PERENNIAL

Private to Public Opportunities Fund

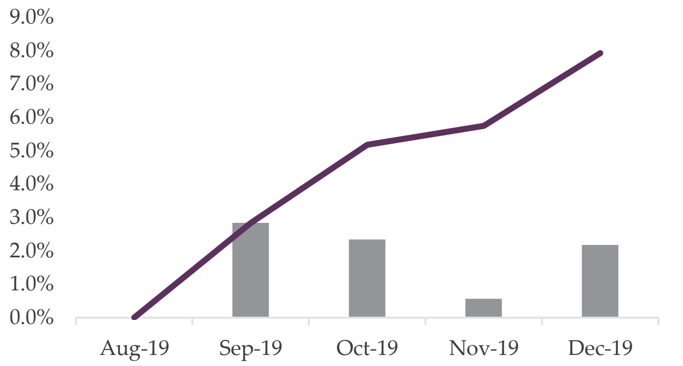
QUARTERLY REPORT DECEMBER 2019

$1.0793	5.0%	7.9%
NAV per unit	3 month performance (net of fees)	Since inception[1] (net of fees)

Performance Update

- The Private to Public Trust returned 5.09% (net of fees) for the quarter ending December 2019. Since inception, the Trust has returned 7.93% (net of fees)
- The strong performance for the quarter was driven by our participation in selected IPOs and listed placements
- Key IPO contributors included MoneyMe (ASX: MME), Aerometrex (ASX: AMX) and Carbon Revolution (ASX: CBR)
- Key placement contributors included 1ST Group (ASX: 1ST), Mach7 Technologies (ASX: M7T) and Scidev (ASX: SDV)
- We added 6 new pre-IPO positions and 3 new unlisted positions during the quarter. Looking forward there are also several pre-IPO positions likely to come to market in the 1HCY20

Returns Since Inception[1] Net of Fees (%)



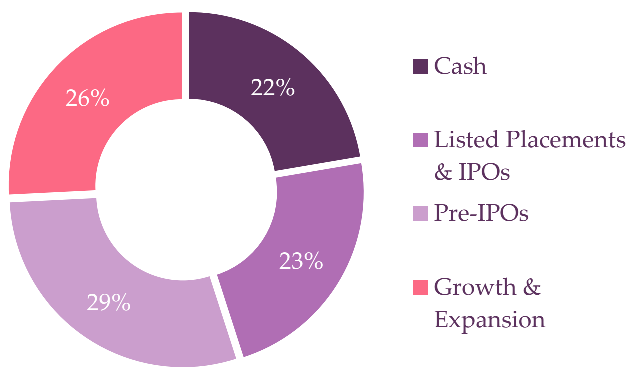
[1] Inception date of the Trust is 23 September 2019. Performance shown net of fees. Does not take into account any taxes payable by an investor. Past performance is not a reliable indication of future performance.

Quarterly Review

The December quarter was particularly busy on both the listed and unlisted fronts. Below we highlight 2 key themes that emerged during the quarter:

1. High profile IPOs being "abandoned" means those remaining IPOs become more attractively priced – providing great opportunities for our investors
2. The quality and quantity of pre-IPOs and unlisted companies continues to improve and grow

Current Allocation



<u>Amount of abandoned IPOs:</u>

During the quarter there were several high profile IPOs that were pulled, including; Latitude, Retail Zoo, Property Guru, Funlab, Onsite Rental, Education Centres of Australia, Xynapse and MCP Kinetic. Key reasons for being pulled included:

- Aggressive valuations relative to listed peers (rather than the more appropriate discounted relative valuation), and
- A large component of the IPO raising was to fund existing shareholder selldowns.

