

**Form 604**  
Corporations Act 2001  
Section 671B

**Notice of change of interests of substantial holder**

To Company Name/Scheme BEST & LESS GROUP HOLDINGS LIMITED (BST)

ACN/ARSN 642 843 221

**1. Details of substantial holder (1)**

Name ALLEGRO FUND III, LP (REGISTRATION NO. ILP 1700033) (ALLEGRO LP)  
ALLEGRO SERVICES III D PTY LTD (ACN 621 451 705) (ALLEGRO SERVICES)  
(ALLEGRO LP AND ALLEGRO SERVICES TOGETHER, ALLEGRO ENTITIES)

ACN/ARSN (if applicable) SEE ABOVE

There was a change in the interests of the substantial holder on

30 AUGUST 2022

The previous notice was given to the company on

23 JULY 2021

The previous notice was dated

23 JULY 2021

**2. Previous and present voting power**

The total number of votes attached to all the voting shares in the company or voting interests in the scheme that the substantial holder or an associate (2) had a relevant interest (3) in when last required, and when now required, to give a substantial holding notice to the company or scheme, are as follows:

Class of securities (4)	Previous notice		Present notice	
	Person's votes	Voting power (5)	Person's votes	Voting power (5)
FULLY PAID ORDINARY SHARES (EACH A SHARE)	54,600,479	43.55%	40,659,591	32.43%

**3. Changes in relevant interests**

Particulars of each change in, or change in the nature of, a relevant interest of the substantial holder or an associate in voting securities of the company or scheme, since the substantial holder was last required to give a substantial holding notice to the company or scheme are as follows:

Date of change	Person whose relevant interest changed	Nature of change (6)	Consideration given in relation to change (7)	Class and number of securities affected	Person's votes affected
30 AUGUST 2022	ALLEGRO LP	DISPOSAL OF SHARES VIA A BLOCK TRADE, PURSUANT TO THE AGREEMENT BETWEEN THE ALLEGRO ENTITIES AND BELL POTTER SECURITIES LIMITED (BLOCK TRADE AGREEMENT)	\$2.30 PER SHARE	12,924,965 SHARES	12,924,965
30 AUGUST 2022	ALLEGRO SERVICES	DISPOSAL OF SHARES VIA A BLOCK TRADE, PURSUANT TO THE BLOCK TRADE AGREEMENT	\$2.30 PER SHARE	1,015,923 SHARES	1,015,923

**4. Present relevant interests**

Particulars of each relevant interest of the substantial holder in voting securities after the change are as follows:

Holder of relevant interest	Registered holder of securities	Person entitled to be registered as holder (8)	Nature of relevant interest (6)	Class and number of securities	Person's votes
ALLEGRO LP	ALLEGRO LP	ALLEGRO LP	RELEVANT INTEREST PURSUANT TO SECTION 608(1) OF THE CORPORATIONS ACT, AS THE HOLDER OF SHARES	37,696,579 SHARES	30.07%
ALLEGRO SERVICES	ALLEGRO SERVICES	ALLEGRO SERVICES	RELEVANT INTEREST PURSUANT TO SECTION 608(1) OF THE CORPORATIONS ACT, AS THE HOLDER OF SHARES	2,963,012 SHARES	2.36%

**5. Changes in association**

The persons who have become associates (2) of, ceased to be associates of, or have changed the nature of their association (9) with, the substantial holder in relation to voting interests in the company or scheme are as follows:

Name and ACN/ARSN (if applicable)	Nature of association
N/A	N/A

**6. Addresses**

The addresses of persons named in this form are as follows:

Name	Address
ALLEGRO LP	LEVEL 1, 95 PITT STREET, SYDNEY NSW 2000
ALLEGRO SERVICES	LEVEL 1, 95 PITT STREET, SYDNEY NSW 2000

## Signature

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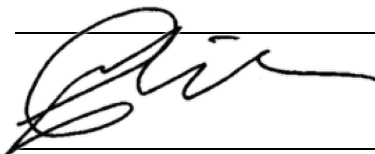
print name

