

22 August 2022



Link Group

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# Scheme Meeting and Special General Meeting

# Important notice

**This presentation has been prepared by Link Administration Holdings Limited (Company) together with its related bodies corporate (Link Group). The material contained in this presentation is intended to be general background information on the Link Group and its activities.**

The information is supplied in summary form and is therefore not necessarily complete. It should be read in conjunction with Link Group's other periodic and continuous disclosure announcements filed with the Australian Securities Exchange, and in particular, Link Group's Explanatory Booklet dated 10 May 2022 and Supplementary Explanatory Booklet dated 2 August 2022 prepared in connection with acquisition by Link Group by Dye & Durham Corporation by way of scheme of arrangement. It is not intended that it be relied upon as advice to investors or potential investors, who should consider seeking independent professional advice depending upon their specific investment objectives, financial situation or particular needs. The material contained in this presentation may include information derived from publicly available sources that have not been independently verified. No representation or warranty is made as to the accuracy, completeness or reliability of the information.

All amounts are in Australian Dollars unless otherwise indicated.

Unless otherwise noted, financial information in this presentation is based on A-IFRS. Link Group uses certain measures to manage and report on its business that are not recognised under Australian Accounting Standards or IFRS. These measures are collectively referred to in this presentation as 'non-IFRS financial measures' under Regulatory Guide 230 'Disclosing non-IFRS financial information' published by ASIC. Management uses these non-IFRS financial measures to evaluate the performance and profitability of the overall business and Link Group believes that they are useful for investors to understand Link Group's financial condition and results of operations. Non-IFRS measures are defined in Appendix 7A. The principal non-IFRS financial measures that are referred to in this presentation are Operating EBITDA, Operating EBIT, Operating EBITDA margin and Operating EBIT margin. 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. 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, Link Group believes that it should not be considered in isolation or as an alternative to net operating cash flow. Other non-IFRS financial measures used in the presentation include Recurring Revenue, gross revenue, EBITDA, EBITA, EBIT, Operating NPATA, working capital, capital expenditure, net operating cash flow, net operating cash flow conversion ratio and net debt. Significant items comprise business combination costs, integration costs, IT business transformation and client migration costs. Unless otherwise specified those non-IFRS financial measures have not been subject to audit or review in accordance with Australian Accounting Standards.

Forward-looking statements are statements about matters that are not historical facts. Forward-looking statements appear in a number of places in this presentation and include statements regarding Link Group's intent, belief or current expectations with respect to business and operations, market conditions, results of operations and financial condition, including, without limitation, future loan loss provisions, financial support to certain borrowers, indicative drivers, forecasted economic indicators and performance metric outcomes.

This presentation contains words such as 'will', 'may', 'expect', 'indicative', 'intend', 'seek', 'would', 'should', 'could', 'continue', 'plan', 'probability', 'risk', 'forecast', 'likely', 'estimate', 'anticipate', 'believe', or similar words to identify forward-looking statements. These forward-looking statements reflect Link Group's current views with respect to future events and are subject to change, certain risks, uncertainties and assumptions which are, in many instances, beyond the control of Link Group, and have been made based upon Link Group's expectations and beliefs concerning future developments and their potential effect upon us. There can be no assurance that future developments will be in accordance with Link Group's expectations or that the effect of future developments on Link Group will be those anticipated. Actual results could differ materially from those which Link Group expects, depending on the outcome of various factors. Factors that may impact on the forward-looking statements made include, but are not limited to, general economic conditions in Australia; exchange rates; competition in the markets in which Link Group will operate and the inherent regulatory risks in the businesses of Link Group.

When relying on forward-looking statements to make decisions with respect to Link Group, investors and others should carefully consider such factors and other uncertainties and events. Link Group is under no obligation to update any forward-looking statements contained in this presentation, where as a result of new information, future events or otherwise, after the date of this presentation.

# Welcome from the Chairman



**Michael Carapiet**

# TODAY'S AGENDA

## SCHEME MEETING AND SPECIAL GENERAL MEETING

### Procedural matters

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#### Scheme Meeting:

- Chairman's address
  - Resolutions: Scheme Resolution and Amending Resolution
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#### Special General Meeting

- Chairman's address
  - Resolutions: Capital Return Resolution
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### Closing and conclusion of polls

