

20 February 2023

ASX ANNOUNCEMENT

**LINK GROUP UPDATES ON THE SALE OF THE FUND SOLUTIONS BUSINESS,
NEGOTIATIONS WITH THE FCA AND EXPECTED IMPAIRMENT**

Link Administration Holdings Limited (ASX: LNK) (**Link Group**) provides the following update in relation to the progress of the sale of the Fund Solutions (FS) business (**FS Business**) and in relation to ongoing negotiations with the UK Financial Conduct Authority (**FCA**).

Link Group is in exclusive negotiation with the Waystone Group in respect of the sale of the whole of its FS Business, excluding Woodford related liabilities. This follows a period of confidential exclusive negotiation with and due diligence by Waystone. Any transaction with Waystone is subject to successful finalisation of due diligence and finalisation of detailed legal agreements, and to board and other approvals. Link Group has granted a further period of exclusivity to Waystone to enable the parties to conclude the necessary legal agreements before the end of March 2023.

At the same time, Link Group and Link Fund Solutions Limited (**LFSL**) are in advanced confidential discussions with the FCA to settle the FCA investigation against LFSL. The likely outcome of the sale to Waystone and of settlement with the FCA, if both are concluded, is that Link Group would receive no net proceeds of the sale of its FS business. If a settlement is agreed with the FCA, it would resolve the current FCA investigation and would also be contingent on a scheme of arrangement of LFSL to resolve all Woodford related contingent liabilities and redress obligations of LFSL.

A sale of the FS Business to Waystone would not be contingent on the scheme of arrangement or any FCA settlement becoming unconditional. No legally binding agreement has been reached with either Waystone or the FCA and at present there can be no certainty that any of such agreements will ultimately be concluded.

In circumstances including the matters described above, Link Group expects that it will be appropriate to fully impair 100% of the Fund Solutions cash generating unit's intangibles and certain other non-current assets. Link Group expects to recognise a non-cash impairment charge of approximately \$449 million in its financial results for the half year ended 31 December 2022. Link Group's liquidity position remains strong and after the impairments, significant headroom remains under Link Group's covenants with its lenders.

Link Group expects to report a fair value gain on the sale of Pexa of approximately \$48 million in the 1H FY23. Link Group also expects to make a further fair value gain on the distribution of Pexa shares of approximately \$322 million to be recognised in the 2H FY23.

Link Group expects to report 1H FY23 Operating EBIT of \$80.2 million, at the top end of the guidance range of \$75 - \$80 million provided at FY22 Link Group AGM. Link Group re-affirms its previous guidance of FY23 Operating EBIT to be up 10% - 12% on FY22.

Link Group's half year 2023 results remain subject to review by its external auditors and Board approval. Link Group will report its detailed 1H FY23 financial results on 24 February 2023.

The release of this announcement was authorised by the Link Group Board.

For further information:

Investor Relations Contact – Tariq Chotani, Link Group +61 407 498 868

Media Contact – Ben Wilson, GRACosway +61 407 966 083

About Link Group

Link Group connects millions of people with their assets, including equities, pension and superannuation, investments, property and other financial assets. Link Group partners with thousands of financial market participants to deliver services, solutions and technology platform that enhance the user experience and make scaled administration simpler. They help manage regulatory complexity, improve data management and provide the tools to connect people with their assets, leveraging analysis, insight and technology.

For more information, please visit: www.linkgroup.com.

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