

**LINK GROUP 2021 ANNUAL GENERAL MEETING  
TUESDAY 23 NOVEMBER 2021**

**CHAIR'S ADDRESS – MICHAEL CARAPIET**

Good morning everyone. My name is Michael Carapiet, Chair of the Link Group Board.

Welcome to the 2021 Link Group Annual General Meeting. After a fully virtual meeting last year in 2020, I am delighted to be able to welcome you to this year's meeting as a hybrid format, with some of you in attendance in person and others attending online.

Before we commence, I would like to acknowledge the Gadigal people of the Eora Nation, Traditional Custodians of the land on which we present today and pay my respects to the Elders past, present and emerging. I extend that respect to all Aboriginal and Torres Strait Islander people at this meeting today.

The time is 11.30AM, the appointed time for the holding of the Meeting and I am advised that the necessary quorum is present. I therefore declare the Annual General Meeting open and welcome our shareholders and visitors.

Before we proceed with the Meeting, I have a couple of quick housekeeping points. I would appreciate if all mobile phones could be turned to silent mode. Recording devices and cameras must not be used during the Meeting. In the event of an emergency, please follow the emergency exit signs and instructions of the venue staff.

The agenda for today's Meeting is as follows:

- Firstly, I will present my address.
- Following that, Vivek Bhatia, Link Group's CEO & Managing Director, will present his review of the organisation's activities.
- We will then proceed with the formal business of the Meeting.
- Following the conclusion of the Meeting, I invite those shareholders here in Sydney in person today to join me, my fellow Directors and senior management for light refreshments.

It is my pleasure to introduce the members of our Board who are in attendance today.

Those with me in person are:

- Link Group's CEO & Managing Director Vivek Bhatia

and our Independent Non-Executive Directors

- Glen Boreham
- Peeyush Gupta
- Anne McDonald

- Sally Pitkin,
- Fiona Trafford-Walker, and

attending remotely from the UK is

- Andy Green.

Also here today are various Link Group executives and our Company Secretary.

We also welcome Link Group's auditor, KPMG, represented by Partners Eileen Hoggett and Brendan Twining who are with us here today in Sydney.

As today's AGM is being hosted in a hybrid format, we have shareholders attending in person and online using Link Group's award-winning virtual meeting platform. The platform we are using today is an example of the many innovations Link Group has developed over the years. This particular technology was pioneered in 2018, when we hosted the first online AGM for an ASX200 company in Australia. Today, we continue to successfully host AGMs for numerous companies right across the world.

Our virtual meeting platform enables shareholders to actively participate in meetings, irrespective of where you are located around the world, making the meeting accessible to all. As you can imagine, this technology became even more important during COVID-19.

Now I shall deliver a short address.

There is no doubt this has been a year of challenge and change. The ongoing impact of the global pandemic has resulted in unexpected and unprecedented challenges for all economies and societies. In these trying circumstances, Link Group's leadership team and staff have done an extraordinary job to adapt and evolve how we work. We have responded quickly to changing conditions and remained focused on providing timely and reliable service to all our clients, while also focusing on the safety and wellbeing of our people.

As you know, Vivek Bhatia commenced as CEO and Managing Director on 2 November 2020. As a Board we have observed that Vivek has demonstrated all of the positive qualities that we had expected him to bring to the role.

We have begun to transform Link Group with a renewed strategic objective to simplify, deliver and grow the business. The Link Group leadership team has made good progress on these objectives in FY2021 and the Board is pleased to see a real reinvigoration in the business.

In spite of the headwinds of FY2021, we continued to see high levels of recurring revenue at 85% and strong free cash flows. The diversity of our revenues and strong capital and cash conversion has provided resilience to the business.

The Retirement and Superannuation Solutions division has supported our clients to navigate another year of significant regulatory change in Australia, while Corporate Markets has experienced positive momentum particularly in Australia and India, with higher shareholder numbers and increased virtual AGM activity.

In addition, we have continued to win new clients and grown Assets under Management in our Fund Solutions business and new mortgage origination services in Banking and Credit Management.

The Board remains committed to building a sustainable future, with sustainable and responsible business practices and continued development of a diverse and inclusive culture and workforce.

We celebrate the diversity of our people and the richness that brings in perspectives and experience to Link Group. Pleasingly, we have a balanced gender representation across the Board and Executive Leadership Team and most levels of staff and leaders, and remain focused on improving representation of women across our cohort of senior leaders.

