



NOT FOR DISTRIBUTION OR RELEASE IN THE UNITED STATES

# Equity Raising Presentation

17 April 2018

For personal use only



# Important notice

**IMPORTANT:** You must read the following before continuing.

This investor presentation (**Presentation**) has been prepared by Link Administration Holdings Limited ABN 27 120 964 098 (**Link Group**).

This Presentation has been prepared in relation to an equity raising by Link Group, comprising a placement of fully paid ordinary shares in Link Group (**New Shares**) to institutional investors (**Placement**) and an offer of New Shares to eligible shareholders under a share purchase plan (**SPP**, and together with the Placement, the **Offer**).

## Summary information

The following disclaimer applies to this document and any information provided regarding the information contained in this document.

This Presentation contains summary information about Link Group and its activities which is current as at the date of this Presentation. The information in this Presentation is of a general nature and does not purport to be complete nor does it contain all the information which a prospective investor may require in evaluating a possible investment in Link Group or that would be required in a prospectus prepared in accordance with the requirements of the Corporations Act. The historical information about Link Group in this Presentation is, or is based upon, information that has been released to the Australian Securities Exchange (**ASX**). While steps have been taken to review that information, no representation or warranty, expressed or implied, is made to its fairness, accuracy, correctness, completeness or adequacy. This Presentation should be read in conjunction with Link Group's other periodic and continuous disclosure announcements which are available at [www.asx.com.au](http://www.asx.com.au). You are advised to read this disclaimer carefully before reading or making any other use of this document or any information contained in this document.

## Not an offer

This Presentation is for information purposes only and is not a prospectus, product disclosure statement or other offer document under Australian law (and will not be lodged with ASIC) or the law of any other jurisdiction.

The information does not and will not constitute or form part of an offer, invitation, solicitation or recommendation in relation to the subscription, purchase or sale of securities in any jurisdiction and neither this Presentation nor anything in it shall form any part of any contract for the acquisition of Link Group shares. The distribution of this Presentation in jurisdictions outside Australia may be restricted by law and you should observe any such restrictions. Refer to the 'international offer restrictions' section in the Appendix to this Presentation for more information.

The offer booklet for the share purchase plan (**SPP**) will be available following its lodgement with ASX. Any eligible shareholder who wishes to participate in the SPP should consider the offer booklet in deciding to apply under that offer. Anyone who wishes to apply for new shares under the SPP will need to apply in accordance with the instructions contained in the offer booklet and the application form that will accompany it.

## Not for release or distribution in the United States of America

This Presentation may not be released or distributed in the United States.

The New Shares have not been, or will not be, registered under the U.S. Securities Act of 1933 (**U.S. Securities Act**) or the securities laws of any state or other jurisdiction of the United States. Accordingly, the New Shares may not be offered, sold or resold, directly or indirectly, to persons in the United States, unless they have been registered under the U.S. Securities Act (which Link Group has no obligation to do or procure), or are offered and sold in a transaction exempt from, or not subject to, the registration requirements of the U.S. Securities Act and any other applicable United States state securities laws.

## Not investment or financial product advice

This Presentation does not constitute investment or financial product advice (nor tax, accounting or legal advice) or any recommendation by Link Group or its advisers to acquire New Shares and does not and will not form any part of any contract for the acquisition of New Shares. Each recipient of this Presentation should make its own enquiries and investigations regarding all information in this Presentation including but not limited to the assumptions, uncertainties and contingencies which may affect future operations of Link Group and the impact that different future outcomes may have on Link Group. This Presentation has been prepared without taking account of any person's individual investment objectives, financial situation or particular needs. Before making an investment decision, prospective investors should consider the appropriateness of the information having regard to their own investment objectives, financial situation and needs and seek legal, accounting and taxation advice appropriate to their jurisdiction. Link Group is not licensed to provide financial product advice in respect of Link Group shares. Cooling off rights do not apply to the acquisition of New Shares.

# Important notice

## Investment Risk

An investment in Link Group shares is subject to investment and other known and unknown risks, some of which are beyond the control of Link Group. Link Group does not guarantee any particular rate of return or the performance of Link Group, nor does it guarantee the repayment of capital from Link Group or any particular tax treatment. Persons should read the 'Risks' section in this Presentation for a non-exhaustive summary of the key issues that may affect Link Group and its financial and operating performance.

## Financial data

All financial information in this Presentation is in Australian Dollars (\$) or AUD) or British Pounds (£ or GBP), unless otherwise stated. Investors should note that this Presentation contains pro forma historical and forecast financial information.

This announcement refers to pro forma Net Debt to Operating EBITDA, Operating NPATA and Net Debt, which are financial measures that are not recognised under Australian Accounting Standards (AAS) or International Financial Reporting Standards (IFRS). As such, these measures are 'non-IFRS financial measures' under Regulatory Guide 230 'Disclosing non-IFRS financial information' published by Australian Securities and Investment Commission. Such non-IFRS financial information does not have standardised meaning prescribed by AAS or IFRS, and should not be construed as an alternative to other financial measures determined in accordance with AAS or IFRS. The way Link Group calculates these measures may be different to the way other companies calculate similarly-titled measures. Although Link Group believes these non-IFRS financial measures provide useful information to investors in measuring the financial performance and condition of its business, investors are cautioned not to place undue reliance on any non-IFRS financial information included in this announcement. These non-IFRS financial measures have not been subject to audit or review in accordance with AAS.

Details of non-IFRS terms are contained in Appendix 1 of the Directors' Report on page 57 of the Link Group 2017 Annual Report. Investors should also note that the pro forma information in this announcement does not comply with Article 3-05 of Regulation S-X of the rules and regulations of the U.S. Securities and Exchange Commission.

## Future performance

This Presentation contains words such as 'will', 'may', 'expect', 'indicative', 'intend', 'seek', 'would', 'should', 'could', 'continue', 'plan', 'probability', 'risk', 'forecast', 'likely', 'estimate', 'anticipate', 'believe', or similar words to identify forward-looking statements. Forward-looking statements in this announcement include statements regarding the conduct and outcome of the equity raising, the use of proceeds, the benefits of Link Group's recent acquisitions and Link Group's future plans and strategies. These forward-looking statements reflect Link Group's current views with respect to future events and are subject to change, certain risks, uncertainties and assumptions which are, in many instances, beyond the control of Link Group, its directors and management, and have been made based upon Link Group's expectations and beliefs concerning future developments and their potential effect upon Link Group. There can be no assurance that future developments will be in accordance with Link Group's expectations or that the effect of future developments on Link Group will be those anticipated. Actual results could differ materially from those which Link Group expects, depending on the outcome of various factors. Factors that may impact on the forward-looking statements made include, but are not limited to, general economic conditions in Australia and overseas; exchange rates; competition in the markets in which Link Group will operate and the inherent regulatory risks in the businesses of Link Group. Refer to the 'Risks' section of this Presentation for a summary of certain general and Link Group specific risk factors that may affect Link Group.

