

20 February 2024

ASX ANNOUNCEMENT

APPENDIX 4D – INTERIM FINANCIAL REPORT FOR THE SIX MONTHS ENDED 31 DECEMBER 2023

The Directors of Link Administration Holdings Limited (**Company**) (ASX: LNK) present the results of Link Group (Link Administration Holdings Limited and its controlled entities) for the six months ended 31 December 2023 as follows:

| Results for announcement to the market | | | 31 December 2023 \$'000 | 31 December 2022 ¹ \$'000 |
|---|------|------------------|--|--|
| Revenue from continuing operations | Up | 13.8% | 523,747 | 460,053 |
| Revenue from discontinued operations | | | 65,959 | 132,421 |
| Total revenue | Down | (0.5%) | 589,706 | 592,474 |
| Loss from continuing operations after tax | Down | nmf ² | (32,351) | (224,991) |
| Loss from discontinued operations after tax | | | (1,641) | (235,524) |
| Loss from ordinary activities after tax | Down | mmf ² | (33,992) | (460,515) |
| Loss for the period attributable to owners of the Company | Down | nmf ² | (33,968) | (460,276) |
| Earnings per share | | | | |
| Basic earnings (cents per share) | | | (6.62) | (90.05) |
| Diluted earnings (cents per share) | | | (6.62) | (90.05) |
| Earnings per share – continuing operations | | | | |
| Basic earnings (cents per share) | | | (6.30) | (43.97) |
| Diluted earnings (cents per share) | | | (6.30) | (43.97) |
| Earnings per share – discontinued operations | | | | |
| Basic earnings (cents per share) | | | (0.32) | (46.08) |
| Diluted earnings (cents per share) | | | (0.32) | (46.08) |
| Net tangible assets³ | | | | |
| Net tangible assets per security (cents per share) | | | (189.1) | (242.8) |

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

¹ Prior period comparative information has been restated in accordance with AASB 108 Accounting Policies, Changes in Accounting Estimates and Errors. Refer to Note 3 of the Interim Financial Report.

² 'nmf' denotes not meaningful.

³ The net tangible assets include right-of-use assets as defined by AASB 16 Leases. The per security calculation as at 31 December 2023 includes the net assets held for sale.

Dividends

Dividends paid by the Company during the six months ended 31 December 2023 were:

| | Cents per share | Total amount | Franked/ Unfranked | Record date | Payment date |
|-----------------------|------------------------|---------------------|-------------------------------|--------------------|---------------------|
| Final Dividend | 4.0 | \$20,519,499 | 60% Franked | 6 September 2023 | 20 September 2023 |

Consistent with Link Group's obligations under the Scheme Implementation Deed (SID) with Mitsubishi UFJ Trust & Banking Corporation (The Trust Bank), there was no interim dividend declared by the Board. Subject to the Trust Bank Scheme becoming effective, the Link Board intends to pay a special dividend of 16.0 cents per share.

Commentary on results for the period

Additional commentary on results for the period can be found in the Media Release and Results Presentation also announced to ASX today (20 February 2024).

Other information

The information in this Appendix 4D should be read in conjunction with Link Group's attached Interim Financial Report for the six months ended 31 December 2023 and the annual financial report for the financial year ended 30 June 2023. The interim financial statements have been reviewed by KPMG. KPMG's review conclusion contains an 'emphasis of matter' relating to a restatement of the prior period – refer to Note 3 of the Interim Financial Report.

Link Group enters into a Scheme Implementation Deed (SID) with Mitsubishi UFJ Trust and Banking Corporation (MUTB)

On 18 December 2023, Link Administration Holdings Limited (Link Group) entered into a SID with MUTB, a consolidated subsidiary of Mitsubishi UFJ Financial Group, Inc. (MUFG) under which MUTB has agreed to acquire 100% of the shares in Link Group by way of a Scheme of Arrangement (Scheme). The Scheme is subject to various conditions, including various regulatory approvals, approval by Link Group shareholders at the Scheme meeting, with a Scheme booklet and an independent expert's report to be provided to Link Group shareholders, and Court approval.

This release has been authorised by the Link Group Board.

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

ENDS

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Interim Financial Report

ACN 120 964 098

Link Administration Holdings Limited and its controlled entities

31 December 2023



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01 Directors' Report




DIRECTORS

The Directors present their report together with the consolidated interim financial statements of Link Group, being Link Administration Holdings Limited ("the Company") and its Controlled Entities, for the six months ended 31 December 2023 (the interim period) and the auditor's review report thereon.

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

| DIRECTOR | EXPERIENCE |
|---|---|
|  <p>Michael Carapiet Independent Chairman and Non-Executive Director Appointed 26.06.2015</p> | <p>Michael Carapiet was appointed as a Director and Chair of the Company in 2015. He is an ex-officio member of all Board Committees. 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</p> |
|  <p>Vivek Bhatia Chief Executive Officer & Managing Director Appointed 02.11.2020</p> | <p>Vivek Bhatia joined Link Group in 2020 as CEO and Managing Director. Vivek serves on the Board of Property Exchange Australia Limited (PEXA) as a Non-Executive Director. Vivek has over two decades of experience in financial services, technology, government and management consulting. He is an experienced chief executive, having led a number of complex businesses throughout his career. Vivek joined Link Group from QBE Insurance Group where from 2018 he was Chief Executive Officer of the ASX-listed general insurance and reinsurance company's Australia Pacific division. Vivek joined QBE from Insurance and Care NSW where he was Chief Executive Officer and Managing Director of the public finance corporation. 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 as CEO of Wesfarmers General Insurance Ltd. Vivek holds an undergraduate degree in engineering, a post graduate in business administration and is a Chartered Financial Analyst (ICFAI).</p> |

01 Directors' Report

| DIRECTOR | EXPERIENCE |
|---|--|
|  <p>Andrew (Andy) Green, CBE</p> <p>Independent Non-Executive Director Appointed 09.03.2018</p> | <p>Andy Green was appointed a Non-Executive Director of the Company in 2018. He is Chair of the Risk, Technology & Transformation Committee and a member of the Human Resources and Remuneration 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 and Chair of WaterAid 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.</p> |
|  <p>Anne McDonald</p> <p>Independent Non-Executive Director Appointed 15.07.2016</p> | <p>Anne McDonald was appointed a Non-Executive Director of the Company in 2016. She is a member of the Audit & Sustainability Committee and Chair of the Human Resources and Remuneration Committee. Anne is a Non-Executive Director of Smartgroup Corporation Limited, St Vincent's Health Australia Limited and Transport Asset Holding Entity of New South Wales. Anne was previously a non-executive director of GPT Group, Spark Infrastructure Group and Chair of Water NSW and Specialty Fashion Group. Previously a partner at Ernst & Young for 15 years, Anne has over 35 years of business experience in finance, accounting, auditing, risk management and governance. She is an experienced director and has pursued a fulltime career as a Non-Executive Director since 2006. Anne is a Chartered Accountant, a graduate of the Australian Institute of Company Directors and holds a Bachelor of Economics from the University of Sydney.</p> |
|  <p>Fiona Trafford-Walker</p> <p>Independent Non-Executive Director Appointed 23.09.2015</p> | <p>Fiona Trafford-Walker was appointed a Non-Executive Director of the Company in 2015. She is Chair of the Audit & Sustainability Committee and a member of the Risk, Technology & Transformation Committee. Fiona is a Director of Perpetual Limited, FleetPartners Group Limited, Prospa Group Ltd, and chairs the Audit and Risk committees at Prospa and FleetPartners. Fiona is also a Director of Victorian Funds Management Corporation. Fiona was previously an Investment Director at Frontier Advisors (Frontier). She was the inaugural Managing Director at Frontier and held that role for 11 years until 2011 when she became the Director of Consulting until 2017. Fiona played a critical role in growing Frontier and has over 28 years of experience in advising institutional investors on investment and governance-related issues. Fiona holds a Master of Finance from RMIT University and a Bachelor of Economics (with Honours) from James Cook University. Fiona is also a Graduate of the Australian Institute of Company Directors.</p> |

01 Directors' Report



Mark Lennon

Independent Non-Executive Director

Appointed 13.10.2023

Mark Lennon was appointed a Non-Executive Director of the Company in 2023. He is a member of the Audit & Sustainability Committee, the Risk, Technology & Transformation Committee and the Human Resources and Remuneration Committee. Mark has been involved with the financial services industry for 30 years. Mark is currently a Director of Aware Financial Services, the Sydney Financial Forum, research house the McKell Institute and APHEDA the Australian unions overseas aid organisation. Mark has been on the Board of number of superannuation funds including ASSET Super and nine years as a Director of First State Super (now Aware Super). Mark is a former secretary of Unions NSW and past president of the ALP NSW branch. During his time at Unions NSW, he dealt with many superannuation and financial services matters on behalf of both accumulation and defined benefit fund members. Mark holds a Bachelor of Commerce and a Bachelor of Laws from the University of NSW and is a graduate of the Harvard Trade Union Program. He is a member of the Finance Sector Union and the United Services Union.



Gail Pemberton, AO

Independent Non-Executive Director

Appointed 8.1.2024

Gail Pemberton was appointed a Non-Executive Director of the company in 2024. Gail has more than 35 years' experience in financial services – principally in Retail and Investment banking as well as Custody and Fund Administration with a strong focus on technology and technology intensive businesses. Gail is currently Chair of FleetPartners Group and Prospa Group Ltd, and a Non-Executive Director of Symbio Holdings Ltd, Sydney Metro, HSBC Bank Australia and Land Services WA. Prior to taking up a Non-Executive Director career, Gail was COO, UK at BNP Paribas and CEO and Managing Director, BNP Paribas, Australia and New Zealand. She was previously Group Chief Information Officer and Financial Services Group COO at Macquarie Bank. Gail was awarded the Order of Australia (AO) in the Australia Day Honours list 2018 for distinguished service to the finance and banking industry through a range of roles, as an advocate for technology, and as a mentor to women. Gail holds a Master of Arts from the University of Technology Sydney, and a Graduate Certificate in Finance from Griffith University. She is also a Fellow of the Australian Institute of Company Directors (FAICD).

FORMER DIRECTORS



Glen Boreham, AM

Independent Non-Executive Director

Appointed 23.09.2015

Retired 28.11.2023

Glen Boreham was appointed a Non-Executive Director of the Company in 2015 and retired from the Board in 2023. He was Chair of the Technology & Transformation Committee and a member of the Human Resources and Remuneration Committee. Glen is a Director of Cochlear Limited and Southern Cross Media Group Limited and Strategic Advisor to IXUP. Previously, Glen was the Managing Director of IBM Australia and New Zealand. He has also previously served as Chair of Screen Australia, Advance and the Industry Advisory Board for the University of Technology, Sydney, as well as Deputy Chair of the Australian Information Industry Association and a Director of the Australian Chamber Orchestra. Glen holds a Bachelor of Economics from the University of Sydney and an Honorary Doctorate from the University of Technology Sydney. In January 2012, Glen was awarded a Member of the Order of Australia for services to business and the arts.

01 Directors' Report



Peeyush Gupta, AM

Independent Non-Executive Director

Appointed 18.11.2016

Retired 28.11.2023

Peeyush Gupta was appointed a Non-Executive Director of the Company in 2016 and retired from the Board in 2023. He was a member of the Risk Committee and a member of the Audit Committee. Peeyush is currently the Chair of Charter Hall Direct Property Management Limited and Long Wale REIT and a Non-Executive Director of National Australia Bank, SBS, Northern Territory Aboriginal Investment Corporation, NSW Cancer Council and Quintessence Labs Pty Ltd. With over 30 years of experience in the wealth management industry, Peeyush was previously co-founder and the inaugural CEO of IPAC Securities Limited, a wealth management firm spanning financial advice and institutional portfolio management. He has extensive corporate governance experience, having served as a Director on listed corporate, not-for-profit, trustee and responsible entity boards since the 1990s. Peeyush holds a Masters of Business Administration (Finance) from the Australian Graduate School of Management and has completed the Advanced Management Program at Harvard Business School. He is a Fellow of the Australian Institute of Company Directors. In January 2019, Peeyush was awarded a Member of the Order of Australia for significant service to business, and to the community, through his governance and philanthropic roles.



