725**	691,620
Working capital facility	GBP	1.9%	**178**	186
			892,923	861,326
Facilities not utilised at reporting date				
Non-amortising term loan facility	AUD	0.7%	**108,500**	392,000
Working capital facility	AUD	0.7%	**18,480**	18,480
Non-amortising term loan facility	GBP	0.7%	**81,114**	164,891
Working capital facility	GBP	0.7%	**35,089**	36,653
			243,183	612,024

Facilities utilised at reporting date includes $11.7 million (2021: $11.7 million) of guarantees provided to external parties, which have not been drawn down. Refer to Note 19.

Link Group successfully refinanced its senior debt facilities on 1 November 2021. The details of the new facilities available to Link Group are:

- $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 2022.

CAPITAL STRUCTURE, FINANCING AND RISK MANAGEMENT (CONTINUED)

Loans

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.

18. FINANCE COSTS

	2022 $'000	2021 $'000
Loan interest expense	**(17,591)**	(21,833)
Lease liabilities interest expense	**(11,347)**	(9,374)
Amortisation of capitalised borrowing costs	**(3,864)**	(1,471)
Foreign exchange gain/(loss)	**553**	(96)
Other	**–**	(66)
	(32,249)	(32,840)

19. CONTINGENT LIABILITIES

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

TYPE/COUNTERPARTY	BENEFICIARY	REASON	2022 $'000	2021 $'000
Bank guarantee – Westpac	Pacific Custodians Pty Limited	Regulatory financial licence	**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	**178**	186

Australian Financial Services Licence (AFSL) Performance Bond

A Guarantee for $10 million (2021: $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).

CAPITAL STRUCTURE, FINANCING AND RISK MANAGEMENT (CONTINUED)

LF Equity Income Fund (previously known as LF Woodford Equity Income Fund)

From time to time, Link Fund Solutions (LFS) receives enquiries, complaints or claims from investors or third parties in relation to the funds for which it acts, or has acted, as authorised corporate director (ACD) (in relation to authorised funds) or operator (in relation to unregulated funds).

On 17 June 2019, the Financial Conduct Authority (FCA) notified LFS that it was commencing an investigation into LFS as ACD of the LF Woodford Equity Income Fund, now known as the LF Equity Income Fund (the Fund). As at the date of signing the consolidated financial statements, LFS is in confidential discussions with the FCA regarding matters relating to the investigation. These discussions are confidential and the outcome uncertain, as such it is not possible for Link Group to speculate or make any further comment on the potential outcome of these discussions. LFS is also aware that a claim has been issued against it on behalf of 1,000 investors in the Fund and a separate claim has been issued against LFS on behalf of 1,131 investors in the Fund. LFS has not, at the date of signing these consolidated financial statements, been served with either of these proceedings. However, LFS has been served with an application for a Group Litigation Order in respect of both of these sets of proceedings. This application will be heard by the Court in due course. LFS intends to vigorously defend itself against such proceedings. In addition, LFS has received pre-action letters and correspondence on behalf of other investors in the Fund, but it is not aware of any other claims having been issued in respect of these matters. The FCA has been advised of all these claims. Further, LFS has also received complaints from investors in the Fund, a number of which have been referred to the Financial Ombudsman Service (the FOS). LFS has not been notified of any determination by the FOS in respect of any of these complaints. LFS continues to act in the best interests of investors in the Fund as the orderly wind-up of the Fund progresses.

Notwithstanding the above, as at the date of these consolidated financial statements, Link Group is not aware of any matter which should be disclosed as a contingent liability in these consolidated financial statements.

20. INVESTMENT AND FINANCIAL RISK MANAGEMENT

(a) Investments

	2022 $'000	2021 $'000
Listed equity securities – at fair value through profit or loss	**3,952**	4,105
Unlisted investments – at fair value through profit or loss	**106,635**	99,397
	110,587	103,502

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 11.7% (2021: 12.3%) 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. During the year, Link Group made an additional £10 million ($18.6 million) investment in Smart. As at 30 June 2022, the investment had a fair value of $106.2 million (2021: $92.5 million) after accounting for foreign exchange fluctuations.

CAPITAL STRUCTURE, FINANCING AND RISK MANAGEMENT (CONTINUED)

(b) Financial Risk Management Overview

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

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

Risk Management Framework

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

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

Credit Risk

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

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

- Cash and cash equivalent amounts as well as transactions involving derivative financial instruments are all held or maintained by banks and financial institutions with high credit ratings. Link Group monitors counterparty credit exposure on a daily basis to ensure compliance with pre-determined credit limits to minimise credit risk.
- Trade Receivables are monitored in line with Link Group's credit policy. The credit quality of clients is assessed by taking into account their financial position, past experience and other relevant factors. Based on the above process, Link Group considers that all unimpaired trade and other receivables are collectible in full.
- Fund assets relate to investors' purchase or redemption of units in investment funds of which Link Fund Solutions Limited (Link Group's collective investment scheme administration business) is an Authorised Corporate Director. 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 11.

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

	2022 $'000	2021 $'000
Neither past due nor impaired	**217,903**	217,149
Past due 1–30 days	**9,148**	9,920
Past due 31–60 days	**5,178**	4,667
Past due over 61 days	**4,698**	3,734
	236,927	235,388

Movements in the allowance for impairment in respect of trade and other receivables during the year are disclosed in Note 9.