With people being our greatest asset, we have in place a number of initiatives to support and engage our people including FlexTogether, our approach to flexible and blended working, launching new recognition programs, focusing on wellbeing and mental health, and emphasising training and development to further enhance career paths for our people.

We have approved a refreshed corporate social responsibility strategy as well as updated sustainability and human rights policies. We are also pleased to advise that the Australian Council of Superannuation Investors assessed Link Group at a “Leading” level of environmental, social and governance reporting, following their annual review of reporting in the ASX200 for the period to 31 March 2021.

And importantly, our focus on information and data security and privacy has seen us now have 90% of our people covered under the ISO27001 security verification.

I am pleased to advise that overall, the organisation’s strong fundamentals including strong operating cash flow, capital and cash conversion, high levels of recurring revenue and geographic and asset diversification, has enabled the Board to deliver returns to our shareholders in the form of a total dividend of 10.0 cents per shares to shareholders for FY2021.

We also announced in August 2021 an on-market share buyback of up to \$150 million, representing approximately 5% of our issued capital. As at 4 November when we were required to pause our buy-back program, the buy back was approximately two thirds complete, representing approximately \$102 million or 23 million shares. This reduced our issued capital by 4.3%, which has in turn increased our proforma earnings per share by around 3.3%.

FY2021 also saw the IPO of PEXA, who performed very strongly during the year. The IPO of PEXA given everyone a clear, visible value for PEXA which the Board are now crystallising for shareholders.

As such, I’m pleased to advise that after a strategic review, we have decided to progress an in-specie distribution of at least 80% of Link Group’s PEXA shares by mid calendar 2022. We will engage with applicable regulators, including the Australian Tax Office in relation to this. In particular, we will be seeking a ruling to obtain tax roll-over relief for shareholders under the demerger relief provisions.

I would also like to address the proposals that we have on the table currently, noting that we have taken on board advice from our financial, tax and legal advisors, as well as consulted with a number of shareholders.

Firstly, the conditional, non-binding indicative proposal to acquire 100% of the shares in Link Group from The Carlyle Group which was received on 4 November. We are actively

and extensively engaged with Carlyle and have provided them with access to due diligence information, including a data room and management meetings, to enable them to develop a revised proposal that may be capable of being recommended to shareholders.

We also note that based on yesterday's closing share price for PEXA the imputed proposal from The Carlyle Group is \$5.61.

Regarding the separate proposal received on 12 November from a syndicate led by Pepper European Servicing Limited (PES) to acquire the Banking & Credit Management business of Link Group, the Board has provided PES with due diligence information so that the proposal may be advanced.

As announced earlier today, we have since received an additional, unsolicited proposal to acquire the Banking and Credit Management business. This new proposal is a conditional, non binding indicative proposal from LC Financial Holdings (LCFH), one of Europe's leading purchasers and servicers of the full life-cycle of receivables.

LCFH proposes that it acquires BCM for up to €65m (AU\$101.2m), comprising an upfront payment of €50m plus a deferred payment of €15m payable upon achievement of certain targets over a period of time.

The Link Group Board has also granted LCFH with due diligence access and will consider the LCFH Proposal in compliance with its fiduciary and statutory obligations.

We will continue to provide updates to the market on these proposals, as required under our continuous disclosure obligations.

Before I hand over to Vivek, I would like to say that in closing, the Board and executive team continue to focus on servicing our clients, supporting our people and delivering value a resilient and sustainable business with a stronger financial performance for our shareholders in the medium term.

I am most appreciative of the support and hard work of my fellow non-executive directors during another very challenging year. On behalf of the Board, I would like to thank Vivek and the entire Link Group team for their continued dedication and commitment throughout FY2021. I would also like to thank our clients and of course, our shareholders for your ongoing support.

I will now hand over to our CEO and Managing Director, Vivek Bhatia, to discuss Link Group's operational highlights and strategy in more detail.

Thank you.

## CEO & MANAGING DIRECTOR'S ADDRESS – VIVEK BHATIA

Thank you Chair and good morning everyone.

Firstly, I would like to acknowledge the Gadigal people of the Eora Nation, Traditional Custodians of the land on which we present today and pay my respects to the Elders past, present and emerging. I extend that respect to all Aboriginal and Torres Strait Islander people at this meeting today.

Well, it has been just over a year since I stepped into this role, and one thing is for sure - there has certainly never been a dull moment!