Sally Pitkin, AO

Independent Non-Executive Director

Appointed 23.09.2015

Retired 28.11.2023

Sally Pitkin was appointed a Non-Executive Director of the Company in 2015 and retired from the Board in 2023. She was a member of the Human Resources and Remuneration Committee and a member of the Risk Committee. Sally is Chair of Super Retail Group Limited and was previously a Non-Executive Director of The Star Entertainment Group Limited. 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 and is a Fellow of the Australian Institute of Company Directors

01 Directors' Report

PRINCIPAL ACTIVITIES

Link Group is a provider of scaled, technology-enabled administration solutions, operating across multiple asset classes from equities, managed funds, pension and superannuation and other financial assets.

Link Group's expertise in digital solutions and data analytics enables Link Group to connect people with their assets responsibly, securely and safely.

With over 6,300 global employees, Link Group services over 5,800 clients globally including some of the world's largest blue-chip corporations, pension funds, and financial institutions. Link Group works together with its clients to deliver scalable solutions and technology platforms that increase efficiencies, enhance the user experience, manage regulatory complexity, and improve data management.

DIVIDENDS

Dividends paid by the Company during the interim period were:

| | CENTS PER SHARE | TOTAL AMOUNT | FRANKED/UNFRANKED | DATE OF PAYMENT |
|-----------------------|-----------------|--------------|-------------------|-----------------|
| Final Dividend | 4.0 | \$20,519,499 | 60% franked | 20.09.2023 |

Consistent with Link Group's obligations under the Scheme Implementation Deed (SID) with Mitsubishi UFJ Trust & Banking Corporation (The Trust Bank), there was no interim dividend declared by the Board. Subject to the Trust Bank Scheme becoming effective, the Link Board intends to pay a special dividend of 16.0 cents per share.

REVIEW OF OPERATIONS

Consistent with previous disclosures, this review of operations uses certain measures to report on Link Group's performance that are not recognised under Australian Accounting Standards or International Financial Reporting Standards (IFRS), collectively referred to as 'non-IFRS measures'. These non-IFRS measures are defined in Link Group's Annual Report for the year ended 30 June 2023 (FY23 Annual Report) and have not been subject to audit or review in accordance with Australian Auditing Standards.

Statutory net loss of Link Group for the interim period (1H FY24) was \$34 million (1H FY23: Net loss of \$460.5 million as restated – see Note 3). The 1H FY23 comparative includes impairment expenses of \$209.9 million in respect of the Fund Solutions business and \$15.4 million in respect of the Banking & Credit Management business. Link Group had a net gain on the disposal of the FS and BCM operating segments of \$25.4 million in 1H FY24.

Revenue for 1H FY24 of \$523.7 million from continuing operations (1H FY23: \$460.1 million from continuing operations) was up 13.8% year-on-year. Adjusted for the acquisitions completed during the last 12 months, total revenue was up 9.0%. Operating expenses on a proforma continuing operations basis increased 16.7% to \$397.1 million in 1H FY24 (1H FY23: \$340.3 million) on account of acquisitions completed in the last 12 months, inflationary pressures experienced in staff and vendor costs along with increased investment in member experience in RSS which resulted in increased resourcing and technology investment. Link Group also incurred significant items expenses associated with business combination/acquisition & divestment costs amounting to \$32.4 million in 1H FY24 (1H FY23: \$14.4 million). Significant items are separately disclosed in Note 4 to the interim financial statements to assist understanding of Link Group's results.

Operating EBIT from continuing operations, which excludes significant items and acquired amortisation, for the six months ended 31 December 2023 was \$90.8 million (1H FY23: \$81.9 million). A reconciliation of Operating EBIT to the net profit of Link Group is included in Note 4 to the interim financial statements.

Operating NPATA, which excludes certain significant items and acquired amortisation, for the six months ended 31 December 2023 was \$42.1 million (1H FY23: \$40.3 million).

01 Directors' Report

The net assets of Link Group decreased to \$311.0 million as at 31 December 2023 from \$400.3 million as at 30 June 2023 and as restated – see Note 3). The decrease was due mainly to the utilisation of deferred tax assets and tax payable (mainly referable to the divestment of the FS businesses). Plant and Equipment carrying values also decreased by \$31.1 million due principally to depreciation. Other movements are cyclical, such as an increase in current Trade and Other payables by \$14.6 million from June 2023 to December 2023.

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

OTHER INFORMATION

Significant Changes in State of Affairs

Link Group enters into a Scheme Implementation Deed with Mitsubishi UFJ Trust and Banking Corporation (MUTB)

On 18 December 2023, Link Group entered into a Scheme Implementation Deed (SID) with MUTB, a consolidated subsidiary of Mitsubishi UFJ Financial Group, Inc. (MUFG) under which MUTB has agreed to acquire 100% of the shares in Link Group by way of a Scheme of Arrangement (Scheme).

If the Scheme is approved, Link Group shareholders will receive \$2.10 cash per Link Group share under the Scheme, plus a dividend of \$0.16 cash per Link Group share expected to be paid by Link Group, which will be franked at up to 25%.

In total, Link Group shareholders are expected to receive \$2.26 per Link Group share in cash if the Scheme is approved.

The Scheme is subject to various conditions, including various regulatory approvals, approval by Link Group shareholders at the Scheme meeting, with a Scheme booklet and an independent expert's report to be provided to Link Group shareholders, and Court approval. As announced to the market in December 2023, the transaction is expected to complete by May 2024.

Divestments of Banking and Credit Management and Fund Solutions

The sale of the Banking and Credit Management (BCM) business to LC Financial Holdings Limited (LCFH) was completed on 1 September 2023. The sale of the Fund Solutions (FS) UK and Ireland business to Waystone Group was completed on 9 October 2023.

Woodford matter

The first court hearing in relation to the Link Fund Solutions Ltd (LFSL) Scheme occurred on 10 October 2023 with judgment handed down on 12 October 2023. The Court gave LFSL permission to call the Scheme Meeting and provide Scheme Creditors with detailed information about the Scheme and explain the impact the Scheme will have on them in a document called the Explanatory Statement.

A Scheme Meeting occurred on 13 December 2023. Of the Scheme Creditors who voted, approximately 93.7% in number, representing approximately 96.1% in value, voted in favour of the Scheme.

Events Subsequent to Reporting Date

Update on the Link Fund Solutions Ltd (LFSL) Scheme

The High Court handed down a judgement sanctioning (i.e. approving) the Scheme on 9 February 2024 (GMT), which was advised to the ASX by Link Group on 12 February 2024. Provided that no appeals are brought against the sanction of the Scheme, the Scheme is expected to become fully effective by 2 March 2024.

Link Group continues to be confident that, if the Scheme and the Settlement is terminated, liabilities relating to the LF Woodford Equity Fund (WEIF) remain within LFSL and Link Group has no obligation to contribute to any of those WEIF related liabilities.

01 Directors' Report

Other matters

Whilst the Directors note the escalating geopolitical risks and the 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. However, the future impact of these macroeconomic conditions remains uncertain.

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

Rounding Off

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

Independence declaration

The Lead Auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 10 and forms part of the Directors' Report for the interim period ended 31 December 2023.

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

Dated 20 February 2024 at Sydney.



Michael Carapiet
Chair



Vivek Bhatia
Chief Executive Officer & Managing Director



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

To the Directors of Link Administration Holdings Limited

I declare that, to the best of my knowledge and belief, in relation to the review of Link Administration Holdings Limited for the half-year ended 31 December 2023 there have been:

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

KPMG

Eileen Hoggett

Partner

Sydney
20 February 2024

02 Interim Financial Statements

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

for the interim period ended 31 December 2023

| | NOTE | 2023 \$'000 | 2022 RESTATED ¹ \$'000 |
|--|------|-----------------|---|
| Continuing operations | | | |
| Revenue – contracts with clients | 6 | 523,747 | 460,053 |
| Expenses: | | | |
| Employee expenses | | (266,679) | (237,969) |
| Occupancy expenses | | (6,456) | (6,929) |
| IT costs | | (52,507) | (43,595) |
| Administrative and general expenses | | (76,481) | (55,105) |
| Acquisition, divestment, and capital management related expenses | | (24,528) | (9,209) |
| | | (426,651) | (352,807) |
| Depreciation expense | | (15,141) | (18,297) |
| Intangibles amortisation expense | | (33,648) | (30,133) |
| Contract fulfilment cost amortisation expenses | | (1,101) | (1,138) |
| | | (49,890) | (49,568) |
| Net gain on disposal of FS and BCM operating segments | 5 | 25,441 | - |
| Gain/(loss) on financial assets held at fair value through profit and loss | | 748 | (195) |
| Gain on sale of equity accounted investment | | - | 47,859 |
| Share of profit of equity-accounted investees, net of tax | | - | 1,555 |
| Redress provision expense | | (4,604) | (322,852) |
| Finance income | | 5,246 | 1,171 |
| Finance costs | | (48,169) | (23,900) |
| Net finance costs | | (42,923) | (22,729) |
| Profit/(loss) before tax | | 25,868 | (238,684) |
| Income tax (expense)/benefit | 8 | (58,219) | 13,693 |
| Loss for the interim period from continuing operations | | (32,351) | (224,991) |
| Discontinued operations | | | |
| Loss from discontinued operations, net of tax | 5 | (1,641) | (235,524) |
| Loss for the year | | (33,992) | (460,515) |
| Other comprehensive income | | | |
| Items that may be reclassified subsequently to profit or loss: | | | |
| Foreign currency translation differences for foreign operations | 8 | (38,310) | 8,497 |
| Other comprehensive income, net of tax | | (38,310) | 8,497 |
| Total comprehensive loss for the interim period | | (72,302) | (452,018) |

¹2022 numbers have been restated to disclose the impact of discontinued operations. Details are included in Note 5 - Discontinued Operations and Assets held for sale. Prior period comparative information has also been restated in accordance with AASB 108 Accounting Policies, Changes in Accounting Estimates and Errors. Refer to Note 3.

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

02 Interim Financial Statements

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

for the interim period ended 31 December 2023 (continued)

| | NOTE | 2023 \$'000 | 2022 RESTATED ¹ \$'000 |
|--|------|------------------------|---|
| Loss attributable to: | | | |
| Owners of the Company | | (33,968) | (460,276) |
| Non-controlling interest | | (24) | (239) |
| Loss for the interim period | | (33,992) | (460,515) |
| Total comprehensive loss attributable to: | | | |
| Owners of the Company | | (72,278) | (451,779) |
| Non-controlling interest | | (24) | (239) |
| Total comprehensive loss for the interim period | | (72,302) | (452,018) |
| EARNINGS PER SHARE | | | |
| | | CENTS PER SHARE | CENTS PER SHARE |
| Basic earnings per share | 7 | (6.62) | (90.05) |
| Diluted-earnings per share | 7 | (6.62) | (90.05) |
| EARNINGS PER SHARE – CONTINUING OPERATIONS | | | |
| | | CENTS PER SHARE | CENTS PER SHARE |
| Basic earnings per share from continuing operations | 7 | (6.30) | (43.97) |
| Diluted-earnings per share from continuing operations | 7 | (6.30) | (43.97) |

¹2022 numbers have been restated to disclose the impact of discontinued operations. Details are included in Note 4 - Discontinued Operations and Assets held for sale. Prior period comparative information has also been restated in accordance with AASB 108 Accounting Policies, Changes in Accounting Estimates and Errors. Refer to Note 3.