We believe the spate of pulled IPOs was a sign that the market was becoming more rational and more focused on valuation. We were able to leverage this theme and were active in certain smaller IPOs, including; Money Me (MME), Aerometrex (AMX), Limeade (LME) and Carbon Revolution (CBR). We were very active in the IPO process for all of these and corner-stoned MME, AMX and LME. Corner-stoning the IPO (or investing pre-IPO) before a formal launch is beneficial for three reasons:

1. We can help ensure the valuation of the IPO is reasonable by participating in the pricing negotiation
2. Our allocation in the IPO is confirmed early ensuring our underlying investors gain a reasonable exposure
3. For the underling companies, corner-stoning or pre-IPO interest helps to de-risk the IPO, removing the potential stigma of a failed IPO process

<u>Quality and quantity of pre-IPOs and unlisted companies:</u>

The December quarter saw a continuation of the pre-IPO and unlisted market strengthening both in terms of quality and quantity. As a result we invested a large portion of the fund by adding 6 new pre-IPOs and 3 new unlisted companies. We discuss several of these such as Koala, 4DX and Atomo in further detail overleaf.

A key focus of our strategy is ensuring the liquidity profile of the overall portfolio is managed carefully. As a result we focused on adding certain pre-IPOs that are likely to IPO within the next 6-12months to keep the right balance in the portfolio.

Investment Activity – selected highlights

Koala

Sector	Investment Stage	Brief Description
Retail	Expansion – Product expansion and global roll out	Vertically integrated furniture e-commerce

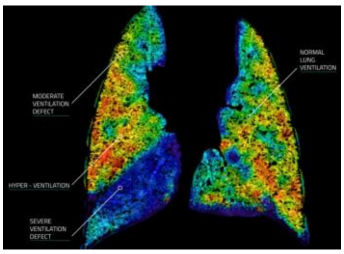
Koala is a vertically integrated furniture e-commerce company. Since launching in 2015 Koala has quickly established itself as a key player in the sleep market (mattresses and bed frames). Koala has built its brand through a customer centric approach with a focus on clear marketing and best in class technology. We have been aware of Koala for several years and are users of the product. Key reasons for our investment included:

- ✓ Koala has an established brand and they can use this to roll out new products. The company is in the early stages of rolling out an extended product suite including; sofas, sofa beds, TV units and bookshelves
- ✓ The company has recently launched in Japan with a positive start. If they can replicate their success in Australia into new geographies then there is large upside
- ✓ Koala's proprietary technology enables them to manage their supply chain and their end to end delivery better than most retailers. As a result the company has strong unit economics

We believe the company will have the size, scale and unit economics to be IPO ready by the end of calendar year 2020.

4DX

Sector	Investment Stage	Brief Description
Med Tech	Pre-IPO	Lung X-ray software



4DX is a medical technology company focused on commercialising its four-dimensional lung imaging technology. The company was founded in 2013 by Andreas Fouras who was a professor at Monash University and decided to commercialise the research he conducted. It is a software company that is focused on creating a step change in the capacity of physicians to diagnose and manage patients with lung disease. Simplistically, 4DX is cloud based software that uses the images from existing X-ray machines and creates a four-dimensional view of the lung including air movements to help identify any lung abnormalities. We decided to make an investment in the pre-IPO round for the following reasons:

- ✓ The management and board are experienced and passionate. Key advisory board members include Sam Hupert (founder and CEO of Pro-Medicus) and Bruce Rathie (former chairman of Polynovo)
- ✓ The product is scalable and commercially viable. We particularly like medical technology companies that do not change the way the doctor "operates" but rather enhances their work. 4DX uses existing X-ray technologies and significantly enhances the images
- ✓ The product has already started to generate revenues and is now in commercialisation phase

The company is likely to IPO in Q2 or Q3 of calendar year 2020.

Atomo

Sector	Investment Stage	Brief Description
Healthcare	Pre-IPO	Rapid Diagnostic Testing Kits

Atomo was founded in 2010 and is the global leader in the design and manufacture of devices used for rapid blood testing by both professionals and self test users. We have met the company numerous times over the last few years and decided to invest at this stage due to their ability to shift from predominantly an R&D focused company to a commercial revenue generating business. The company has two market approaches:

1. Selling finished diagnostic kits such as their HIV test
2. Selling OEM testing platforms, in which Atomo provides the assembled devices to diagnostic companies for them to incorporate their own testing strip

Atomo now has a minimum of USD75m of cumulative revenues from existing contracts and agreements.