CAPITAL STRUCTURE, FINANCING AND RISK MANAGEMENT (CONTINUED)

Liquidity Risk

Liquidity risk is the risk that Link Group will encounter difficulties in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. Link Group manages its liquidity risk by maintaining adequate cash reserves and available committed credit lines combined with continuous monitoring of actual and forecast cash flows on a short, medium and long term basis. See Note 17 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	TOTAL $'000	< 1 YEAR $'000	1–2 YEARS $'000	2–5 YEARS $'000	> 5 YEARS $'000
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**
30 June 2021						
Non-interest bearing						
Trade and other payables	347,974	347,974	340,595	4,067	2,720	592
Fund liabilities	860,746	860,746	860,746	–	–	–
Interest bearing						
Lease liabilities	219,605	255,083	38,665	35,641	95,083	85,694
Loans	848,308	870,745	13,537	697,833	159,375	–
Total non-derivative liabilities	2,276,633	2,334,548	1,253,543	737,541	257,178	86,286

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 17) as a hedge of the net investment in its UK subsidiaries. The drawn amount of the term loan facility of £204 million had a fair value and carrying amount at 30 June 2022 of $359.7 million (2021: $646.6 million). A foreign exchange gain of $17.9 million (2021: loss of $18.3 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.

CAPITAL STRUCTURE, FINANCING AND RISK MANAGEMENT (CONTINUED)

Other foreign currency items

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

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

Sensitivity testing was performed by flexing the value of the AUD against foreign currencies to which Link Group is exposed by 10% (2021: 10%). The assumed 10% change was chosen based on historical and reasonably possible movements of official exchange rates.

	PROFIT/(LOSS) AFTER TAX		NET ASSETS	
	2022 $'000	2021 $'000	2022 $'000	2021 $'000
AUD +10%/GBP	**2,037**	6,959	**(28,927)**	(29,034)
AUD -10%/GBP	**(2,037)**	(6,959)	**28,927**	29,013
AUD +10%/EUR	**6,491**	15,120	**(14,686)**	(18,271)
AUD -10%/EUR	**(6,491)**	(15,120)	**14,686**	18,271
AUD +10%/Other currencies	**(1,475)**	(367)	**(8,547)**	(7,176)
AUD -10%/Other currencies	**1,475**	367	**8,587**	7,219

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% (2021: 0.5%) as at reporting date which would result in a favourable impact on Link Group's loss/profit before tax of $4.8 million (2021: favourable impact of $4.5 million). A decrease of 1.0% (2021: 0.5%) would have an adverse impact on Link Group's loss/profit before tax of $3.2 million (2021: adverse impact of $0.1 million). The assumed 1.0% (2021: 0.5%) 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) (2021: 5%) in the fair value of Link Group's listed and unlisted investments would increase/(decrease) Link Group's profit before tax by $11.1 million (2021: $5.2 million). The assumed 10% (2021: 5%) change was chosen based on historical and reasonably possible movements in equity markets.

CAPITAL STRUCTURE, FINANCING AND RISK MANAGEMENT (CONTINUED)

(c) Capital management

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

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

(d) Fair value of financial instruments

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

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

	LEVEL 1 $'000	LEVEL 2 $'000	LEVEL 3 $'000	TOTAL $'000
30 June 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**
30 June 2021				
Assets				
Derivative financial assets	–	273	–	273
Listed investments designated at fair value through profit and loss	4,105	–	–	4,105
Unlisted equity securities designated at fair value through profit and loss	–	767	98,630	99,397
	4,105	1,040	98,630	103,775

There have been no assets transferred between levels during the year (2021: 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 2022, the Group held an unlisted equity investment in Smart Pension Limited measured on a recurring basis at fair value through profit and loss of $106.2 million (30 June 2021: $98.6 million). The valuation of the investment as at 30 June 2022 was based on a methodology of leveraging revenue multiples for market listed comparable companies and referencing other external market based data points. Comparable listed entities were included based on industry, size, developmental stage and/or strategy. Additionally, regard was also given to the trading performance of the business following the additional investment from third party investors and an $18.6 million investment by Link Group in December 2021.

CAPITAL STRUCTURE, FINANCING AND RISK MANAGEMENT (CONTINUED)

RECONCILIATION OF MOVEMENTS IN LEVEL 3 INVESTMENTS	2022 $'000	2021 $'000
Opening level 3 investments at the beginning of the financial year	**98,630**	88,660
Acquisitions	**19,461**	5,054
Fair value gain/(loss) recognised in profit or loss	**260**	2,384
Investments reclassified to equity-accounted investments	**(7,158)**	–
Foreign currency retranslation	**(4,961)**	2,532
Closing level 3 investments at the end of the financial year	**106,232**	98,630

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:

	2022		2021	
FAIR VALUE VS CARRYING AMOUNTS	FAIR VALUE $'000	CARRYING AMOUNT $'000	FAIR VALUE $'000	CARRYING AMOUNT $'000
Assets				
Financial assets measured at fair value through profit and loss				
Derivative financial assets	**–**	**–**	273	273
Investments	**110,587**	**110,587**	103,502	103,502
Financial assets measured at amortised cost				
Cash and cash equivalents	**193,278**	**193,278**	395,024	395,024
Trade and other receivables	**244,567**	**244,567**	237,039	237,039
Fund assets	**756,163**	**756,163**	864,901	864,901
	1,304,595	**1,304,595**	1,600,739	1,600,739
Liabilities				
Financial liabilities measured at amortised cost				
Trade and other payables	**293,452**	**293,452**	347,974	347,974
Interest bearing loans and borrowings	**1,173,819**	**1,173,819**	1,067,913	1,067,913
Fund liabilities	**754,558**	**754,558**	860,746	860,746
	2,221,829	**2,221,829**	2,276,633	2,276,633

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.