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

02 Interim Financial Statements

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION as at 31 December 2023

| | NOTE | 31 DECEMBER 2023 \$'000 | 30 JUNE 2023 RESTATED ¹ \$'000 |
|--|-------|-------------------------------|---|
| Current assets | | | |
| Cash and cash equivalents | 11,15 | 386,995 | 124,465 |
| Trade and other receivables | 9 | 172,582 | 149,771 |
| Other assets | | 40,929 | 38,934 |
| Current tax assets | | 7,545 | 5,775 |
| Assets held for sale | 5 | 9,254 | 1,198,407 |
| Total current assets | | 617,305 | 1,517,352 |
| Non-current assets | | | |
| Trade and other receivables | 9 | 10,096 | 6,469 |
| Investments | 17 | 76,870 | 82,035 |
| Plant and equipment | 12 | 163,554 | 194,730 |
| Intangible assets | 13 | 1,282,801 | 1,285,660 |
| Deferred tax assets | | 48,907 | 99,192 |
| Other assets | | 6,917 | 6,708 |
| Total non-current assets | | 1,589,145 | 1,674,794 |
| Total assets | | 2,206,450 | 3,192,146 |
| Current liabilities | | | |
| Trade and other payables | 10 | 165,055 | 150,427 |
| Interest bearing loans and borrowings | 16 | 32,964 | 34,238 |
| Provisions | 11 | 440,439 | 450,317 |
| Employee benefits | | 49,377 | 47,146 |
| Current tax liabilities | | 21,731 | 1,523 |
| Liabilities held for sale | 5 | 5,577 | 898,625 |
| Total current liabilities | | 715,143 | 1,582,276 |
| Non-current liabilities | | | |
| Trade and other payables | 10 | 14,561 | 16,307 |
| Interest bearing loans and borrowings | 16 | 1,098,638 | 1,105,708 |
| Provisions | 11 | 15,437 | 23,038 |
| Employee benefits | | 6,078 | 5,715 |
| Deferred tax liabilities | | 45,627 | 58,824 |
| Total non-current liabilities | | 1,180,341 | 1,209,592 |
| Total liabilities | | 1,895,484 | 2,791,868 |
| Net assets | | 310,966 | 400,278 |
| Equity | | | |
| Contributed equity | 18 | 1,007,376 | 1,002,711 |
| Reserves | | 163,172 | 223,370 |
| Accumulated losses | 20 | (859,850) | (826,095) |
| Total equity attributable to equity holders of the parent | | 310,698 | 399,986 |
| Non-controlling interest | | 268 | 292 |
| Total equity | | 310,966 | 400,278 |

¹Prior period comparative information has been restated in accordance with AASB 108 Accounting Policies, Changes in Accounting Estimates and Errors. Refer to Note 3.

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

02 Interim Financial Statements

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY for the interim period ended 31 December 2023

| | SHARE CAPITAL \$'000 | RESERVES \$'000 | ACCUMULATED LOSSES \$'000 | TOTAL EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT \$'000 | NON- CONTROLLING INTEREST \$'000 | TOTAL EQUITY \$'000 |
|--|----------------------------|--------------------|---------------------------------|---|---|---------------------------|
| Balance at 30 June 2023¹ | 1,002,711 | 223,370 | (826,095) | 399,986 | 292 | 400,278 |
| Net loss after tax | – | – | (33,968) | (33,968) | (24) | (33,992) |
| Foreign currency translation differences, net of tax | – | (38,310) | – | (38,310) | – | (38,310) |
| Total other comprehensive income, net of income tax | – | (38,310) | – | (38,310) | – | (38,310) |
| Total comprehensive income for the interim period | – | (38,310) | (33,968) | (72,278) | (24) | (72,302) |
| Dividends declared during the interim period | – | (20,575) | – | (20,575) | – | (20,575) |
| Issue of share capital, net of costs of raising capital and tax | 4,665 | – | – | 4,665 | – | 4,665 |
| Equity settled share-based payments | – | 4,922 | 213 | 5,135 | – | 5,135 |
| Treasury shares acquired | – | (6,235) | – | (6,235) | – | (6,235) |
| Total contributions by and distributions to owners | 4,665 | (21,888) | 213 | (17,010) | – | (17,010) |
| Balance at 31 December 2023 | 1,007,376 | 163,172 | (859,850) | 310,698 | 268 | 310,966 |

¹Prior period comparative information has been restated in accordance with AASB 108 Accounting Policies, Changes in Accounting Estimates and Errors. Refer to Note 3.

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

02 Interim Financial Statements

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY for the interim period ended 31 December 2023 (continued)

| | SHARE CAPITAL \$'000 | RESERVES \$'000 | ACCUMULATED LOSSES \$'000 | TOTAL EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT \$'000 | NON- CONTROLLING INTEREST \$'000 | TOTAL EQUITY \$'000 |
|--|----------------------------|--------------------|---------------------------------|---|---|---------------------------|
| Balance at 30 June 2022 | 1,815,983 | (73,496) | (233,926) | 1,508,561 | 571 | 1,509,132 |
| Net loss after tax¹ | – | – | (460,276) | (460,276) | (239) | (460,515) |
| Foreign currency translation differences, net of tax | – | 8,497 | – | 8,497 | – | 8,497 |
| Total other comprehensive income, net of income tax | – | 8,497 | – | 8,497 | – | 8,497 |
| Total comprehensive income for the interim period¹ | – | 8,497 | (460,276) | (451,779) | (239) | (452,018) |
| Transactions with shareholders | | | | | | |
| Dividends declared during the interim period | – | (41,039) | – | (41,039) | (103) | (41,142) |
| Return of capital to shareholders | (815,005) | – | – | (815,005) | – | (815,005) |
| Equity settled share-based payments | – | 6,899 | 1,026 | 7,925 | – | 7,925 |
| Treasury shares acquired | – | (3,758) | – | (3,758) | – | (3,758) |
| Transactions with non- controlling interests without a change in control | – | (1,878) | – | (1,878) | (231) | (2,109) |
| Acquisition of subsidiary with non-controlling interests | – | – | – | – | 320 | 320 |
| Total contributions by and distributions to owners | (815,005) | (39,776) | 1,026 | (853,755) | (14) | (853,769) |
| Balance at 31 December 2022¹ | 1,000,978 | (104,775) | (693,176) | 203,027 | 318 | 203,345 |

¹ Prior period comparative information has been restated in accordance with AASB 108 Accounting Policies, Changes in Accounting Estimates and Errors. Refer to Note 3.

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

02 Interim Financial Statements

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS for the interim period ended 31 December 2023

| | NOTE | 31 DECEMBER 2023 ¹ \$'000 | 31 DECEMBER 2022 ¹ \$'000 |
|---|-------|--|--|
| Cash flows from operating activities | | | |
| Cash receipts in the course of operations | | 644,839 | 636,803 |
| Cash payments in the course of operations | | (557,032) | (486,369) |
| | | 87,807 | 150,434 |
| Cash payments for acquisition/divestment and other one-off costs | | (31,647) | (26,948) |
| Interest received | | 4,919 | 859 |
| Dividends received | | 207 | 174 |
| Interest paid | | (33,784) | (24,281) |
| Income taxes paid, net of refunds received | | (5,877) | (10,088) |
| Net cash provided by operating activities | 15(a) | 21,625 | 90,150 |
| Cash flows from investing activities | | | |
| Payments for plant and equipment | | (3,558) | (4,749) |
| Payments for software | | (44,901) | (29,110) |
| Acquisition of subsidiaries, net of cash acquired | | (556) | (14,161) |
| Proceeds from divestment of BCM and FS, net of cash divested | | 206,222 | – |
| Proceeds from sale of investments | | 3,962 | 102,376 |
| Net cash provided by investing activities | | 161,169 | 54,356 |
| Cash flows from financing activities | | | |
| Proceeds from borrowings | | 50,912 | 79,578 |
| Repayment of borrowings | | (17,000) | (112,219) |
| Payment of borrowing transaction costs | | (3,167) | – |
| Repayment of lease liabilities | | (17,501) | (22,594) |
| Payment for purchase of treasury shares | | (1,570) | (3,758) |
| Dividends paid to owners of the Company | | (20,575) | (41,039) |
| Dividends paid to non-controlling interest | | – | (103) |
| Net cash used in financing activities | | (8,901) | (100,135) |
| Net increase in cash and cash equivalents | | 173,893 | 44,371 |
| Cash and cash equivalents at the beginning of the interim period | | 221,090 | 193,278 |
| Effect of exchange rate fluctuations on cash held | | (3,779) | (2,465) |
| Cash and cash equivalents at the end of the interim period | | 391,204 | 235,184 |

¹Link Group has presented the Consolidated Statement of Cash Flows on a total basis - i.e. including both continuing and discontinued operations. Amounts related to discontinued operations are disclosed in Note 5.

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

03 Notes to the Interim Financial Statements

PREPARATION OF THIS REPORT

1. GENERAL INFORMATION

Link Administration Holdings Limited (the “Company”) is a company incorporated and domiciled in Australia. The Company’s registered office and principal place of business is Level 12, 680 George Street, Sydney NSW 2000, Australia. The consolidated interim financial statements of Link Group as at and for the six months ended 31 December 2023 (the interim period) comprise the Company and its subsidiaries and Link Group’s interest in associates.

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

2. BASIS OF PREPARATION

(a) Statement of compliance

The consolidated interim financial statements are general purpose condensed financial statements which have been prepared in accordance with Corporations Act 2001 and AASB 134 Interim Financial Reporting as issued by the Australian Accounting Standards Board applying a request by ASIC to revisit certain accounting treatments as announced on 31 October 2023 and outlined below.

In response to a request by ASIC, Link Group has revisited their accounting treatment relating to its sale of Fund Solutions (FS) – UK and Ireland business (excluding Luxembourg and Switzerland) to Waystone Group (the Sale), and the settlement of the investigation by the Financial Conduct Authority (FCA) into Link Fund Solutions Limited (LFSL) in respect of LFSL’s role as Authorised Corporate Director (ACD) of the LF Woodford Equity income Fund (the Settlement). As announced to the market on 31 October 2023, the Group will now recognise the financial result of the Sale and the Settlement within the same financial reporting period, being the financial period ended 30 June 2023. As a result, Link Group has restated prior period comparative information. Refer to Note 3 below.

The consolidated interim financial statements do not include all of the information required for a complete set of annual financial statements and should be read in conjunction with Link Group’s consolidated annual financial statements for the year ended 30 June 2023 (2023 Annual Report). However, selected explanatory notes are included to explain events and transactions that are significant to understanding changes in Link Group’s financial position and performance since the 2023 Annual Report, in particular certain comparative information.

The consolidated interim financial statements have been prepared on a going concern basis which assumes that Link Group will be able to meet obligations for the foreseeable future (recognising the sales of the Banking & Credit Management (BCM) and Fund Solutions (FS) businesses), as the Consolidated Entity continues to operate the Corporate Markets (CM) and Retirement & Superannuation Solutions (RSS) businesses. The BCM sale completed on 1 September 2023. The FS sale completed on 9 October 2023.

The Directors are of the opinion that the Consolidated Entity is able to satisfy its obligations as and when they fall due at least 12 months from the date of authorisation of these financial statements. As at 31 December 2023, the Consolidated Entity had \$387.0 million in cash and cash equivalents from continuing operations (of which approximately \$261.2 million related to the divestment proceeds of the FS businesses), and access to undrawn debt facilities of \$226.4 million. The net current liability position of \$97.8 million as at 31 December 2023 is due mainly to the recognition of the Redress provision of \$432.8 million, and will largely reduce through use of divestment proceeds and recognition of insurance proceeds relating to the Scheme (disclosed as a Contingent Asset, refer to Note 14). Mitsubishi UFJ Trust & Banking Corporation (MUTB) has made announcements that it will continue to operate Link Group’s RSS and CM businesses under its current group structure.

These interim period financial statements were authorised for issue by the Board of Directors on 20 February 2024.

03 Notes to the Interim Financial Statements

(b) Basis of measurement

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

(c) Functional and presentation currency

These consolidated interim financial statements are presented in Australian Dollars, which is the Company's functional currency. Link Group's accounting policies applied in translating the results and financial position of subsidiaries which have a functional currency other than Australian Dollars into the presentation currency were the same as those that applied to the 2023 Annual Report.

(d) Use of estimates and judgements

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

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

- Note 5 Discontinued operations;
- Note 8 Utilisation of tax losses;
- Note 11 Provisions;
- Note 13 Reassessment of remaining useful economic lives of core software platforms;
- Note 13 Key assumptions in impairment testing for cash generating units (CGUs) containing goodwill
- Note 17 Fair value of level 3 financial instruments; and
- Note 21 Share-based payments.

(e) Rounding off

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

(f) Changes in accounting policies and estimates

The principal accounting policies adopted by Link Group are consistent with those applied to the 2023 Annual Report.

(g) New standards and interpretations not yet adopted

Certain amendments to accounting standards have been published that are not mandatory for 31 December 2023 reporting periods and have not been early adopted by the Group. These amendments are not expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions.