When relying on forward-looking statements to make decisions with respect to Link Group, investors and others should carefully consider such factors and other uncertainties and events. Except as required by law or regulation (including the ASX Listing Rules), Link Group is under no obligation to update any forward-looking statements contained in this presentation, whether as a result of new information, future events or otherwise, after the date of this presentation. None of Link Group or any of its subsidiaries, advisors, affiliates (or any of their respective officers, employees or agents) makes any representation, assurance or guarantee as to the accuracy or likelihood of fulfilment of any forward-looking statement or any outcome expressed or implied in any forward-looking statements.

## Past performance

Past performance information given in this presentation is given for illustrative purposes only and should not be relied upon as (and is not) an indication of Link Group's views on its future financial performance or condition. Investors should note that past performance, including past share price performance, of Link Group cannot be relied upon as an indicator of (and provides no guidance as to) future Link Group performance including future share price performance.

## Effect of rounding

A number of figures, amounts, percentages, estimates, calculations of value and fractions in this Presentation are subject to the effect of rounding. Accordingly, the actual calculation of these figures may differ from the figures set out in this Presentation.

# Important notice

---

## Disclaimer

Determination of eligibility of investors to participate in the Placement or SPP is determined by reference to a number of matters, including legal and regulatory requirements, logistical and registry constraints and the discretion of Link Group and/or the underwriter.

Each of Link Group and the underwriter and each of their respective affiliates disclaim any duty or liability (including for negligence) in respect of that determination and the exercise or otherwise of that discretion, to the maximum extent permitted by law.

The underwriter may rely on information provided by or on behalf of institutional investors in connection with managing, conducting and underwriting the Placement without having independently verified that information and the underwriter does not assume responsibility for the accuracy or completeness of that information.

Neither the underwriter, nor its or Link Group's respective advisers or any of their respective affiliates, related bodies corporate, directors, officers, partners, employees and agents, have authorised, permitted or caused the issue, submission, dispatch or provision of this Presentation and, for the avoidance of doubt, and except to the extent referred to in this Presentation, none of them makes or purports to make any statements in this Presentation and there is no statement in this Presentation which is based on any statement by any of them.

To the maximum extent permitted by law, Link Group, the underwriter and their respective advisers, affiliates, related bodies corporate, directors, officers, partners, employees and agents exclude and disclaim all liability, including without limitation for negligence or for any expenses, losses, damages or costs incurred by you as a result of your participation in or failure to participate in the Offer and the information in the Presentation being inaccurate or incomplete in any way for any reason, whether by negligence or otherwise. To the maximum extent permitted by law, Link Group, the underwriter and their respective advisers, affiliates, related bodies corporate, directors, officers, partners, employees and agents make no representation or warranty, express or implied, as to the currency, accuracy, reliability or completeness of information in this Presentation and, with regards to the underwriter, neither it nor its advisers, affiliates, related bodies corporate, directors, officers, partners, employees and agents have independently verified any such information and take no responsibility for any part of this Presentation or the Offer.

The underwriter and its advisers, affiliates, related bodies corporate, directors, officers, partners, employees and agents make no recommendations as to whether you or your related parties should participate in the Offer nor do they make any representations or warranties to you concerning the Offer, and you represent, warrant and agree that you have not relied on any statements made by the underwriter, or any of its advisers, affiliates, related bodies corporate, directors, officers, partners, employees and agents in relation to the Offer and you further expressly disclaim that you are in a fiduciary relationship with any of them.

Statements made in this Presentation are made only as at the date of this Presentation. The information in this Presentation remains subject to change without notice.

Link Group reserves the right to withdraw, or vary the timetable for the Offer without notice.

## Acceptance

By attending an investor presentation or briefing, or accepting, accessing or reviewing this Presentation you acknowledge and agree to the terms set out in this 'Important notice and disclaimer'.

# Capital raising overview

---

- Link Group today announces a A\$300 million fully underwritten placement (**Placement**) to be followed by a share purchase plan (**SPP**)<sup>1</sup>
- The Placement will lead to a pro-forma reduction in Link Group's net debt to Operating EBITDA<sup>2</sup> from 2.5x to 1.6x
- This balance sheet flexibility will provide Link Group with the capacity to continue to pursue strategic opportunities

1. Link Group reserves the right to increase the size of the SPP offer or scale back applications under the SPP in its absolute discretion.
2. Includes 12 months of LAS Operating EBITDA. Operating EBITDA is earnings before interest, tax, depreciation and amortisation and significant items. Management uses Operating EBITDA to evaluate the operating performance of the business and each operating segment prior to the impact of significant items, the non-cash impact of depreciation and amortisation and interest and tax charges, which are significantly impacted by the historical capital structure and historical tax position. Management uses Operating EBITDA to evaluate the cash generation potential of the business because it does not include significant items or the non-cash charges for depreciation and amortisation. However, Link Group believes that it should not be considered in isolation or as an alternative to net operating free cash flow.

# Equity raising to provide flexibility to pursue strategic opportunities

Anticipated to promote further growth, with a track record of sensible deployment of capital historically delivering material benefits

## Integration progress

- Superpartners integration progressing in line with expectations
  - Further integration benefits of approximately \$35m expected by FY2020
- LAS business performing in line with expectations
  - efficiency benefit expectations of at least £15m expected to be realised over the medium-term<sup>1</sup>

<b>Superpartners:</b>	<b><i>approx. \$35m</i></b>
	Further integration benefits expected by FY2020
<b>LAS:</b>	<b><i>at least £15m</i></b>
	<i>efficiency benefits expected over the medium term<sup>1</sup></i>