CAPITAL STRUCTURE, FINANCING AND RISK MANAGEMENT (CONTINUED)

Measurement

Financial assets measured at fair value through profit or loss

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

Financial assets measured at amortised cost

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

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

Impairment

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

21. CONTRIBUTED EQUITY

ISSUED AND PAID-UP CAPITAL	2022 $'000	2021 $'000
Balance at the beginning of the year	**1,917,748**	1,889,733
Equity issued under share-based payment arrangements (refer Note 24)	**–**	18,058
Equity issued under dividend reinvestment plan	**–**	9,957
Equity bought back and cancelled	**(101,723)**	–
Equity raising and share buy-back costs, net of tax	**(42)**	–
Balance at the end of the year	**1,815,983**	1,917,748

NUMBER OF SHARES ISSUED:	2022 '000	2021 '000
Balance at the beginning of the year	**536,226**	530,328
Equity issued under share-based payment arrangements (refer Note 24)	**–**	3,680
Equity issued under dividend reinvestment plan	**–**	2,218
Equity bought back and cancelled	**(23,239)**	–
Balance at the end of the year	**512,987**	536,226

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.

The Link Group Dividend Reinvestment Plan (DRP) has operated historically in respect of dividends declared by Link Group from time to time, allowing shareholders to reinvest some or all of their dividend in new shares rather than receiving their dividend as a cash payment. The DRP will not operate in relation to the Special Dividend that may be declared subject to successful implementation of the Revised Scheme Implementation Deed with Dye & Durham.

CAPITAL STRUCTURE, FINANCING AND RISK MANAGEMENT (CONTINUED)

22. RESERVES

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)**

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 2020	8,215	(320)	117,412	35,000	(12,552)	(1,353)	(129,733)	16,669
Other comprehensive income	–	–	–	(7,030)	–	(111)	–	(7,141)
Transfer from retained earnings to reserves	–	–	29,070	–	–	–	–	29,070
Transactions with shareholders								
Dividends declared from distributable profits reserve	–	–	(42,657)	–	–	–	–	(42,657)
Equity settled share-based payments	10,167	247	–	–	–	–	–	10,414
Treasury shares acquired	–	(18,490)	–	–	–	–	–	(18,490)
Disposal of subsidiaries with non-controlling interest	–	–	–	1,930	96	–	–	2,026
Transactions with non-controlling interest without a change in control	–	–	–	–	(1,063)	–	–	(1,063)
Balance at 30 June 2021	18,382	(18,563)	103,825	29,900	(13,519)	(1,464)	(129,733)	(11,172)

CAPITAL STRUCTURE, FINANCING AND RISK MANAGEMENT (CONTINUED)

Share compensation reserve

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

Treasury share reserve

The treasury share reserve comprises the cost of the Company's shares held by Link Group. Treasury shares are carried at cost and held for the purposes of the settling share-based payment arrangements at a future date, refer Note 24. At 30 June 2022, Link Group held 1,702,747 (2021: 3,802,952) 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

	2022 INTERIM	2021 FINAL	2021 INTERIM	2020 FINAL
Dividend cents per share	**3.0**	**5.5**	4.5	3.5
Franking percentage	**100%**	**100%**	60%	50%
Total dividend ($'000)	**15,390**	**29,492**	24,073	18,561
Record date	**03.03.2022**	**01.09.2021**	04.03.2021	02.09.2020
Payment date	**08.04.2022**	**20.10.2021**	09.04.2021	25.09.2020

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

The Directors of the Company have not declared a 2022 final dividend. The proposed acquisition of Link Group by Dye & Durham Corporation (Dye & Durham) by way of scheme of arrangement (Scheme), pursuant to a Scheme Implementation Deed announced to the ASX on 22 December 2021 and amended on 21 July 2022 (Revised Scheme Implementation Deed), permitted Link Group to pay a 2022 interim dividend of $0.03. The interim dividend was paid on 8 April 2022. The Revised Scheme Implementation Deed permits up to $0.08 per share of the Scheme consideration to be paid as a Special Dividend. It is proposed that any Special Dividend would be 100% franked, subject to available franking credits. As at the date of these consolidated financial statements, the Special Dividend remains subject to implementation of the Revised Scheme Implementation Deed. Further information can be found in the Explanatory and Supplementary Explanatory Booklets at www.linkgroup.com/scheme-meeting.