We invested in Atomo for the following key reasons:

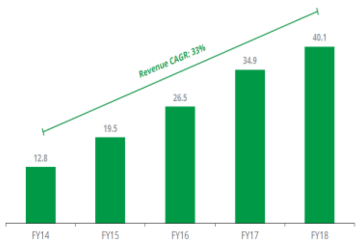
- ✓ The product is now in commercialisation stage and the pipeline of contracts is large and expanding
- ✓ The contract lengths are 5-15 years which de-risks future revenues
- ✓ The company has an excellent shareholding including a grant from the Bill and Melinda Gates Foundation and the Global Health Investment Fund

Investment Activity – selected highlights

Limeade (ASX: LME)

Sector	Investment Stage	Brief Description
HR Technology	IPO	Employee Engagement and Wellness Software

Established in 2006, Limeade provides cloud based employee engagement software to help enterprise customers measure and improve staff culture, engagement and overall well-being. Currently 2.4m users within 175 organisations use Limeade's suite of solutions, which include, amongst others: employee well-being, communication, engagement and inclusion. Revenue is expected to reach USD56m in CY19 representing c.34% compound annual growth rate since CY14.

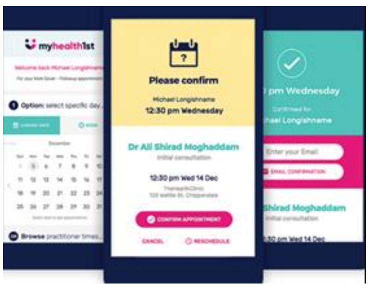


We invested in Limeade for the following key reasons:

- ✓ Exposure to the large, fragmented and rapidly growing employee experience software industry
- ✓ The company has multiple growth levers including winning new customers and expanding within the existing customer base
- ✓ Limeade has a dominant position in the US, allowing them to expand into new geographies. Limeade recently started winning work from large non-US headquartered enterprises
- ✓ Highly scalable business model with attractive lifetime customer value metrics
- ✓ The company has a proven track record of winning contracts with large enterprises and then upselling / cross selling further modules to these customers
- ✓ Strong founder led business who are still heavily invested in the future growth of the business

1ST Group (ASX: 1ST)

Sector	Investment Stage	Brief Description
Med Tech	Listed Placement	Digital Healthcare Portal



1ST Group (ASX: 1ST) is an online search and appointment booking services platform for the healthcare industry. 1ST has a market leading position in key verticals including; independent optometry, pharmacy and pet services. The company is now expanding in dental, psychology and medical specialists. In recent months the company has signed material contract wins including:

- ✓ Medibank → targeting Medibank members choice advantage clinics, enabling 2.8m members to book with these providers
- ✓ Benestar Group → Benestar to fund the onboarding of 2,600 phycologists
- ✓ St Vincent's Health Australia → funding a referral solution to be promoted within their network
- ✓ Totally Smiles → dental provider with 55 practices

We believe these recent contract wins de-risk 1ST's FY20 numbers (ACV to be between AUD5.75-6.45m) whilst also providing strong momentum for future contract wins. We believe the company is at an inflection point whereby they are growing the top line revenue by 35-40% and on track to be cash flow breakeven within the next 12 months.

Other Operational Updates

- Aussie Broadband: Westpac contract win for 950 branches and ATM's. Likely IPO in Q2/Q3 CY2020
- Equiem: Material contract wins in the US
- Microba: Successful launch in the US, IPO discussions have begun for 1HCY20
- BuildXact: Leigh Jasper (ex Aconex CFO) making a significant investment and taking a board seat
- 4 of our investments featured in the Deloitte tech fast 50

Thank you again for your interest in the Fund.

Yours sincerely,

Andrew Smith
Head of Smaller Companies & Micro Caps
Perennial Value

Ryan Sohn
Deputy Portfolio Manager
Perennial Value

Contact Us

Level 27, 88 Phillip Street Sydney NSW 2000 | 1300 730 032 | invest@perennial.net.au | www.perennial.net.au