## Equity raising to provide flexibility

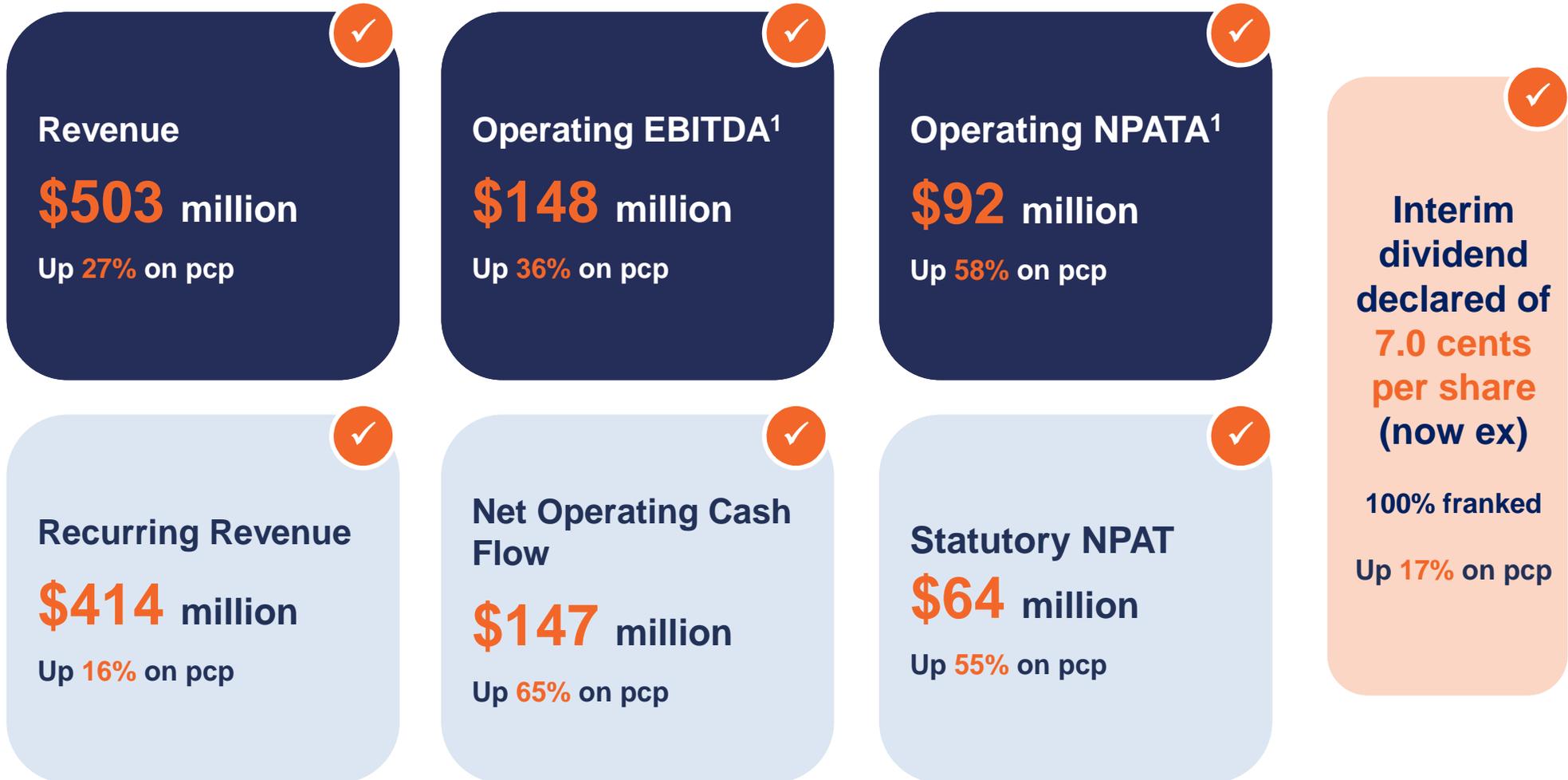
- Link Group is preparing its balance sheet for other strategic opportunities through a fully underwritten Placement raising \$300 million, to be followed by a non-underwritten SPP
- Equity raising enables Link Group to move swiftly on strategic opportunities and maximise value for shareholders

<b>NET DEBT / OPERATING EBITDA<sup>2</sup></b>	<b>2.5x</b>
<b>Pro forma NET DEBT / OPERATING EBITDA<sup>2</sup></b>	<b>1.6x</b>

1. Excludes separation and integration costs.
2. Operating EBITDA and Operating NPATA excludes significant items. Operating NPATA is net profit after tax and after adding back tax affected significant items and acquired amortisation. Acquired amortisation comprises the amortisation of client lists and the revaluation impact of acquired intangibles such as software assets that were acquired as part of Business Combinations. Link Group management considers Operating NPATA to be a meaningful measure of after-tax profit as it excludes the impact of significant items and the large amount of non-cash amortisation of acquired intangibles reflected in NPAT. This measure includes the tax effected amortisation expense relating to certain acquired software which is integral to the ongoing operating performance of the business.
3. Based on the A\$300 million Placement raising only.

# A recap of the 1H 2018 result

Strong momentum continued with the positive contribution from LAS from 3 November 2017



✓ Exceeded the 1H 2017 prior corresponding period ('pcp')

1. Operating EBITDA and Operating NPATA excludes significant items. Operating NPATA is net profit after tax and after adding back tax affected significant items and acquired amortisation. Acquired amortisation comprises the amortisation of client lists and the revaluation impact of acquired intangibles such as software assets that were acquired as part of Business Combinations. Link Group management considers Operating NPATA to be a meaningful measure of after-tax profit as it excludes the impact of significant items and the large amount of non-cash amortisation of acquired intangibles reflected in NPAT. This measure includes the tax effected amortisation expense relating to certain acquired software which is integral to the ongoing operating performance of the business.

Note - Link Group refers to its HY18 disclosures as announced to the ASX as both the indemnified redress asset and indemnified redress liability have reduced by approximately £51 million as a result of a payment by Capita plc. Capita plc has also funded an escrow account for the remainder of the potential maximum liability of £66 million which is pending finalisation of outstanding investor redress amounts.