CAPITAL STRUCTURE, FINANCING AND RISK MANAGEMENT (CONTINUED)

23. RETAINED EARNINGS

	2022 $'000	2021 $'000
Retained earnings at the beginning of the financial year	**(167,815)**	21,237
Net loss attributable to equity holders	**(67,890)**	(163,352)
Transfer from retained earnings to distributable profits reserve	**–**	(29,070)
Gain on settlement of equity settled share-based payments recognised in retained earnings	**1,394**	1,402
Transactions with non-controlling interest without a change in control	**385**	1,968
Retained earnings at the end of the year	**(233,926)**	(167,815)

24. 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 2022, 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 2022 were as follows.

GRANT DATE/ EMPLOYEES ENTITLED	NUMBER OF PSRs	VESTING CONDITIONS	CONTRACTUAL LIFE OF PSRs
LTI issued to Executive KMPs, Senior Executives and Senior Leaders on 2 December 2021	**2,185,676**	75% against an EPS target and 25% against relative TSR for the three-year performance period commencing 1 July 2021.	Seven years, with last exercise occurring September 2028 (unless the PSRs lapse earlier in accordance with the terms of the invitation).
LTI issued to Senior Leaders on 1 February 2022	**55,931**	75% against an EPS target and 25% against relative TSR for the three-year performance period commencing 1 July 2021.	Seven years, with last exercise occurring September 2028 (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 5-day Volume Weighted Average Price (VWAP) following the release of the 2021 full year results 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 2022 was $4.7 million (2021: $1.8 million).

CAPITAL STRUCTURE, FINANCING AND RISK MANAGEMENT (CONTINUED)

Under the terms of the OEP, Executive KMPs, Senior Executives and Senior Leaders had a portion of their FY2021 short term incentive deferred (Deferred STI). On 2 December 2021, 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 continued 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 2022 were as follows.

GRANT DATE	NUMBER OF RSs/SRs	VESTING CONDITIONS
Restricted shares issued 2 December 2021	**705,492**	Subject to continued employment, 50% vesting on 31 August 2022, 50% vesting on 31 August 2023
Share rights issued 2 December 2021	**276,227**	Subject to continued employment, 50% vesting on 31 August 2022, 50% vesting on 31 August 2023

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 2022 was $3.0 million (2021: $nil).

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 continued employment for a one or two-year service period. On 1 December 2021, 2,761,509 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 2022 was $5.7 million (2021: $9.4 million).

Retention scheme

As disclosed in the 2021 Annual Report, several Executive KMP and Senior Executives have received equity grants as part of a retention scheme to retain key talent during a critical period for Link Group. On 2 December 2021, share rights (SRs) were issued to retention scheme participants. The SRs entitle participants to receive fully paid ordinary shares in the Company subject to continued employment for a specified service period.

The terms and conditions of the retention scheme share rights granted during the financial year ended 30 June 2022 were as follows.

GRANT DATE	NUMBER OF RSs/SRs	VESTING CONDITIONS
Share rights issued 2 December 2021	**849,323**	Subject to continued employment, 50% vesting on 2 December 2022, 50% vesting on 2 December 2023.
Share rights issued 2 December 2021	**99,077**	Subject to continued employment, vesting in various tranches up to 30 November 2024.

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 2022 was $2.7 million (2021: $0.6 million).

Revised Scheme Implementation Deed

Under the Revised Scheme Implementation Deed agreed between Link Group and Dye & Durham, Link Group must ensure all PSRs, SRs and RSs described above vest and all restrictions are removed prior to the Scheme Record Date. In compliance with Link Group's obligations under the Revised Scheme Implementation Deed and in accordance with the terms of the Omnibus Equity Plan, Link Group's Board of Directors has exercised its discretion to resolve to approve the early vesting of all PSRs, SRs and RSs, subject to the Revised Scheme becoming effective.
The impact of the potential early vesting of all PSRs, SRs and RSs has not been included in these consolidated financial statements given the Revised Scheme had not yet been agreed as at 30 June 2022, and as at the date of this report, the Scheme had not yet become effective.

CAPITAL STRUCTURE, FINANCING AND RISK MANAGEMENT (CONTINUED)

(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 2022:

	2 DECEMBER 2021
Fair value at grant date:	
i. EPS tranche at grant date	**$4.46**
ii. TSR tranche fair value at grant date	**$2.49**
Share price at grant date	**$4.77**
Exercise price	**–**
Expected volatility (weighted average volatility)	**30.0%**
PSR life (expected weighted average life)	**3 years**
Holding lock discount:	
i. 1 year	**0.0%**
ii. 2 years	**0.0%**
Expected dividends	**2.52%**
Risk-free interest rate (based on government bonds)	**0.45%**

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 $4.93.

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) Reconciliation of share rights

The number of performance and other share rights on issue during the financial year ended 30 June 2022 was as follows:

	LTI PSRs		SEG SRs		DEFERRED STI SRs		RETENTION SRs	
	2022 '000	2021 '000	2022 '000	2021 '000	2022 '000	2021 '000	2022 '000	2021 '000
On issue at beginning of the year	**5,505**	4,112	**469**	–	**–**	6	**–**	–
Granted during the year	**2,242**	2,504	**–**	521	**276**	–	**948**	–
Lapsed during the year	**(1,731)**	(1,111)	**(21)**	(49)	**–**	–	**(33)**	–
Vested during the year	**–**	–	**(410)**	(3)	**–**	(6)	**(3)**	–
On issue at the end of the year	**6,016**	5,505	**38**	469	**276**	–	**912**	–

GROUP STRUCTURE

25. 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

On 6 August 2021, Link Group acquired 100% of Casa4Funds SA for €10 million ($16.8 million). Casa4Funds, headquartered in Luxembourg, is one of the oldest European independent third-party UCITS Management Companies and Alternative Investment Fund Managers (AIFM) and the acquisition provides additional scale for Link Fund Solutions in Luxembourg, Europe's largest investment fund centre.

