

Advent News

December 2020

YEAR IN REVIEW

2020 has been a tumultuous year, with many unexpected twists and turns, with a pandemic, economic contraction and now early recovery and a huge fiscal/monetary response. We acknowledge that 2020 has been a difficult year for many people and look forward to better times in 2021. At Advent, we remain firmly committed to supporting the recovery by continuing to support growing mid-market businesses and creating new employment opportunities across our portfolio in Australia and New Zealand.

As a Melbourne based team, we have worked from home much of the year, but despite this, we have been highly productive and are delighted to be able to complete our fourth and fifth investments in the Advent Partners 2 Fund, as well as execute a partial exit while in the middle of tough lockdown conditions in Melbourne. Our portfolio businesses and their management teams did an incredible job navigating the impacts of the global pandemic, with many using the situation as a catalyst to implement key improvement initiatives, enhance performance and streamline its operations, to emerge as a stronger business but importantly protecting jobs and livelihoods.

We would like to take this opportunity to wish you all a safe, restful and happy holiday season. Thank you for your continued support, and we look forward to working with you again in the new year.

The Advent Team

NEW GROWTH PARTNERSHIP

Medtech Global

Advent Partners 2 Fund invested in Medtech Global in June 2020. Medtech is a leading SaaS business that provides mission-critical software to ~18,000 GP, Allied Health and Specialist users across Australia and New Zealand. It is a market leader in the New Zealand GP market, with significant market share, and offers an extensive product suite allowing physicians and their staff to manage all administration and clinical aspects of their practices.

Founded in 1989, the business has a long and successful track record of providing Practice Management Software functionality, which is underpinned by its intimate knowledge of practice workflows and high-quality software development. The business has ~50 staff, with core business functions based in Auckland, New Zealand and a customer support office in Melbourne, Australia.

The investment thesis will focus on migrating customers to Medtech's flagship Evolution product, building out partnership and integration opportunities, targeting bolt-on acquisition opportunities, expanding the technology platform, and expanding into adjacent markets where Medtech currently has a beachhead.

Flintfox International

The fifth investment from our Advent Partners 2 Fund in Flintfox International was also completed in June 2020.

Flintfox is a global enterprise software solutions company for revenue management. The Business is a niche global leader in the market with 80 customers and ~125,000 users across 24 countries. Flintfox's best of breed software is mission critical, highly advanced and addresses a critical product gap in existing ERP solutions, particularly Microsoft Dynamics.

Headquartered in Auckland New Zealand, the Business was founded in 1987 and has grown to have 120+ people operating across North America, UK/Europe, South America and Asia Pacific. Flintfox has been recognised as one of the most influential Microsoft Global Independent Software Vendors (ISVs) in the world by achieving Inner Circle status for Microsoft Business Applications for the last 3 years. It recently won Microsoft's 2020 US Partner Award in Retail.

The software and services provided by Flintfox help companies increase revenue, reduce costs and improve margins by managing revenue activities (eg. pricing, rebates and trade spending) for customers across the manufacturing, wholesale distribution, retail, and consumer goods industries.

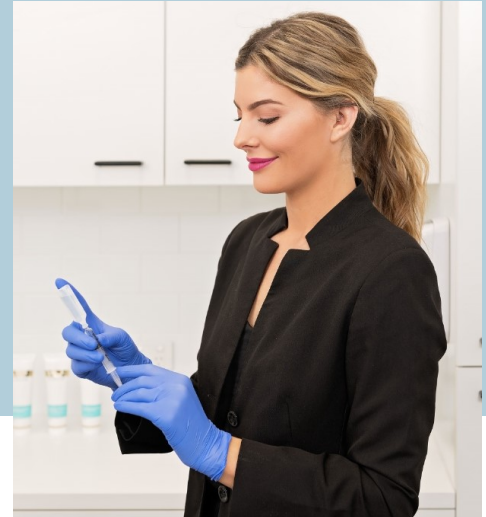
We look forward to partnering with Mike Ridgway and his experienced senior leadership team to support continued product innovation and sales and marketing execution against a large global market opportunity with new customer acquisition, brand and marketing initiatives and accelerating international expansion.

SUCCESSFUL EXITS - Partial Exit from SILK Laser Clinics

We are pleased to announce the successful listing of SILK Laser Clinics on the ASX, the first investment in our Advent Partners 2 Fund. The business was listed in December 2020 with a market capitalisation of A\$162.5 million. The IPO resulted in Advent reducing its shareholding by 50% and returning 2x the invested capital to investors after three years.

Our investment in January 2018 supported the accelerated clinic rollout, the management buildout, and investment into operational and productivity tools. SILK has grown from a clinic network of 12 at the point of our investment, to one of Australia's largest specialist clinic networks in Australia, offering a range of non-surgical aesthetic products and services. SILK's five core offerings are laser hair removal, cosmetic injectables, skincare services and Owned Brand skincare products.

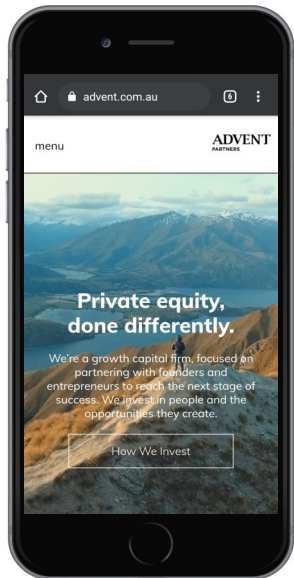
Brad Lynch, Advent Partner, will continue as a director of Silk and continue to work with management to drive growth. Congratulations to Founder, Martin Perelman, who grew the business from a single clinic in Adelaide to 53 clinics nationally today. We are proud of the management team for reaching this incredible milestone and look forward to seeing the continued growth and success of the business.



ADVENT COMMUNITY CAUSES & PROJECTS

Responsible Investing

As part of our ongoing commitment to ESG matters, we engaged PathZero and completed an initial assessment of carbon emissions across our portfolio. Our plan is to continue to monitor this on an annual basis, and to encourage our investees to reduce their carbon footprint over time. In our commitment to lead by example, Advent has taken action by becoming carbon neutral, effective from December 2020.



Private Equity Done Differently

After months of designing and refining, we were excited to launch our newly designed website. We chose 'Private Equity Done Differently' as our central message as we believe it accurately articulates our approach when partnering with founders, people and businesses. More than just the bottom line, our partnerships are built on trust and collaboration. We have a hands-on, pragmatic approach, and believe that 'the team' is the most valuable asset in delivering strong growth, performance and returns. The new website will be a place for us to share our knowledge and insights with you, as well as helpful content and updates on our portfolio companies' successes.

Very Special Kids – 24 Day Challenge

As a proud corporate sponsor of Very Special Kids (VSK), we participated in the 24 Day Challenge in July. Almost all of the Advent Team committed to engage in vigorous exercise every day for 24 days! VSK supports ~900 families across Victoria and all money raised went towards providing 24-hour care at the VSK children's hospice for families who have children with life threatening conditions.



TEAM NEWS - Nick Stafford joins the Advent Team

We formally welcome Nick Stafford to the Advent team as Investment Manager. Nick has a background in investment banking, having spent time at Houlihan Lokey in London, and prior to that, at 333 Capital in Melbourne. Nick will assist with all parts of the investment cycle and is currently part of the Flintfox deal team.

DO YOU HAVE AN INVESTMENT OPPORTUNITY?

We welcome new investment opportunities from businesses directly and intermediaries. Please feel free to contact any of our team members directly to discuss opportunities which may meet our investment criteria.

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