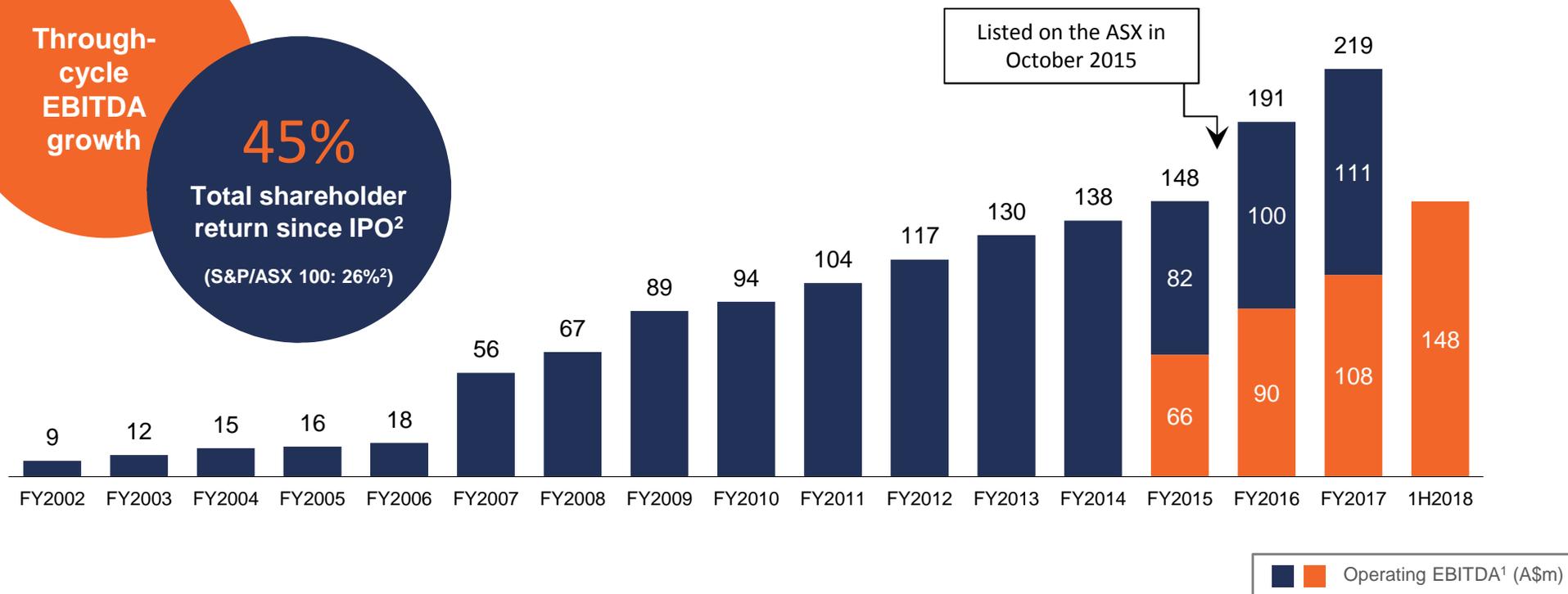
# 16 years building earnings momentum

NOT FOR DISTRIBUTION OR RELEASE IN THE UNITED STATES

- 1 Strategically positioned to benefit from opportunities in existing markets
- 2 Investing in proprietary and scalable technology
- 3 Value creation through successful integration of business combinations
- 4 High levels of Recurring Revenue and efficiency focus
- 5 Experienced management team

Through-cycle EBITDA growth

**45%**  
Total shareholder return since IPO<sup>2</sup>  
(S&P/ASX 100: 26%<sup>2</sup>)



1. FY2013 – 1H2018 Operating EBITDA includes public company costs. Operating EBITDA and Operating NPATA excludes significant items.  
 2. Total shareholder return versus S&P/ASX 100 Accumulation Index (27 October 2015 to 9 February 2018).

# Sources and Uses of Funding

Placement reduces leverage to provide flexibility for Link Group to move swiftly on strategic opportunities

## Sources and Uses of Funds

Sources of Funds	\$m
Placement proceeds (fully underwritten)	300
<b>Total sources</b>	<b>300</b>

Uses of Funds	\$m
Repay debt	295
Transaction costs	5
<b>Total uses</b>	<b>300</b>

## Pro Forma Gearing and Leverage

	31 Dec 17	Pro forma post Placement <sup>3</sup>
Net debt	\$888.4m	\$593m
Net debt / Operating EBITDA <sup>1</sup>	2.5x	1.6x

1. Operating EBITDA and Operating NPATA excludes significant items. Operating NPATA is net profit after tax and after adding back tax affected significant items and acquired amortisation. Acquired amortisation comprises the amortisation of client lists and the revaluation impact of acquired intangibles such as software assets that were acquired as part of Business Combinations. Link Group management considers Operating NPATA to be a meaningful measure of after-tax profit as it excludes the impact of significant items and the large amount of non-cash amortisation of acquired intangibles reflected in NPAT. This measure includes the tax effected amortisation expense relating to certain acquired software which is integral to the ongoing operating performance of the business.
2. Any proceeds raised under the non-underwritten SPP would further reduce gearing and leverage.

# Equity Raising Details

---

## Structure, size and pricing

- Fully underwritten Placement to raise \$300 million
- Placement issue price of \$8.50 per share represents a 2.4% discount to the last traded price of \$8.71 on 17 April 2018

## Ranking

- New Shares issued under the Placement will rank equally with existing ordinary shares in Link Group in all respects (other than the entitlement to participate in the SPP)

## SPP

- Following completion of the Placement, Link Group will offer eligible shareholders in Australia and New Zealand the right to participate in a SPP. Eligible shareholders will be invited to subscribe for up to a maximum of \$15,000 worth of additional shares, free of transaction and brokerage costs
- If 30% of non-Institutional investors participate fully in the SPP, Link Group will raise approximately \$40m. Link Group reserves the right to increase the size of the SPP offer or scale back applications under the SPP at its absolute discretion
- The SPP price will be \$8.50 per share which is equal to the placement issue price
- New Shares issued under the SPP will rank equally with existing ordinary shares in Link Group in all respects
- Full details of the SPP will be set out in the SPP Offer Booklet, which will be lodged with ASX and sent to eligible shareholders in due course

# Equity Raising Timetable

Event <sup>1</sup>	Date
SPP Record date	7:00pm, Monday, 16 April 2018
Announcement of Placement and SPP	Tuesday, 17 April 2018
Announcement of completion of Placement	Wednesday, 18 April 2018
Issue of shares under Placement	Monday, 23 April 2018
Issue of SPP Offer Booklet	Thursday, 26 April 2018

1. The above timetable is indicative only and subject to change. All times represent Sydney time. Link reserves the right to amend any or all of these events, dates and times subject to the Corporations Act 2001 (Cth), ASX Listing Rules and other applicable laws. The commencement of quotation and trading of new securities is subject to confirmation from ASX.

NOT FOR DISTRIBUTION OR RELEASE IN THE UNITED STATES

## Appendix: Key risks

For personal use only

# Risks

---

There are a number of factors, specific to Link Group and of a general nature, which may affect the future operating and financial performance of Link Group and the industry in which it operates.

This section discusses some of the key risks associated with an investment in shares in Link Group. These risks may affect the future operating and financial performance of Link Group and the value of Link Group shares.

The risks set out below are not listed in order of importance and do not necessarily constitute an exhaustive list of all risks involved with an investment in Link Group.