CHESTER MOYNIHAN

capacity

DIRECTOR

sign here



date

30/08/2022

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### DIRECTIONS

- (1) If there are a number of substantial holders with similar or related relevant interests (eg. a corporation and its related corporations, or the manager and trustee of an equity trust), the names could be included in an annexure to the form. If the relevant interests of a group of persons are essentially similar, they may be referred to throughout the form as a specifically named group if the membership of each group, with the names and addresses of members is clearly set out in paragraph 6 of the form.
- (2) See the definition of "associate" in section 9 of the Corporations Act 2001.
- (3) See the definition of "relevant interest" in sections 608 and 671B(7) of the Corporations Act 2001.
- (4) The voting shares of a company constitute one class unless divided into separate classes.
- (5) The person's votes divided by the total votes in the body corporate or scheme multiplied by 100.
- (6) Include details of:
  - (a) any relevant agreement or other circumstances because of which the change in relevant interest occurred. If subsection 671B(4) applies, a copy of any document setting out the terms of any relevant agreement, and a statement by the person giving full and accurate details of any contract, scheme or arrangement, must accompany this form, together with a written statement certifying this contract, scheme or arrangement; and
  - (b) any qualification of the power of a person to exercise, control the exercise of, or influence the exercise of, the voting powers or disposal of the securities to which the relevant interest relates (indicating clearly the particular securities to which the qualification applies).

See the definition of "relevant agreement" in section 9 of the Corporations Act 2001.
- (7) Details of the consideration must include any and all benefits, money and other, that any person from whom a relevant interest was acquired has, or may, become entitled to receive in relation to that acquisition. Details must be included even if the benefit is conditional on the happening or not of a contingency. Details must be included on any benefit paid on behalf of the substantial holder or its associate in relation to the acquisitions, even if they are not paid directly to the person from whom the relevant interest was acquired.
- (8) If the substantial holder is unable to determine the identity of the person (eg. if the relevant interest arises because of an option) write "unknown".
- (9) Give details, if appropriate, of the present association and any change in that association since the last substantial holding notice.

## Annexure A – Block Trade Agreement

This is Annexure A of 10 pages referred to in the Form 604 (Notice of change of interests of substantial holder)



Signature of CHESTER MOYNIHAN

**Position:** Director

**Date:** 30/08/2022

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30 August 2022

Chester Moynihan  
Allegro Funds Pty Ltd  
Level 1, Plaza Building  
95 Pitt Street  
Sydney, NSW, 2000  
Australia

Fay Bou  
Allegro Funds Pty Ltd  
Level 1, Plaza Building  
95 Pitt Street  
Sydney, NSW, 2000  
Australia

Dear Chester and Fay,

## BEST & LESS GROUP HOLDINGS LIMITED – BLOCK TRADE AGREEMENT

Bell Potter Securities Limited ("**Bell Potter**") ("**Lead Manager**") agrees to underwrite the disposal of 13,940,888 securities ("**Securities**") in Best & Less Group Holdings Limited ("**Issuer**") at a fixed price of A\$2.30 per Security ("**Price**"), yielding total aggregate proceeds of A\$32,064,042.40 ("**Proceeds**") to be conducted on 30 August 2022 for Allegro Fund III, LP and Allegro Services III D Pty Ltd ("**Vendor**" or "**Client**") by procuring purchasers for the Securities at the Price per Security and underwriting the sale of those Securities (by purchasing at the Price per Security) which have not been purchased ("**Sale**" or "**Transaction**") on the terms and conditions of this letter. The parties agree to discuss an increase to the number of Securities the subject of the Sale, should the demand for the Securities exceed the number of Securities initially offered, it being understood that nothing in this Engagement Agreement constitutes an agreement of any party to agree to such an increase.

When executed by the Vendor, this letter (including Schedules 1 and 2), together with the Standard Terms of Engagement (Appendix 1), the separate fee letter and your completed account opening and client documentation, will constitute the entire agreement between the parties to execute the Sale ("**Engagement Agreement**").

The Vendor has received and accepted the Standard Terms of Engagement in respect of the Sale. To the extent of any inconsistency between the terms of this letter and the Standard Terms of Engagement, this letter prevails.