Provisional acquisition accounting

The fair values of Casa4Funds' assets and liabilities have been recognised on a provisional basis in the consolidated financial statements as follows:

	CASA4FUNDS $'000
Consideration on settlement	**16,827**
Less: fair value of net identifiable assets acquired	**(5,457)**
Goodwill	**11,370**
Identifiable assets acquired and liabilities assumed:	
Cash and cash equivalents	**2,514**
Trade and other receivables	**31,525**
Other assets	**919**
Plant and equipment	**190**
Client relationships	**3,489**
Software	**1**
Trade and other payables	**(31,528)**
Interest-bearing loans and borrowings	**(403)**
Provisions	**(158)**
Current tax liabilities	**(255)**
Deferred tax liabilities	**(837)**
Net assets	**5,457**

GROUP STRUCTURE (CONTINUED)

The fair values of Casa4Funds' assets and liabilities recognised on a provisional basis may be revised in accordance with AASB 3 *Business Combinations*.

- intangible assets (excluding goodwill), predominantly client relationships, have been determined provisionally pending completion of fair value calculations; and
- the fair value of net identifiable assets acquired may be impacted by the completion of the newly acquired subsidiaries 30 June 2022 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 workforce and the synergies expected to be achieved from integrating the company into the Fund Solutions business.

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.

Prior year provisional acquisition accounting

The fair values of the assets and liabilities acquired in the Universal Capital Securities Private Limited and SKDC Consultants Limited business combinations were recognised on a provisional basis as at 30 June 2021. No new information was obtained about the facts and circumstances that existed at the date of the acquisitions, meaning no adjustments to any amounts recognised or the accounting for the acquisitions were required. The measurement period for these business combinations is now closed.

26. CONTROLLED ENTITIES

SUBSIDIARIES	COUNTRY OF INCORPORATION	% OWNERSHIP INTEREST CONSOLIDATED 2022	% OWNERSHIP INTEREST CONSOLIDATED 2021
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

GROUP STRUCTURE (CONTINUED)

SUBSIDIARIES	COUNTRY OF INCORPORATION	% OWNERSHIP INTEREST CONSOLIDATED 2022	% OWNERSHIP INTEREST CONSOLIDATED 2021
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	**51.3**	51.3
Accrued Holdings Pty Limited	Australia	**51.3**	51.3
FuturePlus Financial Services Pty Limited	Australia	**100**	100
Link Property Holdings Pty Limited	Australia	**100**	100
Link Property Pty Limited	Australia	**100**	100
Link Administration RSS Pty Limited	Australia	**100**	100
Synchronised Software Pty Limited	Australia	**100**	100
Link Administration Support Services Pty Limited	Australia	**100**	100
Superpartners Pty Limited	Australia	**100**	100
Link Administration Resource Services Pty Limited	Australia	**100**	100
Link Fund Solutions Pty Limited	Australia	**100**	100
Adviser Network Pty Limited	Australia	**100**	100
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	**–**	–
Link Market Services (New Zealand) Limited	New Zealand	**100**	100
Pacific Custodians (New Zealand) Limited	New Zealand	**100**	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

1 Link Group has determined it controls the employee share trust that administers its share-based payment arrangements (refer Note 24), despite having no ownership interest in the entity.

GROUP STRUCTURE (CONTINUED)

SUBSIDIARIES	COUNTRY OF INCORPORATION	% OWNERSHIP INTEREST CONSOLIDATED 2022	% OWNERSHIP INTEREST CONSOLIDATED 2021
Asset Checker Limited (dissolved 22 February 2022)	United Kingdom	**–**	50
Crown Northcorp Limited	United Kingdom	**100**	100
Jessop Fund Managers Limited *(dissolved 22 February 2022)*	United Kingdom	**–**	100
LFI (Nominees) Limited	United Kingdom	**100**	100
Link Alternative Fund Administrators Limited	United Kingdom	**100**	100
Link Asset Services (Holdings) Limited	United Kingdom	**100**	100
BCMGlobal London Limited	United Kingdom	**100**	100
BCMGlobal (UK) Limited	United Kingdom	**100**	100
Link Company Matters Limited	United Kingdom	**100**	100
LF Solutions Holdings Limited	United Kingdom	**100**	100
Link Financial Investments Limited	United Kingdom	**100**	100
Link Fund Administrators Limited	United Kingdom	**100**	100
Link Fund Solutions Limited	United Kingdom	**100**	100
Link Market Services Limited	United Kingdom	**100**	100
Link Market Services Trustees (Nominees) Limited	United Kingdom	**100**	100
Link Market Services Trustees Limited	United Kingdom	**100**	100
BCMGlobal Mortgage Services Limited	United Kingdom	**100**	100
Link Share Plan Services Limited	United Kingdom	**100**	100
Link Treasury Services Limited	United Kingdom	**100**	100
Rooftop Mortgages Limited	United Kingdom	**100**	100
Sinclair Henderson Fund Administration Limited	United Kingdom	**100**	100
Link Pension Administration Limited	United Kingdom	**100**	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	Germany	**100**	100
Link Market Services (Frankfurt) GmbH	Germany	**100**	100
Link Asset Services GmbH	Germany	**100**	100
Orient Capital GmbH	Germany	**100**	100
BCMGlobal ASI Limited	Ireland	**100**	100
Link CTI Limited	Ireland	**100**	100
Link Fund Administrators (Ireland) Ltd	Ireland	**100**	100
Link Fund Manager Solutions (Ireland) Limited	Ireland	**100**	100
Link IRG (BC) Limited	Ireland	**100**	100