Before investing in Link Group, you should consider whether this investment is suitable for you. Potential investors should consider publicly available information on Link Group (such as that available on the websites of Link Group and ASX), carefully consider their personal circumstances and consult their professional advisers before making an investment decision. Additional risks and uncertainties that Link Group is unaware of, or that it currently considers to be immaterial, may also become important factors that adversely affect Link Group's operating and financial performance.

You should note that the occurrence or consequences of many of the risks described in this section are partially or completely outside the control of Link Group, its directors and senior management. Further, you should also note that this section focuses on the potentially key risks and does not purport to list every risk that Link Group may have now or in the future. It is also important to note that there can be no guarantee that Link Group will achieve its stated objectives or that any forward looking statements or forecasts contained in this presentation will be realised or otherwise evaluated. All potential investors should satisfy themselves that they have a sufficient understanding of these matters, including the risks described in this section, and have regard to their own investment objectives, financial circumstances and taxation position.

Cooling off rights do not apply to the acquisition of shares.

# Risks (cont'd)

- **General risks with Link Group's business**

- **Future acquisitions and business combinations**

Link Group continually investigates and considers potential acquisitions and other strategic initiatives, which is consistent with its growth strategy. There can, however, be no assurance that any of these opportunities will arise or be concluded. The successful implementation of any acquisitions and initiatives can be time consuming and costly, and the process of integrating acquired businesses may create unforeseen operating difficulties and expenditure. The risks Link Group may face in connection with acquisitions and other initiatives include:

- accurately assessing the value, strengths, weaknesses, contingent and other liabilities and potential profitability of the acquired business;
- difficulty in integrating and migrating the operations, systems, technologies and employees of the acquired business;
- disruption to Link Group's existing business and diversion of Link Group management's attention on transition and integration of the acquired business;
- difficulty in entering markets in which Link Group has limited direct or prior experience and where competitors have established market positions;
- potential loss of key employees, clients or suppliers of the acquired business;
- assumption of liabilities and incurrence of debt to fund acquisitions;
- assumption of contractual obligations that contain terms that are not beneficial to Link Group;
- failure to realise the expected synergies and increases in revenue, markets and net profit from acquisitions.

The occurrence of any of these risks could have a material adverse effect on Link Group's business, financial performance or financial condition, particularly in the case of larger acquisitions or concurrent acquisitions.

- **Unsuccessful integration of recent acquisition**

Link Group has completed a number of acquisitions, including Capita Asset Services (since remained Link Asset Services). There is a risk that the integration of the acquired businesses may be more complex than anticipated, encounter unexpected challenges or issues and take longer than expected, divert management attention or not deliver the expected benefits. To the extent Link Group does not complete the integration of such recent acquisitions in an orderly manner, the full benefits, expected efficiencies and synergies from those acquisitions may be achieved only in part, or not at all. This could adversely affect Link Group's financial performance and position, and the future prospects of Link Group.

# Risks (cont'd)

## ➤ **Security software and technology breaches**

The use of information technology and the effectiveness of Link Group's proprietary technology platforms are critical to the ability of Link Group to deliver services to its clients and to continue to grow the business. By their nature, information technology systems are susceptible to cyber attacks. Security breaches may involve unauthorised access to Link Group's networks, systems and databases, exposing financial, proprietary and personal user information. It is possible that the measures taken by Link Group to protect its proprietary information and the private information of its clients may not be sufficient to prevent unauthorised access to, or disclosure of, such data. Any accidental or deliberate security breaches or other unauthorised access to Link Group's information technology systems or client data may subject Link Group to reputational damage, a loss of confidence in the services it provides, claims by clients, loss of clients, a disruption of services to clients, legal action and regulatory scrutiny.

## ➤ **Reliance on third party IT suppliers**

Link Group relies on certain contracts with third party suppliers to maintain and support its IT infrastructure and software, which underpin its core business activities. Link Group's reliance on third parties and their systems to provide key services decreases its control over the delivery of these services and the quality and reliability of the services provided. Any delay, disruption or deterioration in the level of service provided by a third party could impair Link Group's ability to provide services to its clients to the level expected or at all. If any of these contracts are terminated or unexpectedly unable to be performed for any reason, this could adversely impact Link Group's operations, earnings and financial condition.

## ➤ **Reliance on the effective performance of IT infrastructure**

Technology is the key enabler of Link Group's services. Link Group and its clients are dependent on the effective performance, reliability and availability of Link Group's technology platforms, software, third party data centres and communications systems. Link Group may fail to successfully achieve the required development of its technology and systems to meet clients' needs, match competitors or meet regulatory requirements, which may, in turn, adversely affect its operations, relationship with clients, financial performance and financial condition.

## ➤ **Concentrated client base**

Link Group has a relatively concentrated client base, with its top five clients expected to contribute approximately 28% of FY2018 revenues (on an annualised basis) while its top ten clients are expected to contribute approximately 37% of FY2018 revenue (on an annualised basis). If Link Group were to lose one or more of these key clients, Link Group's business and financial condition could be adversely impacted.

## ➤ **Failure to renew contracts or early terminations**

There is a risk that Link Group may be unable to renew contracts with its major clients upon contract expiry, or such contracts may be terminated and Link Group could be unable to add new clients. If Link Group were to lose one or more of these contracts, its operations, earnings and financial condition could be adversely affected. In addition, if one or more of these contracts is not renewed upon expiry, and Link Group is unable to add new clients, its business, financial condition and financial performance could be adversely impacted in the future.

# Risks (cont'd)

## ➤ Regulatory compliance

Link Group is subject to privacy and data protection laws in Australia and 21 other jurisdictions in which it conducts its business. This will include the EU General Data Protection Regulation which comes into force on 25 May 2018. Such laws impact the way Link Group can collect, use, analyse, transfer and share personal data and other information that is central to many of the services Link Group provides. Any actual or perceived failure by Link Group to comply with relevant laws and regulations may lead to consequences such as the imposition of fines or other penalties, client losses, legal proceedings against Link Group, reputational damage and/or a reduction in the development of technology and services using such data and could adversely impact Link Group's business, financial condition and financial performance. Under certain client contracts, Link Group has accepted contractual commitments regarding regulatory and compliance risks to its clients which exceed those to which it would be subject in its business as usual operations. Further, under some of these contracts, Link Group has: (i) also provided indemnification to the client for losses arising from Link Group's failure to comply with these additional regulatory and compliance commitments; and/or (ii) very high contractual liability limits or no limitation on liability. Contracts which include either or both of the above characteristics expose Link Group to potentially more significant financial claims and such claims could adversely impact Link Group's financial condition and financial performance.