Firstly, I would like to take a moment to thank and acknowledge our 7,000 people who collectively make Link Group a global market leader across many sectors and geographies. I am proud of how we have continued to support our people, our clients and the community, and deliver for our shareholders during another year of uncertainty and change.

As a people business, it is very warming to see such great spirit and dedication from our people every day.

I am supported by a highly experienced and capable executive leadership team and would like to take a moment to acknowledge them.

I would like to thank Janine Rolfe, Susan Ring and Robbie Hughes, who departed Link Group in FY2021, and sincerely thank them for their contribution. I would also like to thank John McMurtrie, who retired in FY2021, for his support and handover on my commencement.

In turn, we welcomed Sarah Turner, General Counsel and Company Secretary, Antoinette Dunne, CEO of BCM, and Nicole Pelchen, Chief Technology Officer, who joined the Executive leadership team during FY2021.

The ELT brings together significant depth and breadth of diverse experiences and skills, which enable the organisation to continually evolve and maintain market leadership.

During 2021 we began reframing our strategy to focus on how we simplify, deliver and grow as we transform Link Group into a growth oriented, technology led business and in doing so, creating consistent value for our shareholders.

I am pleased with the good progress we have made so far in doing what we said we would do. A year ago when I started in this role, I heard very clearly a few thematics from our shareholders.

1. Firstly, the business structure and underlying business unit margins were difficult to understand due to the presence of the tech and ops division. As a result we have simplified our operating model and financial reporting to make the business easier to operate and understand, including realigning our four business units and collapsing T&O within them.

2. The markets understanding of the rationale behind the current portfolio mix, including the timing of the PES acquisition, was not well understood. Since then we have taken a more strategic view to portfolio management, making a few key decisions such as exiting South Africa and not progressing with the PES acquisition. We will continue to review our portfolio composition in a disciplined manner and always seek opportunities to reconfigure if there are businesses or geographies that don't meet our economic return targets.
3. The value of our investment in PEXA was opaque and hence not well understood by the market and couldn't be calibrated. Since then, as the Chair has mentioned, we have created a transparent look through value of our interest in PEXA with their IPO earlier this year, followed by today's announcement of a potential in-specie distribution to realise value to our shareholders.
4. We had consistent below the line significant items and that had generated some frustration for you in understanding our true cost base. As we confirmed at our recent Investor Day, from July next year the only significant items that will be called out separately will be those related to third party M&A costs.
5. There was a lack of confidence in our ability to hit the \$50 million cost out target from our global transformation program, by June 2022. As you know, we increased that target to \$75 million and are very much on track to deliver that by June 2022.
6. There was a lack of understanding on where the growth will come from and that there seems to be an over-reliance on M&A. At our recent Investor Day we have outlined a growth plan which focuses largely on organic growth, complemented by select strategic bolt-on acquisitions.

In addition, over the past 12 months we have seen an increased broadening of the products and services we provide to our clients. Whether they are virtual meetings for our corporate markets and RSS clients, or our appointment to establish the Service Excellence Centre for Hostplus, we have leveraged our technology and scale.

We have also expanded our footprint in important markets. For example, our increasingly growing presence in the UK pension market and the expansion of the Fund Solutions business into Luxemburg, which is Europe's largest investor fund centre, via our Casa4Funds acquisition.

7. Our leverage was outside our nominated target range. Since then, as you know, we have recalibrated our target ranges but also managed to reduce our debt levels and as of June 21 they were slightly below our target range.
8. Furthermore, in August, we announced our intention to do a \$150 million on-market share buyback. The announcement was met with some subsequent scepticism about our intent and whether we will follow through with it, and I am pleased to report that as at 4 November when we paused the buyback, we had completed approximately two thirds of the buyback, which has delivered a proforma operating EPS accretion of 3.3%.

Hopefully all of what I have just touched on presents multiple proof points of the fact that this team will work relentlessly to deliver on what it says.

As reported in our Full Year Results, our operational achievements supported us in delivering a financial performance for FY21 that was in line with expectations. I would like to recap a few key financials here, for the Financial Year 2021:

- Revenue of \$1.16 billion
- Operating EBIT of \$141 million
- Operating NPATA of \$113 million
- Statutory NPAT of \$(163) million, which includes a non-cash impairment charge of \$182.8 million related to the BCM business.

Our net operating cash flow of \$293 million, generating circa \$139 million of free cash flow was a strong highlight and has assisted our capital management. This strong cash flow position together with the proceeds received from the PEXA IPO has substantially strengthened our balance sheet.