03 Notes to the Interim Financial Statements

PREPARATION OF THIS REPORT

3. RESTATEMENT OF PRIOR PERIOD

(a) Nature of prior period restatement

The sale of Link Group's Fund Solutions (FS) – UK and Ireland business (excluding Luxembourg and Switzerland) to Waystone Group was completed on 9 October 2023 (the Sale).

Following the completion of the Sale, Link Group amended the accounting treatment adopted in its 1HFY23 interim financial report and FY23 annual financial report in order to recognise the financial result of the completed Sale, and the Settlement of the investigation by the Financial Conduct Authority (FCA) into Link Fund Solutions Limited (LFSL) in respect of LFSL's role as Authorised Corporate Director (ACD) of the LF Woodford Equity Income Fund (the Settlement), within the same financial reporting period. Refer to the ASX announcement on 31 October 2023 for further details.

At the time the 1HFY23 interim financial report was released on 24 February 2023, there was considerable uncertainty as to whether (what ultimately became) the Sale and the Settlement would eventuate. Link Group estimated the fair value less cost of disposal (FVLCD) for the FS business to be zero and a \$449 million impairment charge was recognised to reduce the carrying value of the FS Cash Generating Unit (CGU)'s non-current assets to \$nil.

On 20 April 2023, Link Group announced it had signed a conditional sale agreement with Waystone Group and reached a conditional settlement of the FCA investigation. The Settlement was conditional on the completion of the Sale and the sanctioning of the LFSL scheme of arrangement (the Scheme). These matters were then recognised in the FY23 annual financial report released on 28 August 2023. Link Group intended that it would recognise the Sale proceeds and the insurance proceeds in respect of the Scheme when Link Group ceased to control the FS business, on completion of the Sale and following the implementation of the Scheme in FY24.

As a result of the information which was available to Link Group at each of those financial reporting periods, the financial result of the Sale and the Settlement would have been recognised in the financial statements of Link Group across two financial years. Accordingly, Link Group's FY23 financial report recognised a provision of approximately \$390.9 million (net of tax) in relation to the Settlement and associated redress.

(b) Effect of prior period restatement

Link Group has restated the FY23 comparatives in this 1HFY24 Interim Financial Report to base the Fair Value less Cost of Disposal (FVLCD) of the FS Cash Generating Unit on the Sale proceeds less estimated costs to sell (a FVLCD of \$231.5 million as at 31 December 2022), resulting in a decrease in impairment expense of approximately \$238 million. The amendment results in the recognition of a redress provision of approximately \$322.9 million pre-tax as at 31 December 2022 with the provision amount increasing to \$441.1 million as at 30 June 2023 to incorporate an additional element of the provision as agreed with the FCA in April 2023 being insurance recoveries. This brings the total provisions as at 30 June 2023 to \$450.3 million. The correction of \$12.2 million to the Redress Provision at 30 June 2023 is predominantly due to the impact of the discounting assumptions for the time value of money.

This had the effect of increasing the corresponding assets of the FS business by approximately \$170 million (after accounting for associated foreign exchange differences). This is reflected in Assets Held for Sale at 30 June 2023 as it relates to the FS business. This treatment is disclosed as a correction of prior period treatment in this interim financial report for the half-year ending 31 December 2023.

The effect of the prior period restatement is an increase in the total comprehensive loss to approximately \$460.5 million for the six months ended 31 December 2022, and an increase in net assets of \$155.6 million as at 30 June 2023.

03 Notes to the Interim Financial Statements

The corrections have been incorporated by Link Group restating each of the financial statement line items in the prior periods. The following tables summarise the impact on the Consolidated Statement of Profit or Loss and Other Comprehensive Income for the six months ended 31 December 2022 and the Consolidated Statement of Financial Position as at 30 June 2023:

| CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE SIX MONTHS ENDED 31 DECEMBER 2022 | AS PREVIOUSLY REPORTED \$'000 | CORRECTION \$'000 | AS RESTATED \$'000 |
|--|--|----------------------|-----------------------|
| Redress provision expense | – | (322,852) | (322,852) |
| Loss from Discontinued operations (Impairment expense) | (464,306) | 238,929 | (225,377) |
| Loss before tax | (393,127) | (83,923) | (477,050) |
| Income Tax (expense)/benefit | (17,020) | 33,556 | 16,536 |
| Loss for the year | (410,147) | (50,368) | (460,515) |
| Total comprehensive loss | (401,650) | (50,368) | (452,018) |

| CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2023 | AS PREVIOUSLY REPORTED \$'000 | CORRECTION \$'000 | AS RESTATED \$'000 |
|--|--|----------------------|--------------------------|
| Assets Held for Sale | 1,028,451 | 169,956 | 1,198,407 |
| Total current assets | 1,347,396 | 169,956 | 1,517,352 |
| Deferred tax asset | 101,335 | (2,143) | 99,192 |
| Total non-current assets | 1,676,937 | (2,143) | 1,674,794 |
| Total assets | 3,024,333 | 167,813 | 3,192,146 |
| Provisions | 438,155 | 12,162 | 450,317 ¹ |
| Total current liabilities | 1,570,114 | 12,162 | 1,582,276 |
| Total non-current liabilities | 1,209,592 | - | 1,209,592 |
| Total liabilities | 2,779,706 | 12,162 | 2,791,868 |
| Net assets | 244,627 | 155,651 | 400,278 |
| Reserves | 236,512 | (13,142) | 223,370 |
| Accumulated losses | (994,888) | 168,793 | (826,095) |
| Total equity attributable to equity holders of the parent | 244,335 | 155,651 | 399,986 |
| Total equity | 244,627 | 155,651 | 400,278 |

¹ Provisions includes the Redress provisions of \$441.1 million as at 30 June 2023.

03 Notes to the Interim Financial Statements

OPERATING RESULTS

4. OPERATING SEGMENTS

(a) Reportable segments

Link Group has two reportable segments described below, which are Link Group's operating divisions. Each of the divisions offers different products and services and is managed separately because they require different technology and business strategies to service their respective markets and comply with relevant legislative and 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)

The sale of the BCM business to LC Financial Holdings Limited (LCFH) was completed on 1 September 2023 and it is not considered a reportable segment for the half-year ended 31 December 2023.

Fund Solutions (FS)

The sale of the FS UK and Ireland business to Waystone Group was completed on 9 October 2023 and is not considered a reportable segment for the half-year ended 31 December 2023. The FS Luxembourg and Swiss businesses are discontinued operations expected to be divested in 3QFY24.

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

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

| FOR THE INTERIM PERIOD ENDED 31 DECEMBER 2023 | RSS \$'000 | CM \$'000 | TOTAL REPORTABLE SEGMENTS \$'000 | BCM (DISCONTINUED OPERATION) \$'000 | FS (DISCONTINUED OPERATION) \$'000 | HEAD OFFICE \$'000 | TOTAL LINK GROUP \$'000 | ELIMINATION OF DISCONTINUED OPERATIONS/ HELD FOR SALE \$'000 | LINK GROUP CONTINUING OPERATIONS \$'000 |
|---|------------|-----------|----------------------------------|-------------------------------------|------------------------------------|--------------------|-------------------------|--|---|
| Segment revenue | 285,114 | 247,045 | 532,159 | 20,275 | 45,759 | – | 598,193 | (66,034) | 532,159 |
| Inter-segment eliminations | (212) | (8,200) | (8,412) | (19) | (56) | – | (8,487) | 75 | (8,412) |
| Revenue – contracts with clients | 284,902 | 238,845 | 523,747 | 20,256 | 45,703 | – | 589,706 | (65,959) | 523,747 |
| Operating EBIT | 55,779 | 55,615 | 111,394 | (6,147) | 3,488 | (20,583) | 88,152 | 2,659 | 90,811 |
| Total assets at 31 December 2023 | 865,001 | 996,104 | 1,861,105 | – | 9,254 | 336,091 | 2,206,450 | (9,254) | 2,197,196 |

03 Notes to the Interim Financial Statements

| FOR THE INTERIM PERIOD ENDED 31 DECEMBER 2022 (RESTATED) ¹ | RSS \$'000 | CM \$'000 | TOTAL REPORTABLE SEGMENTS \$'000 | BCM (DISCONTINUED OPERATION) \$'000 | FS (DISCONTINUED OPERATION) \$'000 | HEAD OFFICE \$'000 | TOTAL LINK GROUP \$'000 | ELIMINATION OF DISCONTINUED OPERATIONS/ HELD FOR SALE \$'000 | LINK GROUP CONTINUING OPERATIONS \$'000 |
|---|----------------|----------------|-------------------------------------|--|---------------------------------------|-----------------------|----------------------------|---|--|
| Segment revenue | 267,880 | 200,153 | 468,033 | 59,078 | 73,443 | – | 600,554 | (132,521) | 468,033 |
| Inter-segment eliminations | (357) | (7,620) | (7,977) | (47) | (56) | – | (8,080) | 100 | (7,980) |
| Revenue – contracts with clients | 267,523 | 192,533 | 460,056 | 59,031 | 73,387 | – | 592,474 | (132,421) | 460,053 |
| Operating EBIT¹ | 55,344 | 43,642 | 98,986 | (7,695) | 5,920 | (17,044) | 80,167 | 1,775 | 81,942 |
| Total assets at 30 June 2023¹ | 860,701 | 991,657 | 1,852,358 | 104,533 | 1,173,103 | 62,152 | 3,192,146 | (1,198,407) | 1,993,739 |

¹ 2022 numbers have been restated to disclose the impact of discontinued operations. Details are included in Note 5 – Discontinued Operations and Assets held for sale. Prior period comparative information has been restated in accordance with AASB 108 Accounting Policies, Changes in Accounting Estimates and Errors. Refer to Note 3.

(b) Reconciliation of reportable segments

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

| | 31 DECEMBER 2023 \$'000 | 31 DECEMBER 2022 RESTATED ^{1,2} \$'000 |
|---|----------------------------|---|
| Operating EBIT | 88,152 | 80,167 |
| Significant items/One-off costs: | | |
| • Business combination/acquisition & divestment costs ³ | (32,395) | (14,410) |
| • Redress provision cost ² | (4,604) | (322,852) |
| Total significant items | (36,999) | (337,262) |
| Depreciation expense – non-operating | 1,368 | (60) |
| Intangibles amortisation expense – non-operating | 2,527 | (41) |
| Intangibles amortisation expense – acquisition related | (13,572) | (20,321) |
| Gain/(loss) on financial assets held at fair value through profit and loss | 748 | (195) |
| Net gain on disposal of FS and BCM operating segments | 25,441 | – |
| Gain on sale of equity accounted investment | – | 47,859 |
| Share of profit of equity-accounted investees (excluding acquired amortisation), net of tax | – | 9,741 |
| Share of acquired amortisation of equity-accounted investees, net of tax | – | (8,186) |
| Impairment expense ² | – | (225,377) |
| Finance income | 5,246 | 1,703 |
| Finance expense | (47,676) | (25,078) |
| Elimination of discontinued operations (loss before tax) ¹ | 633 | 238,366 |
| Profit/(loss) before tax² | 25,868 | (238,684) |
| Income tax (expense)/benefit | (58,219) | 13,693 |
| Loss for the interim period² | (32,351) | (224,991) |

¹ 2022 numbers have been restated to disclose the impact of discontinued operations. Details are included in Note 5 – Discontinued Operations and Assets held for sale.

² Prior period comparative information has also been restated in accordance with AASB 108 Accounting Policies, Changes in Accounting Estimates and Errors. Refer to Note 3.

³ Costs incurred primarily in relation to the divestments of the FS and BCM businesses.

03 Notes to the Interim Financial Statements

5. DISCONTINUED OPERATIONS AND ASSETS HELD FOR SALE

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

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

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

During the interim period to 31 December 2023, there were two transactions which qualified as discontinued operations. The transactions are presented as discontinued operations under AASB 5, and post-tax profit or loss has been classified as a discontinued operation in the Consolidated Statement of Profit or Loss and Other comprehensive income. The prior period results have been restated to conform to the current presentation in the Consolidated Statement of Profit or Loss and Other comprehensive income and associated notes.