## ➤ Failure to attract and retain key personnel

A key driver of Link Group's performance is the recruitment and retention of effective and qualified employees. Link Group faces risks of loss of key management personnel, loss of other key employees, delay in finding suitable replacements for lost personnel and the inability to find suitably qualified personnel to meet Link Group's business needs as it grows. If any of these risks were to materialise, they could have a material adverse impact on Link Group's business, financial performance and financial condition.

## ➤ Increased competition

The key industries that Link Group operates in are all competitive markets and are expected to remain competitive. Link Group's competitive position may be impacted by a number of factors, including the level of innovation relative to that of competitors, commercial factors including pricing and liability, the ability to keep up with technological or regulatory change, the ability to respond to client preferences for products and services and the ability to maintain strong relationships with existing clients by upholding the consistency and quality of its services. In addition, Link Group needs to respond effectively to any changes in the competitive landscape, which may evolve as a result of a number of factors, including the entry of new competitors into the market and the consolidation of existing market participants. Increased competition may adversely affect Link Group's business, financial performance and financial condition.

## ➤ Impairment of intangible assets

Link Group has a material amount of intangible assets on its balance sheet relating to goodwill and identifiable intangible assets such as client contracts and relationships, software and licences. Under Australian Accounting Standards, goodwill and indefinite life intangible assets must be regularly tested for impairment. If impaired, Link Group would need to write down the value of its intangible assets which would result in an expense in the income statement, thereby potentially materially impacting Link Group's financial condition and reported earnings.

# Risks (cont'd)

---

## ➤ Reputation risks

The Link Group brand is important in attracting and retaining clients. There is a risk that the brand may be tarnished by incidents such as negative publicity, data security breach or one-off unforeseen events that negatively impact Link Group's operations. The occurrence of any such incidents may lead to client loss and the failure to attract new clients, which, in turn, may have an adverse impact on Link Group's financial performance.

## ➤ Litigation risk

Link Group may in the ordinary course of business become involved in litigation and disputes, for example with its suppliers or clients. Any such litigation or dispute could involve significant economic costs and damage to relationships with suppliers, clients and/or other stakeholders. Any such outcomes may have an adverse impact on Link Group's business, market reputation and financial condition and financial performance.

## ➤ Failure to realise benefits from research and development investments

Developing software and technology is expensive and the investment in the development of these product and service offerings often involves an extended period of time to achieve a return on investment. An important element of Link Group's corporate strategy is to continue to make investments in innovation and related product and service opportunities through internal investments and the acquisition of intellectual property from companies that it has acquired. Link Group believes that it must continue to dedicate resources to its innovation efforts to develop its software and technology service offering and maintain its competitive position. However, Link Group may not receive significant revenues from those investments for several years, or may not realise such benefits at all.

## ➤ Failure to protect intellectual property rights

Link Group relies and expects to continue to rely on a combination of confidentiality, assignment, and licence agreements with its employees, consultants, and third parties with whom it has relationships, as well as trademarks, copyright and patents, to protect its proprietary rights. Third parties may knowingly or unknowingly infringe Link Group's proprietary rights, and/or may challenge proprietary rights held by Link Group, and pending and future trademark and patent applications may not be approved. In addition, effective intellectual property protection may not be available in every country in which Link Group operates or intends to operate its business. In any or all of these cases, Link Group may be required to expend significant time and expense in order to prevent infringement or to enforce its rights. If the protection of its proprietary rights is inadequate to prevent unauthorised use or appropriation by third parties, its competitors may be able to more effectively mimic its products, services, and methods of operation. Any of these events could have an adverse effect on its business, financial condition and financial performance.

## ➤ Infringement of third party intellectual property rights

Link Group may receive notices from third parties claiming infringement of their intellectual property rights and/or breach of its agreements with them, including from its competitors in the industries it which it operates. Such claims may require protracted negotiation, including litigation, to resolve, or the payment of monetary damages or the satisfaction of indemnification obligations in the agreements with suppliers. In addition, such claims may increase as Link Group continues to acquire new businesses and enter new markets. In such cases, if a determination was made that Link Group had infringed such third party rights, Link Group's business and financial condition may be adversely affected.

# Risks (cont'd)

- **Share and offer risks**

- **Investment in equity capital markets**

There are general risks associated with investments in equity capital. The trading price of shares in Link Group may fluctuate with movements in equity capital markets in Australia and internationally. This may result in the market price for the New Shares being less or more than the Offer Price. Generally applicable factors which may affect the market price of shares include:

- general movements in Australian and international stock markets;
- investor sentiment;
- Australian and international economic conditions and outlook;
- changes in interest rates and the rate of inflation;
- changes in government regulation and policies;
- announcement of new technologies;
- geo-political instability, including international hostilities and acts of terrorism;
- demand for and supply of Link Group shares;
- announcements and results of competitors;
- analysts reports; and
- the financial and operating performance of Link Group.

No assurances can be given that the New Shares will trade at or above the price at which they are issued. None of Link Group, its Board or any other person guarantees the market performance of the New Shares or of Link Group. It is also possible that new risks might emerge as a result of Australian or global markets experiencing extreme stress or existing risks may manifest themselves in ways that are not currently foreseeable. The equity markets have in the past and may in the future be subject to significant volatility.

- **Liquidity risk**

There can be no guarantee of an active market in the shares in Link Group or that the price of the shares in Link Group will increase. There may be relatively few potential buyers or sellers of Link Group's shares on the ASX at any time. This may increase the volatility of the market price of Link Group's shares. It may also affect the prevailing market price at which shareholders are able to sell their shares in Link Group.

- **Equity raising and underwriting risk**

Link Group has entered into an underwriting agreement under which the Underwriter has agreed to fully underwrite the Placement, subject to the terms and conditions of the underwriting agreement between the parties. If certain conditions are not satisfied or certain events occur, the Underwriter may terminate the underwriting agreement. Termination of the underwriting agreement would have an adverse impact on the proceeds raised under the Placement.

# Risks (cont'd)

- **General investment risks**

- **Economic risk**

General economic conditions may negatively affect Link Group's performance and the performance of Link Group's shares. Any protracted slow down in economic conditions or factors such as movements in inflation or interest rates and industrial disruption may have a negative impact on Link Group's costs and revenue.

- **Interest rate risk**

Changes in interest rates will affect borrowings which bear interest at floating rates to the extent Link Group has not hedged against this interest rate risk. An increase in interest rates will affect Link Group's cost of servicing these borrowings, which may adversely impact its business, financial condition and financial performance.

