

ALLEGRO NEWS



WELCOME

Welcome to the summer edition of our Allegro 2020 newsletter. We have had many exciting activities on the go such as our annual strategy offsite (picture to right), driving value in portfolio companies and getting exit ready in this post COVID period.



companies, their strategies and pathway towards realisations and exits; our investors, what they are thinking and expecting, especially in this environment, and how they fit with our plans for future funds; and reflecting on our team culture and how we continue to build on the high performance elements within. And all of this topped off with an extremely competitive game of tag rugby!

A few of the interesting insights coming out of our strategy sessions include the following:

- COVID has actually helped all of our portfolio companies strengthen their operations and

enhance their relationship with key providers including landlord and lenders.

- We anticipate deal flow to pick up significantly towards the middle of 2021, with a number of high quality opportunities coming our way.
- Exit markets are deepening, with many buyers showing keen interest in businesses that have managed to trade well throughout lockdowns, and we need to make sure that each one of our portfolio companies is positioned to take advantage of this.

- Communication with our investor base is paramount, and we will continue to maintain an ongoing open dialogue with all investors on a regular basis. We welcome our local investors back into the office and will continue virtual updates with those we cannot meet in person.
- Culture is key, and at the heart of every high performing team is a unique culture that bonds all team members together. We are well placed here and this is something we will continue to build upon.

OUR 2021 ANNUAL GENERAL MEETING

We have started preparations for our 2021 Annual General Meeting which will take place on the morning of Tuesday 2nd March 2021. The AGM line-up promises to deliver some valuable insights into the market from a turnaround and transformation point of view. We will cover topics such as the performance of our



existing portfolio, deal flow activity and broader macro themes as they apply to us. The event will be livestreamed and we are finalising details for in-person attendance. Save the date emails have gone out to our investors and portfolio company management.

DEAL FLOW

The last few months have been busy, with a notable increase in deal flow activity. The number of traditional turnaround investment opportunities has increased. In addition, we are seeing an increase in the number of opportunities with larger businesses that are seeking our transformation expertise to drive value. These are typically partnership type opportunities, where the existing owners remain invested in the business, and we invest along side them. We bring transformational and operational expertise in addition to financial capital. Working closely with our team of operating partners, we have been able to identify ways that value can be created within these businesses, and then assist the management teams with executing value creation plans.

We have recently executed a number of non-binding offers, kicked off several due diligence workstreams, and also in the process of conducting site visits

for new opportunities. These cover industries such as retail, building products, containers and packaging as well as suppliers within the metals and mining industries.

The beginning of 2021 promises to be busy on the deal front.

OUR INTERN PROGRAM CONTINUES...

For those of you that are familiar with members of our team, you would know that several of our team, including senior members, started their careers at Allegro as university research interns. Over the last 16 years, our intern program has proven to be a successful private equity career development initiative. Team members start by taking on the most basic of roles within a private equity firm, and soon graduate to financial modelling, due diligence, presentation writing and other rewarding activities.

This year we have been very fortunate to offer two NSW based university students the opportunity to intern with Allegro into 2021. We are very happy to welcome Marco Yu and Ryan Dharma,

joining us from UNSW and the University of Sydney. We look forward to being a part of the commencement of your professional careers, and we are excited about what your futures hold.

THE HOLIDAY BREAK

As this year draws to a close, we want to take the opportunity to wish all of you a very merry Christmas and a happy New Year. 2020 has proven to be a year of challenge, change and adaption, and embracing this completely has set us up well moving into the next year. Our offices will be closed from the 25th of December 2020 to the 3rd of January 2021, inclusive. If there is anything that you need from the team during this time out, please still drop us an email and we will do our best to get back to you. Regardless we will be back in touch from the 4th of January 2021 onwards.

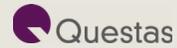
We hope you all have a relaxing break and manage to spend some time with your family, friends and special loved ones, and we look forward to speaking again in 2021!



CURRENT PORTFOLIO



Best&Less
Postie



Hannahs
number one shoes



JSW
LEADERS THROUGH INNOVATION



G'DAY
GROUP HOLDINGS



EXITED PORTFOLIO

Healthy
Life



BOS INTERNATIONAL

vulcanite
Excellence in engineered rubber solutions.

CH2..



GREAT SOUTHERN RAIL
INDIAN PACIFIC THE GHAN THE OVERLAND
JOURNEY BEYOND

CONTACT US

Our newsletter will be shared with you seasonally moving forwards. With the next coming in the Autumn months.

For further information or to speak to one of our team, please visit our website www.allegrofund.com.au, or call +61 (0) 282288781 or email us at enquiries@allegrofund.com.au.