GROUP STRUCTURE (CONTINUED)

SUBSIDIARIES	COUNTRY OF INCORPORATION	% OWNERSHIP INTEREST CONSOLIDATED 2022	% OWNERSHIP INTEREST CONSOLIDATED 2021
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.	Luxembourg	**100**	100
Casa4Funds S.A *(acquired 6 August 2021, merged into Link Fund Solutions Luxembourg S.A. on 30 September 2021)*	Luxembourg	**–**	–
Link Fund Solutions (Switzerland) Sagl *(formerly Casa4Funds Sagl, acquired 4 August 2021)*	Switzerland	**100**	–
BCMGlobal Netherlands B.V.	Netherlands	**100**	100
FlexFront B.V.	Netherlands	**100**	100
BCMGlobal (France) SAS	France	**100**	100
Other countries			
Link Intime India Private Limited	India	**100**	100
TSR Consultants Private Limited *(formerly TSR Darashaw Consultants Private Limited)*	India	**100**	100
Universal Capital Securities Private Limited	India	**100**	100
SKDC Consultants Limited	India	**100**	100
Link Administration Services Private Limited	India	**100**	100
PNG Registries Pty Limited	Papua New Guinea	**100**	100
Link Market Services (Hong Kong) Pty Limited	Hong Kong	**100**	100

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.

GROUP STRUCTURE (CONTINUED)

27. 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 2022 the ultimate parent entity of Link Group was Link Administration Holdings Limited.

	2022 $'000	2021 $'000
Result of parent entity		
(Loss)/profit for the year	**(23,059)**	29,070
Other comprehensive income	**–**	–
Total comprehensive income for the year	**(23,059)**	29,070
Financial position of parent entity at year end		
Current assets	**19,470**	23,297
Total assets	**1,822,070**	2,000,524
Current liabilities	**16,261**	27,345
Total liabilities	**16,261**	27,345
Total equity of the parent entity comprising of:		
Contributed equity	**1,815,983**	1,917,748
Share compensation reserve	**19,317**	18,382
Distributable profits reserve	**58,966**	103,848
Accumulated losses	**(88,457)**	(66,799)
Total equity	**1,805,809**	1,973,179

The parent entity has net current assets of $3.2 million (2021: deficiency of net current assets of $4.0 million), primarily due to the $9.8 million income tax receivable (2021: $24.5 million income tax payable) 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 has $90.4 million (2021: $211.1 million) net current assets and $193.3 million (2021: $395.0 million) cash and cash equivalents as at 30 June 2022.

Other than those disclosed in Note 19, the parent entity has no contingent liabilities, contractual commitments or guarantees with third parties as at 30 June 2022 (2021: None).

OTHER DISCLOSURES

28. RELATED PARTIES

Key Management Personnel compensation

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

	2022 $	2021 $
Short term employee benefits	**7,937,484**	8,506,617
Post-employment benefits	**182,262**	221,653
Other long-term benefits	**36,051**	31,902
Share-based payments	**5,124,745**	1,547,729
Termination benefits	**–**	–
	13,280,542	10,307,901

29. AUDITOR'S REMUNERATION

	2022 $	2021 $
Audit of the financial statements		
Auditor of the Company – KPMG Australia	**1,005,991**	1,016,582
Other network firms – KPMG international	**1,803,244**	1,429,293
Assurance related services		
Auditor of the Company – KPMG Australia	**667,511**	575,624
Other network firms – KPMG international	**431,547**	280,826
Other services		
Auditor of the Company – KPMG Australia	**326,600**	580,350
Other network firms – KPMG international	**214,865**	213,274
	4,449,758	4,095,949

"Other services" includes accounting and consulting services provided during the financial year. Consulting services include advice on the superannuation industry, superannuation fund merger proposals, review of regulatory reporting software 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.

OTHER DISCLOSURES (CONTINUED)

30. SUBSEQUENT EVENTS

Link Group Scheme Meeting

The Link Group Scheme Meeting was held on 22 August 2022, pursuant to an order of the Supreme Court of New South Wales made on 2 August 2022. Link Group shareholders voted in favour of the proposed acquisition of Link Group by Dye & Durham Corporation by way of scheme of arrangement (Scheme).

The Special General Meeting was held on 22 August 2022, immediately following the Link Group Scheme Meeting. The resolution to approve the proposed BCM Capital Return in connection with the Scheme (Capital Return Resolution), as set out in the Notice of Special General Meeting included in the Explanatory Booklet dated 10 May 2022, was approved by the requisite majority of Link Group shareholders.