- **Foreign exchange risk**

Link Group currently conducts operations in 22 jurisdictions throughout Australasia, Europe, Middle East and the United States of America. Adverse movements in the exchange rates between the Australian Dollar and the currencies of those foreign jurisdictions in which Link Group currently operates or in the future may operate, including the British Pound, Euro and the US Dollar, may cause Link Group to incur foreign currency losses. Such losses may impact and reduce Link Group's profitability, and ability to pay dividends and service debt obligations.

- **Risk of dividends not being paid**

The payment of dividends by Link Group is announced at the time of release Link Group's half year and full year results as determined by the Board from time to time at its discretion, dependent on the profitability and cash flow of Link Group's business. While Link Group has a stated dividend policy, circumstances may arise where Link Group decides or may be required to reduce or cease paying dividends for a period of time.

- **Changes in accounting policy**

Accounting policy standards may change. This may affect the reported earnings of Link Group and its financial position from time to time. There are multiple pending changes to accounting standards that may impact Link Group, including those governing revenue recognition, leases and financial instruments. Link Group has previously and will continue to assess and disclose, when known, the impact of these change in its periodic financial reporting.

- **Taxation**

Future changes in taxation laws in material jurisdictions in which we operate, including changes in interpretation or application of the law by the courts or taxation authorities, may affect the taxation treatment of an investment in Link Group shares or the holding and disposal of those shares. Further, changes in tax law, or changes in the way tax law is expected to be interpreted, in the various jurisdictions in which Link Group operates, may impact the future tax liabilities of Link Group.

NOT FOR DISTRIBUTION OR RELEASE IN THE UNITED STATES

# Appendix: International selling restrictions

For personal use only

# International Offer restrictions

This document does not constitute an offer of New Shares in any jurisdiction in which it would be unlawful. In particular, this document may not be distributed to any person, and the New Shares may not be offered or sold in any country outside Australia except to the extent permitted below:

<p><b>Hong Kong</b></p>	<ul style="list-style-type: none"> <li>• <b>WARNING:</b> The contents of this document have not been reviewed by any regulatory authority in Hong Kong. You are advised to exercise caution in relation to the offer. If you are in doubt about any contents of this document, you should obtain independent professional advice.</li> <li>• This document has not been, and will not be, registered as a prospectus under the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong (the <b>CWUMPO</b>), nor has it been authorised by the Securities and Futures Commission in Hong Kong pursuant to the Securities and Futures Ordinance (Cap. 571) of the Laws of Hong Kong (the <b>SFO</b>). No action has been taken in Hong Kong to authorise or register this document or to permit the distribution of this document or any documents issued in connection with it. Accordingly, the New Shares have not been and will not be offered or sold in Hong Kong by means of this document or any other document other than to "professional investors" (as defined in the SFO and any rules made thereunder) or in other circumstances which do not result in the document being a "prospectus" as defined under CWUMPO or which do not constitute an offer to the public within the meaning of CWUMPO.</li> <li>• No advertisement, invitation or document relating to the New Shares has been or will be issued, or has been or will be in the possession of any person for the purpose of issue, in Hong Kong or elsewhere that is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to the New Shares that are or are intended to be disposed of only to persons outside Hong Kong or only to professional investors (as defined in the SFO and any rules made under that ordinance). No person allotted New Shares may sell, or offer to sell, such securities in circumstances that amount to an offer to the public in Hong Kong within six months following the date of issue of such securities.</li> </ul>
<p><b>Malaysia</b></p>	<ul style="list-style-type: none"> <li>• No approval from, authorization or recognition by, the Securities Commission Malaysia (<b>Commission</b>) has been applied for or will be obtained for any offer or sale, invitation for subscription or purchase of the New Shares under the Malaysian Capital Markets and Services Act 2007 (<b>CMSA</b>) as the New Shares will be offered to persons specified in paragraph 10 of Schedule 5 of the CMSA through a holder of Capital Markets Services Licence who carries on the business of dealing in securities (<b>Accredited Investors</b>). No prospectus or other offering material or document in connection with the offer or sale, invitation for subscription or purchase of the New Shares has been or will be registered with the Commission as a prospectus under the CMSA. A copy of this offering circular will not be deposited with the Commission in accordance with Section 229(4) and 230(4) of the CMSA for the purpose of the offer or sale, invitation for subscription or purchase of the New Shares in Malaysia. Any investment to which this document relates in Malaysia with respect to the offer or invitation for subscription for or sale of the New Shares is deemed to be an excluded offer or an excluded invitation(s) and an excluded issue, as the case may be, under Schedules 6 and 7 of the CMSA as the New Shares will be offered to persons who fall within the exemptions specified in Schedules 6 and 7 of the CMSA (<b>Excluded Persons</b>). Accordingly, this offering circular and any other document or material in connection with the offer or sale, invitation for subscription or purchase, of the New Shares may not be circulated or distributed to persons in Malaysia, nor may the New Shares be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Malaysia other than an Accredited Investor and an Excluded Person. By reason of the foregoing, whether or not you invest in this New Shares, if you are in Malaysia, you may not distribute this document to anyone other than your own financial and legal advisors, nor may you make copies of this or any other document you receive, except to the extent necessary to consult with your financial and legal advisors who are advising you in connection with this potential investment (and only so long as such advisors agree to hold this information confidential and not use it for purposes other than advising you in connection herewith). Any reproduction or distribution of this document in Malaysia, in whole or in part, or the disclosure of its contents in Malaysia, without the issuer's prior written consent, is prohibited.</li> </ul>