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# Board composition



**Michael Carapiet**  
Independent Chair



**Vivek Bhatia**  
CEO and Managing  
Director



**Andrew Green, CBE**  
Non Executive Director



**Glen Boreham, AM**  
Non Executive Director



**Fiona Trafford-Walker**  
Non Executive Director



**Peeyush Gupta, AM**  
Non Executive Director



**Anne McDonald**  
Non Executive Director



**Dr Sally Pitkin, AO**  
Non Executive Director

# Procedural matters



## Meeting and voting procedures

# Scheme Meeting



**Michael Carapiet**  
**Chairman's address**

# Overview of the Scheme

- On 22 December 2021, Link and Dye & Durham agreed for Dye & Durham to acquire 100% of the share capital in Link Group for \$5.50 per Link Group share (**Scheme**)
- On 21 July 2022, the Scheme was amended to reduce the consideration to \$4.81 per share, having regard to movements in the financial markets since the Scheme was agreed (**Revised Scheme**)
- The revised Base Cash Consideration of \$4.81 consists of:
  - scheme consideration of \$4.81 (less any Special Dividend) payable by D&D Acquirer; together with
  - the amount of any Special Dividend payable by Link Group, noting the Link Board currently intends to pay a fully franked dividend of \$0.08 per share
- Additionally:
  - fully franked Interim Dividend of \$0.03 per Link Group share was paid by Link Group on 8 April 2022; and
  - if Link Group's BCM business is sold, Link Group Shareholders will be entitled to net sale proceeds received by Link Group prior to, or up to 12 months after, the Implementation Date, up to a maximum of \$0.13 cash per Link Group Share
- The revised Base Cash Consideration of \$4.81 per Link Group share represents a premium of:
  - 30.4% to Link Group's closing share price on 24 June 2022 (being the last day on which Link Group shares traded before the first proposal from Dye & Durham to reduce the Base Scheme Consideration was announced) of \$3.69; and
  - 40.7% to the VWAP of Link Group Shares from 16 June 2022 (being the date the ACCC released its Statement of Issues in relation to the Transaction) to 24 June 2022 of \$3.42



# Reasons to vote for or against the Transaction

## Reasons why you may vote FOR the Transaction

- ✓ The Link Group Directors unanimously recommend that you vote in favour of the Transaction, in the absence of a Superior Proposal and subject to the Independent Expert continuing to conclude that the Scheme is fair and reasonable and in the best interests of Link Group Shareholders
- ✓ The reduced Base Cash Consideration represents a reasonable premium to Link Group's last undisturbed share price
- ✓ The Transaction provides certainty of value for your investment in Link Group and you will no longer be exposed to risks associated with Link Group's business
- ✓ The Link Group share price will continue to be subject to market volatility and may fall if the Transaction is not implemented and in the absence of a Superior Proposal
- ✓ The Independent Expert continues to conclude that the Scheme is fair and reasonable and in the best interests of Link Group Shareholders
- ✓ If a Special Dividend is paid, you may be entitled to the franking credits attached to the Special Dividend
- ✓ The Transaction structure enables Link Group Shareholders to benefit from the net consideration received from any sale of Link Group's BCM business of up to \$0.13 per share for up to 12 months post implementation of the Scheme
- ✓ No Superior Proposal has emerged
- ✓ Brokerage charges will not apply to the transfer of your Link Shares

## Reasons why you may vote AGAINST the Transaction

- ✗ You may disagree with the Link Directors' unanimous recommendation and the Independent Expert's conclusion
- ✗ You may believe it is in your best interests to maintain your current investment and risk profile
- ✗ You may prefer to participate in the future financial performance of the Link Group Business
- ✗ You may believe that there is potential for a Superior Proposal to emerge
- ✗ The tax consequences of transferring your Link Shares pursuant to the Transaction may not be attractive to you

# Independent Expert's conclusion

The Independent Expert has concluded that the Scheme is **fair and reasonable and in the best interests** of Link Group Shareholders in the absence of a superior proposal

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The Independent Expert re-assessed the full underlying value of a Link Group share at between \$4.34 and \$5.51 per Link Group Share

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The reduced Base Cash Consideration of \$4.81 per Link Group Share is within this range

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# Recommendation of Link Group Directors

**Link Group Directors unanimously recommend that you vote in favour of the Transaction**

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Link Group Directors confirm that at the time of the Scheme Meeting, no superior proposal has emerged or is likely to emerge

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Prior to the Scheme Meeting, each Link Group Director has instructed that their shares are voted in favour of the Transaction

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# Status of conditions and implementation timetable

- A number of Conditions Precedent related to regulatory approvals have been fulfilled
- Outstanding regulatory conditions to the Scheme are:
  - ACCC, noting that Dye & Durham has submitted an undertaking to the ACCC that is being considered
  - Foreign Investment Review Board
  - UK Financial Conduct Authority (FCA)
  - Central Bank of Ireland
  - Luxembourg Commission de Surveillance du Secteur Financier.
- Scheme is conditional on certain matters not occurring before the Second Court Hearing. LFSL is in ongoing confidential discussions with the FCA regarding matters relating to the Woodford investigation. Outcomes of these discussions are uncertain and could be relevant to the Woodford Matters condition in the Implementation Deed.
- Scheme also conditional on approval of Link Group Shareholders at today's Scheme Meeting and Special General Meeting and Court approval
- Link Group is not aware of any circumstances which would cause the remaining Conditions Precedent not to be satisfied or waived, except as described today and as disclosed in the Explanatory Booklet, Supplementary Explanatory Booklet