Divested Segments

Banking & Credit Management

- The sale of the BCM business to LC Financial Holdings Limited (LCFH) was completed on 1 September 2023.
- Link Group received: (a) cash consideration at completion; (b) deferred cash consideration payable within 12 months of completion; and (c) a cash earn-out subject to BCM meeting certain financial targets by the second anniversary of completion. Refer to Note 5(c) for further detail.

Fund Solutions

- The sale of the FS – UK and Ireland business to Waystone Group was completed on 9 October 2023 pursuant to which Link Group companies sold to the Waystone Group:
 - the business and certain assets of LFSL;
 - the business and certain assets of Link Fund Manager Solutions (Ireland) Limited (LFMS(I)L); and
 - the entire issued share capital of certain other subsidiaries of Link Group, which together with the business of LFSL and LFMS(I)L, comprise the FS Business (other than its Luxembourg and Swiss entities), but excluding Woodford related liabilities and, subject to normalised working capital adjustments, on a debt and cash free basis. Refer to Note 5(c) for further detail.
- Link Group has also signed a sale agreement with Altum Group for the sale of Link Fund Solutions (Luxembourg) S.A. and Link Fund Solutions (Switzerland). As per the announcement on 20 April 2023, Link Group has agreed to contribute any available net consideration it receives to the Scheme if it completes a sale of the Luxembourg and Swiss entities which form part of the FS Business prior to the date on which the distribution under the Scheme takes place. Link Group expects to complete the sale in 3QFY24.

(a) Results of discontinued operations for the interim period ended 31 December 2023

| | 2023 ¹ \$'000 | 2022 \$'000 |
|--|-----------------------------|----------------|
| Segment Revenue | 66,034 | 132,521 |
| Inter-segment eliminations | (75) | (100) |
| Revenue from external clients | 65,959 | 132,421 |
| Expenses | (66,592) | (370,788) |
| Loss from discontinued operations, before tax | (633) | (238,367) |
| Tax benefit/(expense) | (1,008) | 2,843 |
| Loss from discontinued operations, net of tax | (1,641) | (235,524) |

¹ Represents Loss from discontinued operations to the date of divestment.

03 Notes to the Interim Financial Statements

| EARNINGS PER SHARE | NOTE | CENTS PER SHARE | CENTS PER SHARE |
|---|------|-----------------|-----------------|
| Basic earnings per share of the discontinued operations | 7 | (0.32) | (46.08) |
| Diluted earnings per share of the discontinued operations | 7 | (0.32) | (46.08) |

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

| | 2023 \$'000 | 2022 \$'000 |
|---|----------------|----------------|
| Net cash (used in)/provided by operating activities | (23,259) | 54,679 |
| Net cash provided by/(used in) investing activities | 51,202 | (2,647) |
| Net cash provided by financing activities | 29,227 | 4,367 |
| Net cash flows for the year | 57,170 | 56,399 |

(c) Details of the sales of the discontinued operations

| | 2023 \$'000 |
|--|-----------------|
| Consideration received or receivable: | |
| Cash | 307,046 |
| Fair value of contingent consideration | 3,799 |
| Deferred consideration and completion adjustments | 2,089 |
| Total disposal consideration | 312,934 |
| Carrying amount of net assets sold | (323,371) |
| Gain on sale before income tax and reclassification of foreign currency translation reserve | (10,437) |
| Reclassification of foreign currency translation reserve | 35,878 |
| Income tax expense on gain | – |
| Gain on sale after income tax | 25,441 |

(d) Assets and Liabilities of disposal groups held for sale

| | DEC 2023 ² \$'000 | JUNE 2023 ¹ \$'000 |
|---------------------------------------|------------------------------------|-------------------------------------|
| Cash and cash equivalents | 4,209 | 96,625 |
| Trade and other receivables | 1,784 | 126,857 |
| Investments | 8 | 1,054 |
| Plant and equipment | 460 | 19,454 |
| Intangible assets | 2,161 | 269,267 |
| Fund Assets | 25 | 663,145 |
| Current tax assets | – | 2,674 |
| Deferred tax assets | 63 | – |
| Other assets | 544 | 19,331 |
| Assets held for sale | 9,254 | 1,198,407 |
| Trade and other payables | 4,669 | 194,524 |
| Interest bearing loans and borrowings | 196 | 11,428 |
| Provisions | 31 | 1,385 |
| Employees benefits | – | 3,249 |
| Current tax liabilities | 29 | 6,332 |
| Deferred tax liabilities | 615 | 20,325 |
| Fund liabilities | 37 | 661,382 |
| Liabilities held for sale | 5,577 | 898,625 |

¹ Prior period comparative information has also been restated in accordance with AASB 108 Accounting Policies, Changes in Accounting Estimates and Errors. Refer to Note 3.

² Represents the Luxembourg and Swiss Assets and Liabilities held for sale at 31 December 2023.

03 Notes to the Interim Financial Statements

6. REVENUE

Disaggregation of revenue

Revenue has been disaggregated by primary geographic location. The tables below also include a reconciliation of the disaggregated revenue with Link Group's reportable segments.

| FOR THE INTERIM PERIOD ENDED 31 DECEMBER 2023 | RSS \$'000 | CM \$'000 | TOTAL REPORTABLE SEGMENTS \$'000 | BCM (DISCONTINUED) \$'000 | FS (DISCONTINUED) \$'000 | INTER-SEGMENT ELIMINATIONS \$'000 | ELIMINATION OF DISCONTINUED OPERATIONS \$'000 | TOTAL LINK GROUP CONTINUING REVENUE \$'000 |
|--|----------------|----------------|---|---------------------------------|--------------------------------|---|--|---|
| Geographic location | | | | | | | | |
| Australia and New Zealand | 263,054 | 107,931 | 370,985 | – | – | (7,894) | – | 363,091 |
| United Kingdom and Channel Islands | 11,176 | 100,612 | 111,788 | 4,487 | 36,833 | (593) | (41,245) | 111,270 |
| Ireland | – | 2,654 | 2,654 | 12,508 | 5,873 | – | (18,381) | 2,654 |
| Other countries | 10,884 | 35,848 | 46,732 | 3,280 | 3,053 | – | (6,333) | 46,732 |
| Revenue – contracts with clients | 285,114 | 247,045 | 532,159 | 20,275 | 45,759 | (8,487) | (65,959) | 523,747 |

FOR THE INTERIM PERIOD ENDED 31
DECEMBER 2022

| FOR THE INTERIM PERIOD ENDED 31 DECEMBER 2022 | RSS \$'000 | CM \$'000 | TOTAL REPORTABLE SEGMENTS \$'000 | BCM (DISCONTINUED) \$'000 | FS (DISCONTINUED) \$'000 | INTER-SEGMENT ELIMINATIONS \$'000 | ELIMINATION OF DISCONTINUED OPERATIONS \$'000 | TOTAL LINK GROUP CONTINUING REVENUE \$'000 |
|--|----------------|----------------|---|---------------------------------|--------------------------------|---|--|---|
| Geographic location | | | | | | | | |
| Australia and New Zealand | 262,677 | 95,844 | 358,521 | – | – | (25,670) | – | 332,851 |
| United Kingdom and Channel Islands | 5,203 | 73,597 | 78,800 | 14,066 | 59,473 | (1,268) | (73,439) | 77,632 |
| Ireland | – | 2,219 | 2,219 | 34,579 | 10,431 | – | (45,010) | 2,219 |
| Other countries | – | 28,493 | 28,493 | 10,433 | 3,539 | 18,858 | (13,972) | 47,351 |
| Revenue – contracts with clients | 267,880 | 200,153 | 468,033 | 59,078 | 73,443 | (8,080) | (132,421) | 460,053 |

03 Notes to the Interim Financial Statements

7. EARNINGS PER SHARE

(a) Basic earnings per share

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

| | 31 DECEMBER 2023 \$'000 | 31 DECEMBER 2022 RESTATED ¹ \$'000 |
|---|-------------------------------|--|
| Loss for the year attributable to owners of the Company | | |
| Continuing operations | (32,327) | (224,752) |
| Discontinuing operations | (1,641) | (235,524) |
| Loss for the year attributable to owners of the Company | (33,968) | (460,276) |
| | NUMBER OF SHARES '000 | NUMBER OF SHARES '000 |
| Weighted average number of ordinary shares (basic) | | |
| Issued ordinary shares at the beginning of the financial year | 511,819 | 511,285 |
| Effect of allotments, issuances and buybacks | 1,224 | - |
| Effect of treasury shares acquired | (89) | (132) |
| Weighted average number of ordinary shares (basic) | 512,954 | 511,153 |
| Basic earnings per share (cents) - continuing operations | (6.30) | (43.97) |
| Basic earnings per share (cents) - discontinued operations | (0.32) | (46.08) |
| Total Basic earnings per share (cents) | (6.62) | (90.05) |

(b) Diluted earnings per share

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

| | 31 DECEMBER 2023 \$'000 | 31 DECEMBER 2022 RESTATED ¹ \$'000 |
|---|-------------------------------|--|
| Loss for the year attributable to owners of the Company | | |
| Continuing operations | (32,327) | (224,752) |
| Discontinued operations | (1,641) | (235,524) |
| Loss for the year attributable to owners of the Company | (33,968) | (460,276) |
| | NUMBER OF SHARES '000 | NUMBER OF SHARES '000 |
| Weighted average number of ordinary shares (diluted) | | |
| Basic weighted average number of ordinary shares | 512,954 | 511,153 |
| Effect of dilutive PSRs and SRs | 9,903 | 7,963 |
| Weighted average number of ordinary shares (diluted) | 522,857 | 519,116 |
| Diluted earnings per share (cents) - continuing operations | (6.30) | (43.97) |
| Diluted earnings per share (cents) - discontinued operations | (0.32) | (46.08) |
| Total Diluted earnings per share (cents) | (6.62) | (90.05) |

¹ Prior period comparative information has also been restated in accordance with AASB 108 Accounting Policies, Changes in Accounting Estimates and Errors. Refer to Note 3.

03 Notes to the Interim Financial Statements

8. TAXATION

(a) Income tax expense

| | 31 DECEMBER 2023 \$'000 | 31 DECEMBER 2022 ¹ \$'000 |
|---|-------------------------------|--|
| Current tax expense | | |
| Current interim period | (19,663) | (13,541) |
| Adjustment for prior periods | (3) | (2,037) |
| | (19,666) | (15,578) |
| Deferred tax (expense)/benefit | | |
| Origination and reversal of temporary differences | (38,748) | 30,394 |
| Adjustment for prior periods | 195 | (1,123) |
| | (38,553) | 29,271 |
| Income tax (expense)/benefit on continuing operations | (58,219) | 13,693 |
| Profit/(Loss) before income tax from continuing operations | 25,868 | (238,684) |
| Prima facie income tax benefit calculated at 30% on operating loss from ordinary activities: | (7,760) | 71,605 |
| Effect of tax rates in foreign jurisdictions | 7,910 | 14,569 |
| Non-deductible expenses and unrecognised tax losses ² | (60,953) | (82,286) |
| Non-assessable income | 2,520 | 12,858 |
| Change in tax rate | - | 126 |
| Under provision of tax in respect of prior interim periods | 64 | (3,179) |
| Income tax (expense)/benefit on continuing operations | (58,219) | 13,693 |

¹ 2022 numbers have been restated to disclose the impact of discontinued operations. Details are included in Note 5 - Discontinued Operations and Assets held for sale. Prior period comparative information has been restated in accordance with AASB 108 Accounting Policies, Changes in Accounting Estimates and Errors. Refer to Note 3.

² Non-deductible expenses for six months ended 31 December 2023 include loss on disposals (\$42 million), project costs (\$13 million).

(b) Tax recognised in other comprehensive income and equity

| | 31 DECEMBER 2023 | | | 31 DECEMBER 2022 | | |
|--------------------------------------|-------------------------|--------------------------|-------------------------|-------------------------|--------------------------|-------------------------|
| | BEFORE TAX \$'000 | TAX EXPENSE \$'000 | NET OF TAX \$'000 | BEFORE TAX \$'000 | TAX EXPENSE \$'000 | NET OF TAX \$'000 |
| Foreign Currency Translation Reserve | (38,310) | - | (38,310) | 8,497 | - | 8,497 |
| | (38,310) | - | (38,310) | 8,497 | - | 8,497 |

03 Notes to the Interim Financial Statements

(c) Unrecognised tax losses

As at 31 December 2023, Link Group had carried forward tax losses unrecognised for deferred tax purposes, available to offset against taxable income in future interim periods, in the following jurisdictions:

- Australian tax losses of \$166.1 million (30 June 2023: \$168.2 million);
- European tax losses of \$4.9 million (30 June 2023: \$47.3 million);
- United Kingdom tax losses of \$284.3 million (30 June 2023: \$282.7 million); and
- Other jurisdiction tax losses of \$0.4 million (30 June 2023: \$nil).