Securities	—	13,940,888 securities in Issuer (Code: BST.ASX)
Price	—	The sale price shall be A\$2.30 per Security
Gross proceeds from Sale		A\$32,064,042.40 (" <b>Proceeds</b> ")
Fees	—	The fees payable to the Lead Manager will be agreed between the Lead Manager and the Vendor in good faith
	—	Fees will be exclusive of GST
Timing	—	Proposal valid until <b>7.00pm (Sydney time)</b> on 30 August 2022
	—	Order under this Engagement Agreement to be executed on the ASX on 30 August 2022
Trade Date	—	30 August 2022 (" <b>T</b> ")
Settlement Date	—	T + 2 business days
	—	By 3.00pm on the Settlement Date, the Lead Manager will pay, or procure the payment to the Vendor, of an amount equal to the Price multiplied by the number of Sale Securities by transfer to the Vendor's account (or as directed) for value (in cleared funds) against valid delivery of the Securities in accordance with the ASX Settlement Operating Rules.

1. The Vendor confirms and agrees that:

a) **Lead Manager's role:**

- The Vendor appoints the Lead Manager to act as lead manager and to underwrite the Sale, on the terms and subject to the conditions of this Engagement Agreement.

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- The Lead Manager has been engaged to undertake certain activities reasonably necessary and for the purposes of conducting the Sale and maximising the prospects of the success of the Sale, including (but not limited to) acting as lead manager and underwriter, agreeing with the Vendor the Price (as defined above) and other terms of this Engagement Agreement, and using reasonable endeavours to arrange the Sale by, amongst other things, contacting potential investors and conducting a bookbuild.
    - The Lead Manager has entered into this Engagement Agreement at the request of the Vendor for the purposes of undertaking the Sale and for the mutual benefit of the Vendor and the Lead Manager. The obligations upon and rights granted to the Lead Manager support the undertaking of the Sale.
  - b) **ASX and ownership:** The Securities are quoted on the financial product market operated by ASX, and are legally and beneficially owned by the Vendor.
  - c) **Non-Controller:** The Vendor is not a “controller” (as defined under section 50AA of the Corporations Act 2001 (Cth) (“**Corporations Act**”)) of the Issuer and the Securities may be offered for sale on the financial market operated by ASX under the Sale to investors without disclosure under Part 6D.2 of the Corporations Act.
  - d) **Ranking:** At the time of the sale by the Vendor, the Securities will rank equally in all respects with all other outstanding ordinary securities of the Issuer, including as to their entitlement to dividends.
  - e) **No breach:** The Vendor will not, prior to the Settlement Date, commit, be involved in or acquiesce in any activity which breaches its constitutional documents, the constitutional documents of the Issuer or relevant law, in each case to the extent such breach impacts or could reasonably be expected to have a material adverse impact on the sale of the Securities or the Vendor’s or the Lead Manager’s obligations under this Engagement Agreement.
  - f) **Price sensitive information:**
    - At the time of execution of this Engagement Agreement by the Vendor, the Vendor is not in possession of any price sensitive or inside information or any information that is not generally available to the market, that a reasonable person would expect, if it were generally available to the market, to have a material effect on the price or value of the ordinary securities of the Issuer (other than knowledge that it proposes to conduct the Sale pursuant to this Engagement Agreement) and the Vendor authorises the Lead Manager to disclose this to institutional investors.
    - The sale of the Securities will not constitute a violation by the Vendor of Division 3 of Part 7.10 of the Corporations Act;
2. As at the date of this Engagement Agreement and on each day until and including the Settlement Date, the Lead Manager represents and warrants to the Vendor that each of the following statements is correct:
- a) **Body corporate:** it is duly incorporated under the laws of its place of incorporation;
  - b) **Capacity:** it has full legal capacity and power to enter into the Engagement Agreement and to carry out the Transaction;
  - c) **Agreement effective:** this Engagement Agreement constitutes its legal, valid and binding obligation, enforceable against it in accordance with its terms;
  - d) **Licences:** it holds all licences, permits and authorities necessary for it to fulfil its obligations under the Engagement Agreement and has complied with the terms and conditions of the same in all material respects;
  - e) **No breach:** it will perform its obligations under the Engagement Agreement (and ensure, in relation to the Sale, that its related bodies corporate and affiliates act in a manner) so as to comply with applicable laws, provided that the Lead Manager will not be in breach of this warranty to the extent that any such breach is caused, induced or contributed to by an act or omission of a member of the Client Group or their advisers (other than the Lead Manager), or caused or contributed to by a

member of the Lead Manager Group relying on information provided by an acquirer of Securities under the Sale;