Significant progress has been made on the Revised Scheme and is expected to be finalised at the end of September 2022, subject to remaining regulatory approvals and the approval of the Supreme Court of New South Wales (Court) at the hearing scheduled for 9:15am (Sydney time) on 9 September 2022.

Acquisition of HS Pensions

On 26 August 2022, Link Group signed an agreement to acquire HS Pensions in the United Kingdom for cash free, debt free purchase consideration of GBP 6.3 million ($10.5 million). The acquisition will deliver core pension administration and a platform for Link Group's RSS division in the UK. The transaction is expected to complete in the first half of the financial year ending 30 June 2023.

Impact of macroeconomic environment on post balance date trading

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

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

31. NEW STANDARDS AND INTERPRETATIONS NOT YET ADOPTED

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

04 Directors' Declaration

1. In the opinion of the Directors of Link Administration Holdings Limited (the Company):
   (a) the consolidated financial statements and notes that are set out on pages 109-161 and the Remuneration Report on pages 76 to 104 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 2022 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 2022.
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 30 August 2022 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 2022 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 2022;
- 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 ($1,208.8m)

Refer to Note 15 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 31% 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. We focused on significant forward-looking assumptions 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). In addition to the above, during the year the Group recorded an impairment charge of $60.7m against goodwill due to revised business growth expectations. The changes were the result of continued changes in	Working with our valuation specialists, our procedures included: • considering the appropriateness 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 models used, and the accuracy of the underlying calculations; • checking the consistency of the forecast cash flows assumptions, for alignment 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 value in use model; • we challenged 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

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market conditions in the markets which the Banking and Credit Management ("BCM") division operates. This further increased our audit effort in this key audit area. We involved valuation specialists to supplement our senior audit team members in assessing this key audit matter.	forecasts, for alignment to the Group's budget and our inquiries with the Group; • we used 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; • we considered 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; • recalculating the impairment charge and comparing it to the recorded amount disclosed; 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 ($1,175.3m)

Refer to Note 5(a) 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: • provision of administration services to	Our procedures included: • assessing the Group's revenue recognition policy against AASB 15 *Revenue from Contracts with Customers* requirements; • obtaining an understanding of processes, systems and controls for recurring revenue across the four business units. This included testing key controls such as the review and manual approval by management of key recurring revenue calculations and customer invoices; • sampling transactions across key revenue streams and checking recorded revenue to customer invoices, bank statements and the relevant features of the underlying signed customer contracts to the criteria in the accounting standard, those in the Group's policy, and against what the Group identified as performance obligations; • selecting a sample of invoices across

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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 2022, 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 76 to 104 of the Directors' report for the year ended 30 June 2022.

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

KPMG

KPMG

Eileen Hoggett
Partner

Brendan Twining
Partner

Sydney
30 August 2022

Additional Shareholder Information

Additional information required by the Australian Securities Exchange (ASX) and not shown elsewhere in this report is as follows. The information is current at 22 August 2022 unless specified otherwise.

DISTRIBUTION OF SHAREHOLDERS

	ORDINARY SHARES		
RANGE	NO. OF HOLDERS	SECURITIES	% OF ISSUED CAPITAL
100,001 and Over	142	392,169,551	76.45
10,001 to 100,000	2,596	59,402,398	11.58
5,001 to 10,000	3,719	27,383,238	5.34
1,001 to 5,000	11,504	30,856,072	6.01
1 to 1,000[1]	6,470	3,176,222	0.62
Total	**24,431**	**512,987,481**	**100.00**

1 812 shareholders hold less than a marketable parcel of shares at a share price value of $4.37 (closing price on ASX on 22 August 2022).

There are no other classes of quoted equity securities on issue.

TOP TWENTY SHAREHOLDERS (UNGROUPED)

NAME	NUMBER OF ORDINARY SHARES	%
1. HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	94,253,368	18.37
2. CITICORP NOMINEES PTY LIMITED	66,922,540	13.05
3. J P MORGAN NOMINEES AUSTRALIA PTY LIMITED	60,201,779	11.74
4. NATIONAL NOMINEES LIMITED	23,671,815	4.61
5. HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED-GSCO ECA	13,128,744	2.56
6. BNP PARIBAS NOMS PTY LTD	12,066,033	2.35
7. SANDHURST TRUSTEES LTD	9,520,556	1.86
8. MUTUAL TRUST PTY LTD	8,691,591	1.69
9. HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	6,485,298	1.26
10. ECAPITAL NOMINEES PTY LIMITED	6,118,674	1.19
11. BNP PARIBAS NOMINEES PTY LTD	5,665,200	1.10
12. BRISPOT NOMINEES PTY LTD	5,634,266	1.10
13. BNP PARIBAS NOMINEES PTY LTD HUB24 CUSTODIAL SERV LTD	4,724,320	0.92
14. MERRILL LYNCH (AUSTRALIA) NOMINEES PTY LIMITED	4,511,878	0.88
15. NEWECONOMY COM AU NOMINEES PTY LIMITED	4,336,472	0.85
16. WOODROSS NOMINEES PTY LTD	4,046,340	0.79
17. HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED-GSI EDA	3,339,993	0.65
18. BOND STREET CUSTODIANS LIMITED	3,065,423	0.60
19. HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	2,967,754	0.58
20. WARBONT NOMINEES PTY LTD	2,921,209	0.57
Total	**342,273,253**	**66.72**
Balance of register	**170,714,228**	**33.28**
Grand total	**512,987,481**	**100.00**