If the Scheme is approved by Link Group Shareholders	
Event	Date
Court hearing to approve the Scheme	9 September 2022
<b>Effective Date</b>	9 September 2022
Court order lodged with ASIC and announcement to ASX	
Last day of trading in Link Group Shares – Link Group Shares will be suspended from trading on ASX from close of trading	
Special Dividend Record Date	12 September 2022
Special Dividend Payment Date <sup>1</sup>	19 September 2022
<b>Scheme Record Date</b>	20 September 2022
For determining entitlements to Scheme Consideration	
<b>Implementation Date</b>	27 September 2022
Provision of Scheme Consideration	
Provision of any BCM Net Sale Proceeds via BCM Capital Return <sup>2</sup>	
<b>End of Deferred Returns Period</b>	27 September 2023
Final Day for any BCM Net Sale Proceeds to be payable to Link Group Shareholders	

***These dates assume all Conditions Precedent are received prior to the Second Court Date of 9 September 2022 and are subject to change. Link Group will announce to the ASX any changes to the timing of these dates.***

Notes: 1. If the Link Directors decide to pay a Special Dividend. 2. The BCM payment will be made via BCM Capital Return on the Implementation Date if proceeds are received by Link Group by 2 Business Days prior to the Implementation Date and the Capital Return Resolution is approved by Link Group Shareholders.

# Formalities of Scheme Meeting



**Michael Carapiet**



# Amending Resolution

The Amending Resolution is:

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*That the scheme of arrangement proposed between Link Administration Holdings Limited and the holders of its ordinary shares, as contained in the Explanatory Booklet dated 10 May 2022, is amended by making the changes outlined in Annexure 2 of the Supplementary Explanatory Booklet dated 2 August 2022.*

# Scheme Resolution

## The Scheme Resolution is:

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*That, pursuant to and in accordance with the provisions of section 411 of the Corporations Act 2001 (Cth), the scheme of arrangement proposed between Link Administration Holdings Limited and the holders of its ordinary shares, as contained in and more particularly described in the Explanatory Booklet dated 10 May 2022 (as supplemented and amended by the Supplementary Explanatory Booklet dated 2 August 2022 and the Amending Resolution) of which the notice convening this meeting forms part, is agreed to, with or without alterations or conditions as approved by the Supreme Court of New South Wales to which Link Administration Holdings Limited and Dye & Durham Corporation agree.*

# Questions and proxy results

## Amending Resolution:

	No. of votes cast	% of votes cast
For	254,173,380	97.65%
Open	3,004,767	1.15%
Against	3,117,901	1.20%
<b>TOTAL</b>	<b>260,296,048</b>	<b>100%</b>

Abstain: 195,700 votes cast

## Scheme Resolution:

	No. of votes cast	% of votes cast	No. of shareholders	% of shareholders
For	254,474,701	97.74%	929	58.35%
Open	2,613,776	1.00%	209	13.13%
Against	3,263,689	1.25%	454	28.52%
<b>TOTAL</b>	<b>260,352,166</b>	<b>100%</b>	<b>1,592</b>	<b>100%</b>

Abstain: 139,582 votes cast and 20 shareholders



# Special General Meeting



**Michael Carapiet**  
**Chairman's address**

# Overview of the BCM Capital Return

- Link Group and Dye & Durham obliged under the Scheme Implementation Deed to use best endeavours to sell Link Group's Banking and Credit Management (**BCM**) business for a period that continues through to 12 months after implementation of the Scheme
- Link Group Shareholders entitled receive to BCM Net Sale Proceeds received by Link Group within 12 months after implementation of the Scheme, up to a maximum of 13 cents per Link Group share held on the Scheme Record Date
- Payment of the BCM Net Sale Proceeds is proposed to be made by:
  - BCM Capital Return; or
  - additional consideration payable by D&D Acquirer under the Scheme
- Payment of BCM Net Sale Proceeds is conditional on Link Group Shareholders approving the Capital Return Resolution and on implementation of the Scheme
- Dye & Durham will shortly appoint financial advisers to sell BCM
- No current ongoing discussions in respect of the sale of BCM and no binding agreement for the sale of BCM, therefore it is unlikely any BCM payment will be made via the BCM Capital Return (may still be paid following implementation of the Scheme as additional consideration payable by D&D Acquirer, but no assurances in this regard)

# Formalities of Special General Meeting



**Michael Carapiet**

# Capital Return Resolution

## The Capital Return Resolution is:

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*That, subject to the implementation of the Scheme and Link Group receiving any or all of the BCM Net Sale Proceeds by the day that is two Business Days prior to the Implementation Date, for the purposes of section 256C(1) of the Corporations Act 2001 (Cth), and for all other purposes, approval is given for the ordinary share capital of the Company to be reduced by returning capital, in the form of cash, to each registered holder of fully paid ordinary shares in the Company as at the Scheme Record Date in an aggregate amount equal to the amount of the Capital Return Consideration.*

# Questions and proxy results

## Capital Return Resolution:

	No. of votes cast	% of votes cast
For	255,138,228	98.00%
Open	2,756,719	1.06%
Against	2,452,191	0.94%
<b>TOTAL</b>	<b>260,296,048</b>	<b>100%</b>

Abstain: 416,828 votes cast

# Closing

**Finalisation of the polls**

**Thank you**