- f) **No directed selling efforts:** neither it, nor any of its affiliates, nor any person acting on its or their behalf has engaged or will engage in any form of "directed selling efforts" (as that term is defined in Rule 902(c) under the U.S. Securities Act); and
- g) **No stabilisation or manipulation:** neither it, nor any of its affiliates, nor any person acting on its or their behalf has taken or will take, directly or indirectly, any action designed to, or that might reasonably be expected to, cause or result in the stabilisation or manipulation of the price of the Securities to facilitate the sale or resale of any of the Issuer's securities or the Securities in violation of any applicable law.

3. **Permitted Persons and Permitted Jurisdictions:** The Lead Manager shall be entitled to procure and to allocate to such persons in the Permitted Jurisdictions (defined below and including to itself and its affiliates) as purchasers of the Securities as it shall, in its absolute discretion but subject always to applicable law, determine and the Vendor shall take all reasonable steps necessary to facilitate the disposal of the Securities by the Lead Manager and shall, for that purpose, take all reasonable actions requested by the Lead Manager within a reasonable period of such request. To this end, the Lead Manager will conduct the Sale by way of an offer only to the following Permitted Persons in the Permitted Jurisdictions:

- a) In Australia, to persons who do not need disclosure under Part 6D.2 of the Corporations Act;
- b) Outside Australia and the United States, to institutional and professional investors in the Permitted Jurisdictions (as defined below but not elsewhere) to whom offers for sale of securities may lawfully be made without requiring the preparation, delivery, lodgement or filing of any prospectus or other disclosure document or any other lodgement, registration or filing with, or approval by, a government agency (other than any such requirement with which the Vendor, in its sole and absolute discretion, is willing to comply), as determined by agreement between the Vendor and the Lead Manager; and
- c) In the United States to persons whom the Lead Manager reasonably believes to be Qualified Institutional Buyers (as defined in Rule 144A under the U.S. Securities Act of 1933 (the "U.S. Securities Act")) and to Eligible U.S. Managers, in each case pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable U.S. state securities laws.

**Permitted Jurisdictions** means Australia, Belgium, Denmark, France, Germany, Hong Kong, Ireland, Italy, Luxembourg, Netherlands, New Zealand, Norway, Singapore, Sweden, Switzerland, United Arab Emirates (excluding Dubai International Financial Centre), United Kingdom and United States.

- 4. **Instructions:** The Vendor is providing specific instructions to the Lead Manager to underwrite the sale of the Securities in the ordinary course of the Lead Manager's financial services business, including without limitation, communicating with and procuring purchasers for, acquiring and disposing of the Securities under this Engagement Agreement.
- 5. **Compliance with laws:** The Vendor represents and warrants that it will comply with all applicable laws and regulatory requirements in connection with the Sale (including, without limitation, the requirements of any laws or regulations relating to anti-money laundering, counter-terrorism financing, sanctions, bribery or corruption in Australia and in any of the jurisdictions in which the Vendor is incorporated or carries on business) and will promptly notify the Lead Manager of any issues arising in connection with such laws and regulatory requirements during the Sale; and
- 6. **No withdrawal:** The parties agree that on and from execution of this Engagement Agreement by the Lead Manager and the Vendor, the Vendor will not withdraw the Sale, cancel or suspend its obligations under the Agreement or terminate the Agreement.
- 7. **Purpose:** The Vendor did not purchase the Securities with a view to the distribution of such Securities and has held the Securities for at least one year.
- 8. **U.S representations:** The Vendor represents and warrants is not an "affiliate" (as defined in Rule 501(b) of the U.S. Securities Act 1933, as amended) ("U.S. Securities Act") of the Issuer.



9. **Schedule:** In addition to the terms set out above, the provisions of Schedules 1 and 2 to this letter apply to and govern the relationship between the Lead Manager and the Vendor.

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Upon receipt of a signed copy of this letter by all parties, the Vendor will be taken to have instructed the Lead Manager to conduct the Sale on the terms of this Engagement Agreement and the relevant documentation.