Additional Shareholder Information

SUBSTANTIAL SHAREHOLDERS

NAME	NUMBER OF SHARES	% OF INTEREST	DATE OF LAST SUBSTANTIAL SHAREHOLDER NOTIFICATION
Yarra Capital Management Ltd	36,389,911	6.7863%	14 April 2021
Yarra Funds Management Ltd and related entities	40,914,900	7.6483%	7 December 2020
Macquarie Group Limited and related entities	30,909,611	6.03%	30 March 2022

ON-MARKET BUY BACK

There is no current on-market buy back.

VOTING RIGHTS

Each holder of ordinary shares is entitled to one vote per share (on a poll) or one vote (on a show of hands) at shareholder meetings.

UNQUOTED EQUITY SECURITIES

Link Administration Holdings Limited has 7,254,832 unquoted equity securities issued under an employee incentive scheme. There are 105 holders of unquoted equity securities.

SECURITIES SUBJECT TO VOLUNTARY ESCROW

There are currently no securities subject to voluntary escrow.

SECURITIES PURCHASED ON-MARKET

During FY2022, a total of 700,000 ordinary shares were acquired on-market for the purposes of Link Group employee equity plans and the average price per share purchased was $4.46.

STOCK EXCHANGE LISTING

Link Administration Holdings Limited securities are only listed on the ASX under the symbol LNK.

ANNUAL GENERAL MEETING

Link Administration Holdings Limited 2022 Annual General Meeting, will be held on Wednesday, 30 November 2022.

Three-Year Summary

	FY 2022	FY 2021[1]	FY 2020[1]
Financial performance ($m)			
Revenue	**1,175.1**	1,160.3	1,230.4
Operating EBITDA	**252.3**	256.6	293.8
Operating EBITDA margins %	**21.5%**	22.1%	23.9%
Profit before tax	**(64.6)**	(141.5)	(90.0)
NPAT (statutory)	**(67.6)**	(162.7)	(102.5)
NPATA [2]	**66.2**	74.1	64.9
Operating NPATA	**121.3**	113.2	137.6
Other Financial Performance Information			
Recurring Revenue %	**84.1%**	84.6%	82.9%
Revenue APAC %	**60.4%**	59.7%	57.8%
Revenue EMEA %	**39.6%**	40.3%	42.2%
% of Gross Revenue – Retirement and Superannuation Solutions	**43.0%**	42.8%	42.2%
% of Gross Revenue – Corporate Markets	**30.7%**	30.8%	30.8%
% of Gross Revenue – Banking and Credit Management	**11.1%**	11.9%	13.2%
% of Gross Revenue – Fund Solutions	**15.2%**	14.4%	13.8%
Financial position ($m)			
Assets	**3,942.2**	4,276.8	4,353.5
Liabilities	**2,433.0**	2,537.2	2,421.2
Net assets	**1,509.1**	1,739.6	1,932.2
Net (debt)/cash [3]	**687.9**	454.6	750.4
Total Equity	**1,509.1**	1,739.6	1,932.2
Share information			
Market capitalisation ($m)	**1,944**	2,703	2,174
Ordinary shares at period end (million shares)	**513.0**	536.2	530.3
Total dividends per share (cents per share)	**3.0**	10.0	10.0
Interim dividend per share (cents per share)	**3.0**	4.5	6.5
Final dividend per share (cents per share)	**0.0**	5.5	3.5
Total dividends ($m)	**15.4**	53.6	53.1
Total dividend franking %	**100.0%**	82.0%	82.5%
Share price – 30 June closing ($)	**3.79**	5.04	4.10
Ratios			
Dividend payout ratio (Total Dividends/NPATA [4])	**23.2%**	75.0%	60.3%
Net operating cashflow conversion %	**81%**	114%	108%
Total leverage ratio [5]	**2.6**	1.8	2.7
Operational metrics			
Total FTE (period end)	**7,169.0**	7,069.0	6,964.0

1 FY 2020 reflects realigned business units. FY 2020 and FY 2021 have been restated as a result of revised tax accounting within PEXA.

2 NPAT adding back acquired amortisation (tax effected), impairment expense and PEXA acquired amortisation.

3 Debt (excludes right-of-use lease liabilities).

4 For the calculation of the dividend payout ratio, NPATA adjusted to exclude the impact of the following one-off items: FY2019 – PEXA fair value gain $124.6m and gain on disposal of CPCS $105.7m/FY 2020 – Leveris investment fair value adjustment $23.1m/FY 2021 – Leveris investment fair value adjustment $17.1m and Smart Pension fair value gain $19.7m.

5 Total leverage ratio calculated in accordance with Link Group's debt agreement.

Corporate Information

AUSTRALIAN COMPANY NUMBER

120 964 098

COMPANY SECRETARY

Sarah Turner

REGISTERED OFFICE AND PRINCIPAL ADMINISTRATIVE OFFICE

(Link Group's register of securities is held at the Registered Office)

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Armstrong.Studio

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Link Administration Holdings Ltd
ABN 27 120 964 098