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

03 Notes to the Interim Financial Statements

OPERATING ASSETS AND LIABILITIES

9. TRADE AND OTHER RECEIVABLES

| | 31 DECEMBER 2023 \$'000 CONTINUING OPERATIONS | 30 JUNE 2023 \$'000 CONTINUING OPERATIONS |
|------------------------------|---|---|
| Current | | |
| Trade receivables | 153,185 | 138,734 |
| Less: Expected credit losses | (3,638) | (3,741) |
| | 149,547 | 134,993 |
| Lease receivables | 313 | – |
| Other receivables | 22,722 | 14,778 |
| | 172,582 | 149,771 |
| Non-Current | | |
| Lease receivables | 6,274 | 6,469 |
| Other receivables | 3,822 | – |
| | 10,096 | 6,469 |

10. TRADE AND OTHER PAYABLES

| | 31 DECEMBER 2023 \$'000 CONTINUING OPERATIONS | 30 JUNE 2023 \$'000 CONTINUING OPERATIONS |
|------------------------------|---|---|
| Current | | |
| Trade creditors | 43,263 | 41,559 |
| Accrued operational expenses | 37,902 | 25,496 |
| Contract liabilities | 12,163 | 13,957 |
| IT related creditors | 12,074 | 15,220 |
| Indemnified payables | 5,402 | 4,711 |
| Other creditors and accruals | 54,251 | 49,484 |
| | 165,055 | 150,427 |
| Non-current | | |
| Contract liabilities | 1,039 | 1,511 |
| Other creditors | 13,522 | 14,796 |
| | 14,561 | 16,307 |

03 Notes to the Interim Financial Statements

11. PROVISIONS

| | 31 DECEMBER 2023 \$'000 CONTINUING OPERATIONS | 30 JUNE 2023 \$'000 CONTINUING OPERATIONS ¹ |
|--------------------|---|--|
| Current | | |
| Provisions | 440,439 | 450,317 |
| Non-current | | |
| Provisions | 15,437 | 23,038 |

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

| | CLAIMS \$'000 | INTEGRATION \$'000 | REDRESS ¹ \$'000 | ONEROUS CONTRACT \$'000 | OTHER \$'000 | TOTAL \$'000 |
|--|------------------|-----------------------|--------------------------------|-------------------------------|-----------------|-----------------|
| Balance at 1 July 2023 | 20,186 | 2,859 | 441,115 | 5,707 | 3,488 | 473,355 |
| Provisions made during the interim period ² | 2,342 | – | 14,306 | – | 226 | 16,874 |
| Provisions used during the interim period | (6,612) | (852) | (12,825) | (1,490) | – | (21,779) |
| Provisions reversed during the interim period | (937) | (810) | – | – | – | (1,747) |
| Foreign exchange translation difference | (165) | (37) | (9,748) | (76) | (801) | (10,827) |
| Reclassification to claims | 1,048 | (1,048) | – | – | – | – |
| Balance at 31 December 2023 | 15,862 | 112 | 432,848 | 4,141 | 2,913 | 455,876 |
| Current | 6,071 | 112 | 432,848 | 1,408 | – | 440,439 |
| Non-current | 9,791 | – | – | 2,733 | 2,913 | 15,437 |

¹ Prior period comparative information has also been restated in accordance with AASB 108 Accounting Policies, Changes in Accounting Estimates and Errors. Refer to Note 3.

² Includes the effect of unwinding the discounting on the Redress Provision.

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.

03 Notes to the Interim Financial Statements

Redress: Link Group made ASX announcements on 20 February 2023 and 20 April 2023 that the Group and LFSL had reached a conditional agreement for the sale of the FS business, excluding its Luxembourg and Swiss entities, and excluding Woodford related liabilities, on a debt and cash free and normalised working capital adjustment basis, to the Waystone Group for an aggregate consideration of £140.1 million (the Sale). The Sale was completed on 9 October 2023. Refer to Note 5, *Discontinued operations and Assets held for sale*.

The first court hearing in relation to the Scheme occurred on 10 October 2023 with judgment handed down on 12 October 2023. The Court gave LFSL permission to call the Scheme Meeting and provide Scheme Creditors with detailed information about the Scheme and explain the impact the Scheme will have on them in a document called the Explanatory Statement. A Scheme Meeting occurred on 13 December 2023. Of the Scheme Creditors who voted, approximately 93.7% in number, representing approximately 96.1% in value, voted in favour of the Scheme.

The Bank of England Bank cash rate (5.25% at 31 December 2023) was applied as the discount rate to reflect the market assessment of the time value of money. It had the effect of reducing the provision by \$1.86 million (£1 million) as at 31 December 2023.

The Settlement and the Scheme together are expected to provide for the full and final settlement of the FCA's enforcement action against LFSL, and the full and final settlement of WEIF-related exposures of LFSL including relevant potential class actions. Specifically, the Scheme will provide that the payment of amounts to WEIF Investors, in accordance with the Scheme, will be in return for a full and final release from relevant WEIF Investors to LFSL and the wider Group.

As the Scheme comfortably met the statutory threshold for approval, LFSL asked the Court to sanction the Scheme at a second Court hearing on 18 January 2024 (the Sanction Hearing). The Sanction Hearing was heard in front of Mr. Justice Richards (the Judge). The High Court has handed down a judgement sanctioning (i.e. approving) the Scheme on 9 February 2024 (GMT), which was advised to the ASX by Link Group on 12 February 2024. Provided that no appeals are brought against the sanction of the Scheme, the Scheme is expected to become fully effective by 2 March 2024.

A contingent asset in respect of insurance proceeds in relation to the redress is disclosed in Note 14.

Redress related cash

The cash balance of \$387.0 million at 31 December 2023 includes approximately \$261.2 million relating to the divestment of the FS business which will be paid as redress to investors as part of the Scheme (if implemented). This includes Link Group's contribution but excludes any insurance recoveries, which if the Scheme proceeds on court settlement is expected to be received in 2HFY24.

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

03 Notes to the Interim Financial Statements

12. PLANT AND EQUIPMENT

| | PLANT & EQUIPMENT \$'000 | FIXTURES AND FITTINGS \$'000 | RIGHT- OF-USE \$'000 | TOTAL \$'000 |
|--|--------------------------------|---------------------------------------|----------------------------|-----------------|
| Cost | | | | |
| Balance at 1 July 2023 | 100,139 | 93,890 | 252,030 | 446,059 |
| Additions | 2,329 | 1,308 | 2,327 | 5,964 |
| Effects of movements in exchange rates | (896) | 299 | (1,561) | (2,158) |
| Disposals/write offs ² | (1,109) | (5,926) | (24,377) | (31,412) |
| Balance at 31 December 2023 | 100,463 | 89,571 | 228,419 | 418,453 |
| Depreciation and impairment losses | | | | |
| Balance at 1 July 2023 | (81,744) | (47,680) | (121,905) | (251,329) |
| Depreciation charge for the interim period | (4,708) | (2,780) | (7,653) | (15,141) |
| Effects of movements in exchange rates | 324 | (4) | 1,492 | 1,812 |
| Disposals/write offs ² | 1,109 | 905 | 7,745 | 9,759 |
| Balance at 31 December 2023 | (85,019) | (49,559) | (120,321) | (254,899) |
| Carrying amount at 31 December 2023 | 15,444 | 40,012 | 108,098 | 163,554 |

| | PLANT & EQUIPMENT \$'000 | FIXTURES AND FITTINGS \$'000 | RIGHT- OF-USE \$'000 | TOTAL \$'000 |
|--|--------------------------------|---------------------------------------|----------------------------|-----------------|
| Cost | | | | |
| Balance at 1 July 2022 | 106,414 | 102,287 | 300,495 | 509,196 |
| Acquisitions through business combinations | 106 | 1 | – | 107 |
| Additions | 1,931 | 1,165 | 4,936 | 8,032 |
| Effects of movements in exchange rates | (5) | 241 | 1,031 | 1,267 |
| Disposals/write offs | (66) | (10,325) | (43,202) | (53,593) |
| Balance at 31 December 2022 | 108,380 | 93,369 | 263,260 | 465,009 |
| Depreciation and impairment losses | | | | |
| Balance at 1 July 2022 | (77,295) | (44,673) | (113,056) | (235,024) |
| Depreciation charge for the interim period | (6,192) | (3,556) | (12,962) | (22,710) |
| Effects of movements in exchange rates | 129 | (41) | (124) | (36) |
| Disposals/write offs | 65 | 6,856 | 31,719 | 38,640 |
| Balance at 31 December 2022¹ | (83,293) | (41,414) | (94,423) | (219,130) |
| Carrying amount at 31 December 2022¹ | 25,087 | 51,955 | 168,837 | 245,879 |

¹Prior period comparative information has been restated in accordance with AASB 108 Accounting Policies, Changes in Accounting Estimates and Errors. Refer to Note 3.

²Includes a lease assignment to a discontinued operation. The lease liability reduced by approximately the same amount. Refer to Note 16.

03 Notes to the Interim Financial Statements

13. INTANGIBLE ASSETS

| | GOODWILL \$'000 | CLIENT RELATIONSHIPS \$'000 | SOFTWARE \$'000 | BRAND NAMES \$'000 | TOTAL \$'000 |
|--|--------------------|-----------------------------------|--------------------|--------------------------|--------------------|
| Cost | | | | | |
| Balance at 1 July 2023 | 987,668 | 383,358 | 731,975 | 4,735 | 2,107,736 |
| Acquisition through business combination | 556 | – | – | – | 556 |
| Additions | – | – | 41,387 | – | 41,387 |
| Effects of movements in exchange rates | (7,803) | (3,977) | (2,854) | (85) | (14,719) |
| Disposals/Assets written off | – | – | (4,965) | – | (4,965) |
| Balance at 31 December 2023 | 980,421 | 379,381 | 765,543 | 4,650 | 2,129,995 |
| Amortisation and impairment losses | | | | | |
| Balance at 1 July 2023 | (114,295) | (224,168) | (479,380) | (4,233) | (822,076) |
| Amortisation charge for the interim period | – | (13,006) | (20,465) | (177) | (33,648) |
| Effects of movements in exchange rates | 1,684 | 1,865 | 1,116 | 80 | 4,745 |
| Disposals/Assets written off | – | – | 3,785 | – | 3,785 |
| Balance at 31 December 2023 | (112,611) | (235,309) | (494,944) | (4,330) | (847,194) |
| Carrying amount at 31 December 2023 | 867,810 | 144,072 | 270,599 | 320 | 1,282,801 |
| Cost | | | | | |
| Balance at 1 July 2022 | 1,537,888 | 492,342 | 707,464 | 4,421 | 2,742,115 |
| Acquisitions through business combinations | 15,446 | 4,329 | 1,266 | – | 21,041 |
| Additions | – | – | 32,536 | – | 32,536 |
| Effects of movements in exchange rates | 15,225 | 4,680 | 2,889 | 51 | 22,845 |
| Disposals/Assets written off | – | – | (117) | – | (117) |
| Transfers | – | – | (3,939) | – | (3,939) |
| Balance at 31 December 2022 | 1,568,559 | 501,351 | 740,099 | 4,472 | 2,814,481 |
| Amortisation and impairment losses | | | | | |
| Balance at 1 July 2022 | (329,096) | (271,662) | (462,103) | (3,632) | (1,066,493) |
| Amortisation charge for the interim period | – | (19,286) | (22,808) | (162) | (42,256) |
| Impairment expense for the interim period ¹ | (225,377) | – | – | – | (225,377) |
| Effects of movements in exchange rates | (7,965) | (3,508) | (977) | (46) | (12,496) |
| Disposals/Assets written off | – | – | 117 | – | 117 |
| Balance at 31 December 2022¹ | (562,438) | (294,456) | (485,771) | (3,840) | (1,346,505) |
| Carrying amount at 31 December 2022¹ | 1,006,121 | 206,895 | 254,328 | 632 | 1,467,976 |

¹Prior period comparative information has been restated in accordance with AASB 108 Accounting Policies, Changes in Accounting Estimates and Errors. Refer to Note 3.