Yours faithfully,

**Bell Potter Securities Limited**



Signature of director

ALASTAIR PROVAN

Name of director (block letters)



Signature of director

JAMES UNGER

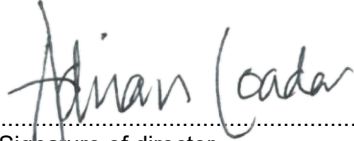
Name of director (block letters)

**Vendor execution and confirmation**

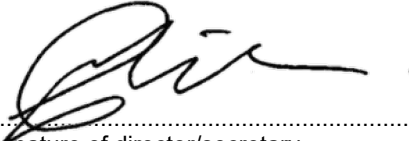
**Confirm:**

**Securities to sell: 1,015,923**

**EXECUTED** by Allegro Services III D Pty Ltd under section 127 of the Corporations Act:



Signature of director



Signature of director/secretary

Charles Robert Adrian Loader

Name of director (block letters)

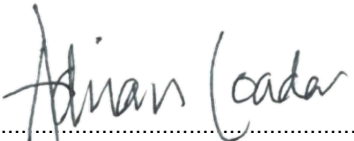
Chester Moynihan

Name of director (block letters)

**Confirm:**

**Securities to sell: 12,924,965**

**EXECUTED** by Allegro Fund III, LP acting through its general partner Allegro Fund III General Partner, LP acting through its general partner Allegro Fund III GP Co Pty Ltd:



Signature of director



Signature of director/secretary

Charles Robert Adrian Loader

Name of director (block letters)

Chester Moynihan

Name of director (block letters)

### **Additional Information**

Documentation to be provided after return of this Engagement Agreement but before Settlement Date:

- i. Notification of where stock is held, e.g., Custodian, held on an SRN (copy of the Issuer Sponsored Statement if on an SRN) or details of the Sponsoring Broker
- ii. Email address' of the persons who should receive copies of the contract note once traded
- iii. Payment instructions (Bank Account Details) including Correspondent Bank, BSB, Account Name and Account Number, if not settling DVP with Custodian

### **APPENDIX I - Standard Terms and Conditions**

## **SCHEDULE 1**

### **Manner of sale of Securities and payment of Advance Amount**

#### **1.1 Takeover Threshold:**

Nothing in this Engagement Agreement will be construed so as to give the Lead Manager or any of its associates voting power in the Issuer in excess of the takeover threshold, as set out in Chapter 6 of the Corporations Act ("**Takeover Threshold**"). In particular, the Lead Manager will not have the power to exercise, or control the exercise of, a right to vote attached to or the power to dispose of, or control the exercise of the power to dispose of, any Securities in the Issuer in excess of the Takeover Threshold and nothing in this Engagement Agreement obliges the Lead Manager or its associates to acquire Securities where to do so would result in the Lead Manager or its associates having a voting power in the Issuer exceeding the Takeover Threshold. In such situation the provisions in this Schedule will apply.

#### **1.2 Agency Securities:**

- a) To the extent that under this Engagement Agreement, the Lead Manager (or its affiliate) would otherwise be obliged to subscribe for Securities at or in excess of the Takeover Threshold, the Vendor agrees to retain such number of Securities as the Lead Manager advises the Vendor are required to prevent the Lead Manager breaching the Corporations Act ("**Agency Securities**").
- b) The Lead Manager will not itself purchase the Agency Securities (nor will it be required to procure the purchase of the Agency Securities by an affiliate) but will instead sell those Agency Securities by the date which is 3 months after the date of this Engagement Agreement ("**End Date**") as agent for the Vendor in the ordinary course of the Lead Manager's business, as further set out in clause 1.6 of this Schedule.
- c) The Vendor acknowledges that the Lead Manager does not acquire any relevant interest or voting power of any sort in the Agency Securities (if any) or any rights (by way of security or otherwise) in respect of them except to act as agent for their sale.
- d) The Lead Manager will advance to the Vendor an amount equal to the number of Agency Securities multiplied by the Price ("**Advance Amount**") on the Settlement Date as set out below.