NOT FOR DISTRIBUTION OR RELEASE IN THE UNITED STATES

# International Offer restrictions (cont'd)

<p><b>New Zealand</b></p>	<ul style="list-style-type: none"> <li>This document has not been prepared under or in accordance with the Financial Markets Conduct Act 2013 (<b>FMC Act</b>). This document is not a product disclosure statement under the FMC Act or any other similar offering or disclosure document under New Zealand law. The New Shares are not being offered or sold in New Zealand (or allotted with a view to being offered for sale in New Zealand) other than to a person who:             <ul style="list-style-type: none"> <li>is an investment business within the meaning of clause 37 of Schedule 1 of the FMC Act;</li> <li>meets the investment activity criteria specified in clause 38 of Schedule 1 of the FMC Act;</li> <li>is large within the meaning of clause 39 of Schedule 1 of the FMC Act; or</li> <li>is a government agency within the meaning of clause 40 of Schedule 1 of the FMC Act.</li> </ul> </li> </ul>
<p><b>Norway</b></p>	<ul style="list-style-type: none"> <li>This document has not been approved by, or registered with, any Norwegian securities regulator under the Norwegian Securities Trading Act of 29 June 2007. Accordingly, this document shall not be deemed to constitute an offer to the public in Norway within the meaning of the Norwegian Securities Trading Act of 2007.</li> <li>The New Shares may not be offered or sold, directly or indirectly, in Norway except to "professional clients" (as defined in Norwegian Securities Regulation of 29 June 2007 no. 876 and including non-professional clients having met the criteria for being deemed to be professional and for which an investment firm has waived the protection as non-professional in accordance with the procedures in this regulation).</li> </ul>
<p><b>Singapore</b></p>	<ul style="list-style-type: none"> <li>This document and any other materials relating to the New Shares have not been, and will not be, lodged or registered as a prospectus with the Monetary Authority of Singapore. Accordingly, this document and any other document or materials in connection with the offer or sale, or invitation for subscription or purchase, of the New Shares, may not be issued, circulated or distributed, nor may the New Shares be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to any person in Singapore other than (a) to an institutional investor pursuant to Section 274 of the Securities and Futures Act, Chapter 289 of Singapore (the <b>SFA</b>), (b) to a relevant person under Section 275(1) of the SFA or to any person pursuant to Section 275(1A) of the SFA and in accordance with the conditions specified in Section 275 of the SFA, or (c) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.</li> <li>Where the New Shares are subscribed or purchased under Section 275 of the SFA by a relevant person which is:             <ul style="list-style-type: none"> <li>a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or</li> <li>a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor,</li> </ul> </li> <li>securities (as defined in Section 239(1) of the SFA) of that corporation or the beneficiaries' rights and interest (howsoever described) in that trust shall not be transferrable for six months after that corporation or that trust has acquired the New Shares pursuant to an offer made under Section 275 of the SFA, except:             <ul style="list-style-type: none"> <li>to an institutional investor or to a relevant person defined in Section 275(2) of the SFA, or to any person arising from an offer referred to in Section 275(1A) or Section 276(4)(i)(B) of the SFA; or</li> <li>where no consideration is or will be given for the transfer; or</li> <li>where the transfer is by operation of law; or</li> <li>pursuant to section 276(7) of the SFA and Regulation 32 of the Securities and Futures (Offers of Investments) (Shares and Debentures) Regulations 2005 of Singapore.</li> </ul> </li> <li>This document has been given to you on the basis that you are (i) an "institutional investor" (as defined in the SFA) or (ii) a "relevant person" (as defined in section 275(2) of the SFA). You must ensure that you comply with the requirements under the SFA (including any applicable resale restrictions) in respect of any investment in the New Shares. In the event that you are not an investor falling within any of the categories set out above, you must return this document immediately. You may not forward or circulate this document to any other person in Singapore. Any failure to comply with these restrictions may constitute a violation of applicable securities laws.</li> </ul>

NOT FOR DISTRIBUTION OR RELEASE IN THE UNITED STATES

# International Offer restrictions (cont'd)

<p><b>Switzerland</b></p>	<ul style="list-style-type: none"> <li>The New Shares may not be publicly offered in Switzerland and will not be listed on the SIX Swiss Exchange (the SIX) or on any other stock exchange or regulated trading facility in Switzerland. This document has been prepared without regard to the disclosure standards for issuance prospectuses under art. 652a or art. 1156 of the Swiss Code of Obligations or the disclosure standards for listing prospectuses under the SIX Listing Rules or the listing rules of any other stock exchange or regulated trading facility in Switzerland. Neither this document nor any other offering or marketing material relating to the New Shares may be publicly distributed or otherwise made publicly available in Switzerland.</li> <li>Neither this document nor any other offering or marketing material relating to the New Shares have been or will be filed with or approved by any Swiss regulatory authority. In particular, this document will not be filed with, and the offer of New Shares will not be supervised by, the Swiss Financial Market Supervisory Authority (FINMA).</li> <li>This document is personal to the recipient only and not for general circulation in Switzerland.</li> </ul>
<p><b>United Kingdom</b></p>	<ul style="list-style-type: none"> <li>Neither the information in this document nor any other document relating to the offer has been delivered for approval to the Financial Conduct Authority in the United Kingdom and no prospectus (within the meaning of section 85 of the Financial Services and Markets Act 2000, as amended (<b>FSMA</b>)) has been published or is intended to be published in respect of the New Shares.</li> <li>This document is issued on a confidential basis to "qualified investors" (within the meaning of section 86(7) of the FSMA) (<b>Qualified Investors</b>) in the United Kingdom, and the New Shares may not be offered or sold in the United Kingdom by means of this document, any accompanying letter or any other document, except in circumstances which do not require the publication of a prospectus pursuant to section 86(1) of the FSMA. This document should not be distributed, published or reproduced, in whole or in part, nor may its contents be disclosed by recipients to any other person in the United Kingdom.</li> <li>Any invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) received in connection with the issue or sale of the New Shares has only been communicated or caused to be communicated and will only be communicated or caused to be communicated in the United Kingdom in circumstances in which section 21(1) of the FSMA does not apply to the Company.</li> <li>In the United Kingdom, this document is being distributed only to, and is directed at, Qualified Investors (i) who have professional experience in matters relating to investments falling within Article 19(5) (investment professionals) of the Financial Services and Markets Act 2000 (Financial Promotions) Order 2005 (<b>FPO</b>), (ii) who fall within the categories of persons referred to in Article 49(2)(a) to (d) (high net worth companies, unincorporated associations, etc.) of the FPO or (iii) to whom it may otherwise be lawfully communicated (together <b>Relevant Persons</b>). The investments to which this document relates are available only to, and any invitation, offer or agreement to purchase will be engaged in only with, Relevant Persons. Any person who is not a Relevant Person should not act or rely on this document or any of its contents.</li> </ul>
<p><b>United States</b></p>	<ul style="list-style-type: none"> <li>This document may not be released or distributed in the United States.</li> <li>This document does not constitute an offer to sell, or a solicitation of an offer to buy, any securities in the United States or any other state or jurisdiction in which such an offer would be illegal. The New Shares have not been, or will not be, registered under the U.S. Securities Act of 1933 (the <b>U.S. Securities Act</b>) or the securities laws of any state or other jurisdiction of the United States and may not be offered or sold, directly or indirectly, in the United States unless the New Shares have been registered under the U.S. Securities Act (which Link Group has no obligation to do or procure) or are offered and sold in a transaction exempt from, or not subject to, the registration requirements of the U.S. Securities Act and any other applicable United States state securities laws.</li> </ul>

NOT FOR DISTRIBUTION OR RELEASE IN THE UNITED STATES