As we look at how we're positioned today and for the future, we are well positioned for growth commencing in 2023

- Strong, favourable macro drivers such as growth in equities and trends of consolidation, increased regulatory and cost pressures all support a strong growth pipeline across all of our business units, which will drive our margin expansion plans.
- As market leaders in our core business, our decades of experience, dedicated and committed people and the advantages of our technology and scale provides us with strong opportunities to extend our industry leading products and existing footprint into new markets and adjacencies.
- We have a large and diverse global client base that provides a solid platform and distribution base for our growth initiatives, and
- We are delivering on our strategy - doing what we have said we would do, progressing our global transformation program, and importantly, we have a strong balance sheet to support our margin expansion and growth initiatives.

In reflecting on the trading performance for the last 4 months, you can see on this slide a summary of the factors and macro trends that are driving performance either above, in line or below our expectations for FY2022.

Although still early in the year, we are pleased with our performance so far and I'd like to touch on some of the strong macro tailwinds that are supporting our business in performing above expectations:

- Firstly, strong underlying member growth in our largest business RSS, is continuing to drive growth in our recurring revenues.
- At our full year results in August, we reported underlying member growth of 6.5% for the twelve months ending June 2021. The strength in this organic growth has continued into FY22, with member growth continuing at around 5%, adding a further 150,000 members to the platform in the first 4 months of 2022. This is certainly a trend that bodes well for us should it continue at these levels for the full year.

- In addition to this, we are also seeing the crystallisation of another strong tailwind for RSS in the form of fund consolidation. We are currently working through 5 mergers, including 3 externally administered funds that will see an additional 400,000+ members added to our platform by the end of this financial year. This adds a further 5% growth to the numbers I just mentioned and sets us up strongly for revenue growth in FY23. This will only be further buoyed by additional consolidation activity in the pipeline.
- In Fund Solutions, the rebound in financial markets has lifted our revenues. 50% of this business operates on an AuM basis point fee arrangement, so the strength in financial market is a strong tail wind for this business. We are also seeing increased AuM overall, as funds are flowing into the new fund structures that we service.
- Another tailwind for us is global interest rates as central banks around the world contemplate the normalisation of current monetary policy settings. Our business looks after around \$1.5 billion of float balances where every 100bps increase in interest rates translates into \$15 million of Operating EBIT. Our forecasts do not anticipate any increase in interest rates in FY22 and we see this normalisation of interest rates providing another strong tailwind for the business in the coming years
- Meanwhile, our Corporate Market business is also benefiting from the buoyancy in financial markets. Our Indian business is winning around 60% of IPOs coming to market and we are winning around 30% of IPOs in the UK.
- In Australia, since July alone we've supported the listing of 16 IPOs, representing over 74% of market capitalisation of all IPOs listed. We've won notable, large IPOs such as HomeCo REIT, PEXA, Judo Bank, and GQG in the last few months. Not only did we win the registry business from these clients, we also cross-sold approximately 55 additional services from our corporate markets offering to these clients. These additional services range from share register analytics to Investor Relations websites and employee share plans. Our corporate governance team has also been appointed to provide Company Secretarial services for five of those clients mentioned. This is a true testament to the comprehensive, complementary nature of our business lines in Corporate Markets, allowing us to provide true end-to-end solutions.
- Further, the return to a more normalised capital market post COVID is benefitting Corporate Markets as we start to see dividends, equity raisings, off-market share buy backs and other shareholder engagement activities drive an increase in demand for our transactional driven solutions.

At the start of the year we provided the market with guidance for FY22, where we outlined expectations of low single digit revenue growth and Operating EBIT to be broadly in line with FY2021.

The strong start to FY22 reinforces our conviction in achieving this guidance.

This conviction is reinforced by the fact that our better than expected performance for the first 4 months has been driven largely by the macro factors that we outlined would play in our favour. These tailwinds have come to fruition and as I touched on in the previous slide, we are now reaping the benefits of these. I'm hopeful of the current momentum continuing



across each of our businesses and look forward to updating you in February on our half year results and Full Year guidance.

Link Group is a market leader in our core businesses. Our size, scale and the breadth of our offering, diversity of clients and proven track record is key in supporting the delivery of our identified, actionable growth plans.

Before I hand back to the Chair, I would like to thank you for your support and participation today. I would also like to thank all our people for their dedication and commitment during another unprecedented year.

Finally, I would also like to thank the Link Group Board for their guidance and the Executive Leadership Team for their contribution this past year.

- ENDS -