03 Notes to the Interim Financial Statements

Change in estimates

During the interim period, 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 (1HFY24) and forecast (FY24 and beyond) amortisation expense is as follows:

| | 1HFY24 ¹ \$'000 | FY2024 \$'000 | FY2025 \$'000 | FY2026 \$'000 | FY2027 \$'000 | FY2028 \$'000 | LATER \$'000 |
|---|-------------------------------|------------------|------------------|------------------|------------------|------------------|-----------------|
| Decrease/(increase) in amortisation expense | 3,018 | 5,790 | 2,915 | 2,442 | (881) | (2,203) | (8,063) |

¹ Six months ended 31 December 2023

Impairment

CGUs were not tested for impairment because there were no impairment indicators as at 31 December 2023.

14. CONTINGENT ASSETS

As disclosed in Note 11, insurers have conditionally agreed to indemnify LFSL up to the remaining insurance cover of approximately £48 million (equivalent to \$89.5 million as at 31 December 2023) for amounts it would be liable to pay as redress. Their agreement is, in particular, contingent on creditors voting in favour of the Scheme and the English High Court approving the Scheme of Arrangement. The remaining insurance cover would also be eroded by any successful costs claims made by LFSL.

03 Notes to the Interim Financial Statements

15. NOTES TO THE STATEMENT OF CASH FLOWS

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

| | 31 DECEMBER 2023 \$'000 | 31 DECEMBER 2022 RESTATED ¹ \$'000 |
|---|-------------------------------|--|
| Loss after income tax | (33,992) | (460,515) |
| Add/(less) non-cash items | | |
| Depreciation expense | 15,580 | 22,710 |
| Intangibles amortisation expense | 33,648 | 42,256 |
| Contract fulfilment costs amortisation expense | 1,101 | 3,599 |
| Impairment expense | – | 225,377 |
| Gain on sale of equity accounted investment | – | (47,859) |
| Gain on financial assets held at fair value through profit & loss | (748) | 195 |
| Gain on divestment of BCM and FS | (25,441) | – |
| Share of profit of equity-accounted investees, net of tax | – | (1,555) |
| Equity-settled share based payment expense | 5,135 | 7,925 |
| Unrealised foreign exchange (gain)/loss | (128) | (530) |
| Borrowing cost amortisation | 1,556 | 797 |
| Unwinding discount on provisions and deferred consideration | 7,690 | – |
| Gain on disposal/write-off of plant and equipment and intangibles | 33 | (1,614) |
| Net cash inflow from operating activities before changes in assets and liabilities | 4,434 | (209,214) |
| Change in operating assets and liabilities | | |
| Change in trade and other receivables | (19,443) | (21,606) |
| Change in other assets | (1,860) | (1,778) |
| Change in fund assets and fund liabilities | (226) | 4,587 |
| Change in trade and other payables | (2,494) | 32,262 |
| Change in employee benefits | 2,097 | 2,605 |
| Change in provisions | (14,233) | 309,918 |
| Change in current and deferred tax balances | 53,350 | (26,624) |
| Net cash inflow from operating activities | 21,625 | 90,150 |

¹ Prior period comparative information has been restated in accordance with AASB 108 Accounting Policies, Changes in Accounting Estimates and Errors. Refer to Note 3.

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

| | 30 JUNE 2023 \$'000 | FINANCING CASH FLOWS \$'000 | NON-CASH | | | 31 DECEMBER 2023 \$'000 |
|---|---------------------------|--------------------------------------|---|---|---|-------------------------------|
| | | | BORROWING COST AMORTISATION \$'000 | OTHER NON- FINANCING ACTIVITIES \$'000 | FOREIGN EXCHANGE MOVEMENT \$'000 | |
| Interest-bearing loans and borrowings – Current | 36,755 | 323 | – | (3,855) | (48) | 33,175 |
| Interest-bearing loans and borrowings – Non-current | 1,114,618 | 12,921 | 1,556 | (25,744) | (4,729) | 1,098,622 |
| Total liabilities from financing activities | 1,151,373 | 13,244 | 1,556 | (29,599) | (4,777) | 1,131,797 |

(c) Redress related cash

The cash balance of \$387.0 million at 31 December 2023 includes approximately \$261.2 million relating to the divestment of the FS business which will be paid as redress to investors as part of the Scheme (if implemented). This includes Link Group's contribution but excludes any insurance recoveries, which if the Scheme proceeds on court settlement is expected to be received in 2HFY24.

03 Notes to the Interim Financial Statements

CAPITAL STRUCTURE, FINANCING AND RISK MANAGEMENT

16. INTEREST BEARING LOANS AND BORROWINGS

| | 31 DECEMBER 2023 \$'000 | 30 JUNE 2023 \$'000 |
|--------------------|-------------------------------|---------------------------|
| | CONTINUING OPERATIONS | CONTINUING OPERATIONS |
| Current | | |
| Lease liabilities | 32,964 | 34,238 |
| | 32,964 | 34,238 |
| Non-current | | |
| Lease liabilities | 170,792 | 205,433 |
| Loans | 927,846 | 900,275 |
| | 1,098,638 | 1,105,708 |

| FINANCING ARRANGEMENTS | FACILITY NOTIONAL CURRENCY | INTEREST RATE AT 31 DECEMBER 2023 (P.A.) | 31 DECEMBER 2023 \$'000 | 30 JUNE 2023 \$'000 |
|--|----------------------------------|---|-------------------------------|---------------------------|
| Total facilities available: | | | | |
| Non-amortising term loan facility | AUD | 6.0% - 6.3% | 840,000 | 630,000 |
| Working capital facility | AUD | 1.9% - 6.3% | 30,000 | 30,000 |
| Non-amortising term loan facility | GBP | 6.1% - 7.2% | 262,923 | 476,190 |
| Working capital facility | GBP | 1.9% - 7.2% | 37,272 | 38,095 |
| | | | 1,170,195 | 1,174,285 |
| Facilities utilised at reporting date: | | | | |
| Non-amortising term loan facility | AUD | 6.0% - 6.3% | 669,600 | 500,650 |
| Working capital facility | AUD | 1.9% | 11,520 | 11,520 |
| Non-amortising term loan facility | GBP | 6.1% - 7.2% | 262,063 | 401,904 |
| Working capital facility | GBP | 1.9% | 587 | 595 |
| | | | 943,770 | 914,669 |
| Facilities not utilised at reporting date | | | | |
| Non-amortising term loan facility | AUD | 0.7% - 0.8% | 170,400 | 129,350 |
| Working capital facility | AUD | 0.7% | 18,480 | 18,480 |
| Non-amortising term loan facility | GBP | 0.7% | 860 | 74,286 |
| Working capital facility | GBP | 0.7% | 36,685 | 37,500 |
| | | | 226,425 | 259,616 |

Facilities utilised at reporting date includes \$12.1 million (30 June 2023: \$12.1 million) of guarantees provided to external parties, which have not been drawn down.

Effective 18 October 2023, Link Group amended and extended its existing Syndicated Facility Agreement ("Agreement"). The amendment extended the term on facilities A and D, and the denomination of facility D was changed to AUD (previously GBP), the total debt facilities are unchanged with approximately \$1.2 billion of available facilities with substantially the same terms and conditions. The amended Agreement provides the following facilities:

- A. \$315 million AUD revolving loan facility available until 18 October 2027;
- B. \$315 million AUD revolving loan facility available until 29 October 2026;
- C. \$30 million AUD working capital facility available until 29 October 2026
- D. \$210 million multicurrency revolving loan facility available until 18 October 2027
- E. £140 million multicurrency revolving loan facility available until 29 October 2026; and
- F. £20 million multicurrency working capital facility available until 29 October 2026.

03 Notes to the Interim Financial Statements

17. INVESTMENT AND FINANCIAL RISK MANAGEMENT

(a) Investments

| | 31 DECEMBER 2023 \$'000 | 30 JUNE 2023 \$'000 |
|---|-------------------------------|---------------------------|
| Listed equity securities – at fair value through profit or loss | – | 3,074 |
| Unlisted investments – at fair value through profit or loss | 76,870 | 78,961 |
| | 76,870 | 82,035 |

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

(b) Fair value of financial instruments

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

| | LEVEL 1 \$'000 | LEVEL 2 \$'000 | LEVEL 3 \$'000 | TOTAL \$'000 |
|---|-------------------|-------------------|-------------------|-----------------|
| 31 December 2023 | | | | |
| Assets | | | | |
| Listed investments designated at fair value through profit and loss | – | – | – | – |
| Unlisted equity securities designated at fair value through profit and loss | – | – | 76,870 | 76,870 |
| | – | – | 76,870 | 76,870 |
| 30 June 2023 | | | | |
| Assets | | | | |
| Listed investments designated at fair value through profit and loss | 3,074 | – | – | 3,074 |
| Unlisted equity securities designated at fair value through profit and loss | – | 390 | 78,571 | 78,961 |
| | 3,074 | 390 | 78,571 | 82,035 |

There have been no assets transferred between levels during the interim period (2023: none). All Level 1 and Level 2 financial instruments were divested during the interim period ended 31 December 2023.

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

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

Level 3 investments include unlisted investments held by Link Group, the valuation for which is deemed to have one or more significant inputs which are not based on observable market data. Significant increases or decreases in future cash flows would increase or decrease, respectively, the fair value of the investments. As at 31 December 2023, the Group held an unlisted equity investment in Smart Pension Limited measured on a recurring basis at fair value through profit and loss of \$76.9 million (30 June 2023: \$78.6 million). The valuation of the investment was based on a methodology of ascertaining the implied value of SMART from the Series E fund raise, being the most recent arm's length valuation of SMART, and then back solving for the value of Link Group's investment in SMART.

| | 31 DECEMBER 2023 \$'000 | 31 DECEMBER 2022 \$'000 |
|---|-------------------------------|-------------------------------|
| Reconciliation of movements in level 3 investments | | |
| Opening level 3 investments at the beginning of the interim period | 78,571 | 106,232 |
| Foreign currency retranslation | (1,701) | 868 |
| Closing level 3 investments at the end of the interim period | 76,870 | 107,100 |

03 Notes to the Interim Financial Statements

18. CONTRIBUTED EQUITY

| | 31 DECEMBER 2023 \$'000 | 30 JUNE 2023 \$'000 |
|---|-------------------------------|---------------------------|
| Issued and paid-up capital | | |
| Balance at the beginning of the interim period | 1,002,711 | 1,815,983 |
| Equity issued | 4,665 | – |
| Return of capital to shareholders (PEXA in-specie distribution) | – | (813,272) |
| Balance at the end of the interim period | 1,007,376 | 1,002,711 |
| | | |
| | 31 DECEMBER 2023 '000 | 30 JUNE 2023 '000 |
| Number of shares issued: | | |
| Balance at the beginning of the interim period | 512,987 | 512,987 |
| Equity issued | 3,400 | – |
| Balance at the end of the interim period | 516,387 | 512,987 |

03 Notes to the Interim Financial Statements

19. DIVIDENDS

Dividends

| | 2023 FINAL | 2023 INTERIM | 2023 SPECIAL |
|--------------------------|------------|--------------|--------------|
| Dividend cents per share | 4.0 | 4.5 | 8.0 |
| Franking percentage | 60% | 80% | 100% |
| Total dividend (\$'000) | 20,519 | 23,084 | 41,039 |
| Record date | 06.09.2023 | 02.03.2023 | 30.09.2022 |
| Payment date | 20.09.2023 | 11.04.2023 | 14.10.2022 |

Consistent with Link Group's obligations under the Scheme Implementation Deed (SID) with Mitsubishi UFJ Trust & Banking Corporation (The Trust Bank), there was no interim dividend declared by the Board. Subject to the Trust Bank Scheme becoming effective, the Link Board intends to pay a special dividend of 16.0 cents per share.