#### **1.3 Settlement of Securities:**

- a) Subject to clause 1.4 of this Schedule and to the Vendor's compliance with this Engagement Agreement, the Lead Manager will procure that the sale of the Securities (less any Agency Securities), such Securities being referred to as the "**Transfer Securities**", pursuant to this Engagement Agreement will be effected in accordance with the Engagement Agreement on the Trade Date.
- b) By 3.00pm on the Settlement Date, the Lead Manager will:
  - i. pay, or procure the payment to the Vendor, of an amount equal to the Price multiplied by the number of Transfer Securities by transfer to the Vendor's account (or as directed) for value (in cleared funds) against valid delivery of the Transfer Securities in accordance with the ASX Settlement Operating Rules; and
  - ii. advance to the Vendor the Advance Amount in accordance with clause 1.2(d) of this Schedule.

**1.4 Advance:** no interest will be payable on the Advance Amount. The Vendor must only repay the Advance Amount from and to the extent it receives the proceeds of sale of the Agency Securities. The outstanding Advance Amount will not be repayable in any circumstances in respect of Agency Securities not sold by the End Date and the agency will terminate at that time or at such earlier time when all the Agency Securities have been sold. If the Vendor receives a dividend or other distribution on any Agency Securities prior to the End Date, where that dividend or distribution was announced after the Trade Date, then the Vendor must pay the after-tax amount of the receipt to the Lead Manager in reduction of the Advance Amount applicable to that Agency Securities.

**1.5 Repayment and Set off:** the Lead Manager will automatically apply (and the Vendor directs the Lead Manager to apply), as a set-off, any proceeds of sale of the Agency Securities as agent against repayment of the Advance Amount by the Vendor, immediately upon receipt of those proceeds.

#### **1.6 Transfer of Agency Securities:**

- a) If there are Agency Securities in respect of the Lead Manager, then the Lead Manager will sell, as agent for the Vendor, in the ordinary course of the Lead Manager's business, the Agency Securities by the End Date. The Vendor will transfer Agency Securities (as necessary) in order to settle any such sale, provided that all sales must be effected by 7.00 pm on the End Date. The

Vendor will also ensure the Agency Securities will be 'CHESS Approved Securities" and will be freely tradable.

- b) The parties agree that the sale of the Agency Securities will be effected by way of one or more special crossings in accordance with the Operating Rules of the ASX and the ASX Settlement Operating Rules, and/or by way of one or more regular brokered transactions on the ASX. Settlement of Agency Securities sold in this manner will occur on a T + 2 basis (where T represents the date on which the relevant share was sold).

## **SCHEDULE 2**

- 2.1 The Vendor represents that it has no current intention to, at any time on and from the date of this Agreement and up to the date of the release of Best & Less results for the period ending 31 December 2022 (the "**Relevant Period**"), Deal in all or any of the fully paid ordinary securities held by it in the Issuer ("**Remaining Securities**") after the Sale of the Sale Securities pursuant to this Agreement, excluding:
- a) the sale of any Agency Securities in accordance with this Agreement; or
  - b) a sale, transfer or disposal to an affiliate of the Vendor who makes a representation to the Vendor on the date of such sale, transfer or disposal that it has no current intention to, at any time during the remainder of the Relevant Period, Deal in all or any of such the Remaining Securities sold, transferred or disposed to it (excluding any further sale, transfer or disposal to an affiliate as contemplated by this sub-clause (b)).
- 2.2 Each party to the Agreement acknowledges that the representation in clause 2.1(a) is a statement of intention only as at the date of this Agreement and it:
- a) is not intended to, and does not give the Lead Manager any power to dispose of, or control the disposal of, the Remaining Securities the subject of the representation; and
  - b) has been provided to only address the financial consequences of the Vendor disposing of, or dealing with, any Remaining Securities held by it and accordingly any breach of the representation:
    - I. only gives rise to a right to damages and the parties acknowledge that, in such circumstances, damages are an adequate remedy for breach of the representation; and
    - II. does not entitle the Lead Manager to a remedy of specific performance.
- 2.3 For the purposes of this clause, "**Deal**" in respect of the Remaining Securities means:
- a) sell, assign, transfer or otherwise dispose of;
  - b) agree to offer to sell, assign, transfer or otherwise dispose of;
  - c) enter into any option which, if exercised (whether such exercise is subject to conditions or otherwise), enables or requires the Vendor to sell, assign, transfer or otherwise dispose of; or
  - d) decrease or agree to decrease an economic interest in, the Remaining Securities.