20. ACCUMULATED LOSSES

| | 31 DECEMBER 2023 \$'000 | 31 DECEMBER 2022 \$'000 RESTATED ¹ |
|---|-------------------------------|--|
| Accumulated loss at the beginning of the interim period | (826,095) | (233,926) |
| Net loss attributable to equity holders | (33,968) | (460,276) |
| Gain on settlement of equity settled share-based payments recognised in retained earnings | 213 | 1,026 |
| Accumulated loss at the end of the interim period | (859,850) | (693,176) |

¹ Prior period comparative information has been restated in accordance with AASB 108 Accounting Policies, Changes in Accounting Estimates and Errors. Refer to Note 3.

03 Notes to the Interim Financial Statements

21. SHARE-BASED PAYMENT ARRANGEMENTS

Current share-based payments arrangements under the Link Group Omnibus Equity Plan (OEP) include grants under Long Term Incentive Plans (LTI), Short Term Incentive Plans (STI) and Retention Schemes.

Commencing in the interim period ended 31 December 2023, Senior Leaders are now entitled to receive Share Rights (SRs) under the LTI, rather than Performance Share Rights (PSRs).

Otherwise, the terms, conditions and operation of the plans have not significantly changed during the interim period ended 31 December 2023.

(a) Description of share-based payment arrangements

At 31 December 2023, Link Group had the following share-based payment arrangements under the OEP.

Long Term Incentive (LTI) – Performance Share Rights (PSRs)

The OEP entitles Executive KMPs and Senior Executives to receive PSRs under Link Group's LTI which, subject to the satisfaction of service-based conditions and performance hurdles, will, if vested, allow participants to receive fully paid ordinary shares in the Company. During the interim period and in accordance with the OEP, LTI PSRs were granted to Executive KMPs, Senior Executives and Senior Leaders on 5 December 2023. 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 interim period ended 31 December 2023 were as follows.

| GRANT DATE/ EMPLOYEES ENTITLED | NUMBER OF PSRs | VESTING CONDITIONS | CONTRACTUAL LIFE OF PSRs |
|---|-------------------|--|--|
| LTI issued to Executive KMPs and Senior Executives on 5 December 2023 | 3,188,928 | 75% against an EPS target and 25% against relative TSR for the three-year performance period commencing 1 July 2023. | 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 five trading-day volume weighted average price (VWAP) for the Link Group Shares from 28 August 2023, the date of announcement of Link Group's full year results for the financial year ended 30 June 2023 and accounted for at fair value in accordance with accounting standards from grant date.

The expense recognised in the condensed consolidated statement of profit or loss and other comprehensive income in relation to the LTI PSRs during the interim period ended 31 December 2023 was \$4.3 million (31 December 2022: \$4.2 million).

Long Term Incentive (LTI) – Share Rights (SRs)

The OEP entitles Senior Leaders to receive Share Rights (SRs) under Link Group's LTI which, subject to the satisfaction of service-based conditions, will, if vested, allow participants to receive fully paid ordinary shares in the Company. During the interim period and in accordance with the OEP, LTI SRs were granted to Senior Leaders on 5 December 2023.

The terms and conditions of the SRs granted during the interim period ended 31 December 2023 were as follows.

| GRANT DATE/ EMPLOYEES ENTITLED | NUMBER OF PSRs | VESTING CONDITIONS |
|---|-------------------|---|
| LTI issued to Senior Leaders on 12 October 2023 | 1,725,047 | Subject to continued employment, 50% vesting around August 2026, 50% vesting around August 2027. Following the Link Group full year results announcement. |

The number of PSRs issued to each participant was calculated with reference to the five trading-day volume weighted average price (VWAP) for the Link Group Shares from 28 August 2023, the date of announcement of Link Group's full

03 Notes to the Interim Financial Statements

year results for the financial year ended 30 June 2023 and accounted for at fair value in accordance with accounting standards from grant date.

The expense recognised in the condensed consolidated statement of profit or loss and other comprehensive income in relation to the LTI PSRs during the interim period ended 31 December 2023 was \$0.3 million (31 December 2022: nil).

Deferred Short Term Incentive (STI)

Under the terms of the OEP, Executive KMPs, Senior Executives and Senior Leaders had a portion of their FY2023 short term incentive deferred (Deferred STI).

On 5 December 2023, restricted shares (RSs) or share rights (SRs) were issued to deferred STI participants, and there was an additional issue of RSs on 22 December 2023. 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 interim period ended 31 December 2023 were as follows.

| GRANT DATE | NUMBER OF RSs/SRs | VESTING CONDITIONS |
|---|-------------------|---|
| Restricted shares issued 5 December 2023 | 1,402,358 | Subject to continued employment, 50% vesting around August 2024, 50% vesting around August 2025. Following the Link Group full year results announcement. |
| Restricted shares issued 22 December 2023 | 475,572 | Subject to continued employment, 50% vesting around August 2024, 50% vesting around August 2025. Following the Link Group full year results announcement. |
| Share rights issued 5 December 2023 | 264,218 | Subject to continued employment, 50% vesting around August 2024, 50% vesting around August 2025. Following the Link Group full year results announcement. |

The expense recognised in the condensed consolidated statement of profit or loss and other comprehensive income in relation to the deferred STI during the interim period ended 31 December 2023 was \$1.3 million (31 December 2022: \$1.9 million).

Retention scheme

Certain Executive KMP, Senior Executives and Senior Leaders have received equity grants as part of a retention scheme to retain key talent during a critical period for Link Group.

The expense recognised in the condensed consolidated statement of profit or loss and other comprehensive income in relation to the retention scheme during the interim period ended 31 December 2023 was \$1.8 million (31 December 2022: \$2.0 million).

03 Notes to the Interim Financial Statements

(b) Measurement of grant date fair values

The following inputs were used in the measurement of the fair values at grant date of the LTI PSRs issued during the interim period ended 31 December 2023:

| | 5 DECEMBER 2023 |
|---|-----------------|
| Fair value at grant date: | |
| i) EPS tranche at grant date | \$1.01 |
| ii) TSR tranche fair value at grant date | \$0.40 |
| Share price at grant date | \$1.24 |
| Exercise price | – |
| Expected volatility (weighted average volatility) | 40.0% |
| PSR life (expected weighted average life) | 3 years |
| Expected dividends | 5.94% |
| Risk-free interest rate (based on government bonds) | 3.92% |

The following inputs were used in the measurement of the fair values at grant date of the LTI SRs issued during the interim period ended 31 December 2023:

| | 12 OCTOBER 2023 |
|---|-----------------|
| Fair value at grant date: | |
| i) 3-year vesting period | \$1.15 |
| ii) 4-year vesting period | \$1.09 |
| Share price at grant date | \$1.37 |
| Exercise price | – |
| Expected volatility (weighted average volatility) | 37.5% |
| Expected dividends | 5.97% |
| Risk-free interest rate (based on government bonds) | 3.93% |

The fair value of services received in return for LTI PSRs and SRs is based on the fair value of instruments 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 restricted share or share rights issued during the interim period ended 31 December 2023 is based on the market price of Link Group's ordinary shares at grant date, being \$1.31 for 5 December 2023 issuance and \$2.19 for 22 December 2023 issuance.

03 Notes to the Interim Financial Statements

(c) Reconciliation of share rights

The number of performance and other share rights on issue during the interim period ended 31 December 2023 was as follows:

| | LTI PSRs | | LTI SR | | SEG SRs | | DEFERRED STI SRs | | RETENTION SRs | |
|--|--------------|--------------|--------------|--------------|--------------|--------------|------------------|--------------|---------------|--------------|
| | 2023 '000 | 2022 '000 | 2023 '000 | 2022 '000 | 2023 '000 | 2022 '000 | 2023 '000 | 2022 '000 | 2023 '000 | 2022 '000 |
| On issue at beginning of the interim period | 7,382 | 6,016 | – | – | – | 38 | 412 | 276 | 1,675 | 912 |
| Granted during the interim period | 3,189 | 3,004 | 1,725 | – | – | – | 264 | 1,075 | – | 1,328 |
| Lapsed during the interim period | (1,105) | (1,763) | – | – | – | (2) | – | (28) | (65) | – |
| Transferred | (621) | – | 99 | – | – | – | – | – | – | – |
| Vested during the interim period | (471) | – | – | – | – | (36) | (359) | (914) | (720) | (460) |
| On issue at the end of the interim period | 8,374 | 7,257 | 1,824 | – | – | – | 317 | 409 | 890 | 1,780 |

Performance conditions were satisfied on 620,910 LTI PSRs which remain subject to service-based conditions, of which 98,747 converted to Share Rights and 522,163 converted to Restricted Shares.

OTHER DISCLOSURES

22. SUBSEQUENT EVENTS

Update on the Link Fund Solutions Ltd (LFSL) Scheme

The High Court handed down a judgement sanctioning (i.e. approving) the Scheme on 9 February 2024 (GMT). Provided that no appeals are brought against the sanction of the Scheme, the Scheme is expected to become fully effective by 2 March 2024.

Link Group continues to be confident that, if the Scheme and the Settlement is terminated, liabilities relating to the WEIF remain within LFSL and Link Group has no obligation to contribute to any of those WEIF related liabilities.

Other matters

Whilst the Directors note that escalating geopolitical risks continue to impact global markets, including jurisdictions that Link Group operates in, Link Group continues to be resilient and has been proactive in response to these challenges.

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

04 Directors' Declaration

1. In the opinion of the Directors of Link Administration Holdings Limited (the Company):
 - (a) the condensed consolidated financial statements and notes that are set out on pages 11 to 44 are in accordance with the *Corporations Act 2001*, including:
 - (i) giving a true and fair view of Link Group's financial position as at 31 December 2023 and of its performance for the interim period ended on that date; and
 - (ii) complying with Australian Accounting Standards AASB 134 *Interim Financial Reporting* and the Corporations Regulations 2001; and
 - (b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the Directors.

Dated 20 February 2024 at Sydney.



Michael Carapiet
Chair



Vivek Bhatia
Chief Executive Officer & Managing Director



Independent Auditor's Review Report

To the shareholders of Link Administration Holdings Limited

Report on the Interim Financial Report

Conclusion

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

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

- giving a true and fair view of the **Group's** financial position as at 31 December 2023 and of its performance for the **Interim Period** ended on that date; and
- complying with *Australian Accounting Standard AASB 134 Interim Financial Reporting* as issued by the Australian Accounting Standards Board having regard to the request outlined in Note 2(a), and the *Corporations Regulations 2001*.

The **Interim Financial Report** comprises:

- Condensed consolidated statement of financial position as at 31 December 2023
- Condensed consolidated statement of profit or loss and other comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the Interim Period ended on that date
- Notes 1 to 22 including selected explanatory notes
- The Directors' Declaration.

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

The **Interim Period** is the 6 months ended on 31 December 2023.

Basis for Conclusion

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

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

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Emphasis of matter - restatement

We draw attention to Note 3 to the Interim Financial Report, which describes the restatement of comparative information related to the accounting treatment for the completed sale of Link Fund Solutions Limited (LFSL) and the settlement of the Financial Conduct Authority's (FCA) investigation into LFSL. Our report is not modified in respect of this matter.

Responsibilities of the Directors for the Interim Financial Report

The Directors of the Company are responsible for:

- the preparation of the Interim Financial Report that gives a true and fair view in accordance with *Australian Accounting Standards* as issued by the Australian Accounting Standards Board applying a request by ASIC to revisit certain accounting treatments as announced on 31 October 2023 and outlined in Note 2(a), and the *Corporations Act 2001*; and
- such internal control as the Directors determine is necessary to enable the preparation of the Interim Financial Report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

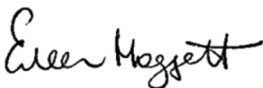
Auditor's Responsibilities for the Review of the Interim Financial Report

Our responsibility is to express a conclusion on the Interim Financial Report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the Interim Financial Report does not comply with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2023 and its performance for the Interim Period ended on that date, and complying with *Australian Accounting Standard AASB 134 Interim Financial Reporting* as issued by the Australian Accounting Standards Board having regard to the request outlined in Note 2(a), and the *Corporations Regulations 2001*.

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



KPMG



Eileen Hoggett

Partner

Sydney

20 February 2024