

PPP3 Fund Performance

	NAV (\$)	Quarter (%)	Since Inception net of fees (%)
Perennial Private to Public Opportunities Fund No.3	1.011	1.1	1.1

PPP3 Investments To Date

6	7	10
Unlisted Expansion & Growth	Pre-IPOs	Listed Equity Placements & IPOs

Dear Investor,

On behalf of Perennial, we would like to welcome you as an investor in the Perennial Private to Public Opportunities Fund No.3 (Fund, PPP3). We are excited to have launched our third PPP fund, and believe that the opportunity set within the private segment of the equity investment market continues to grow strongly in both volume and value terms. To date, over \$60m of the Fund has been deployed into private company investments.

Our PPP investment strategy is broken into three individual buckets:

1. Unlisted Expansion & Growth
2. Pre-IPOs
3. Listed Equity Placements & IPOs

The flexibility to allocate capital into 3 distinct investment buckets enables the Fund to strategically and efficiently deploy capital where we identify value. In the early stages of PPP3's lifecycle, our focus is on opportunities in the Unlisted Expansion & Growth and Pre-IPO buckets, given these investments can take between 1 to 3 years to generate returns. To date, we have finalised 7 Pre-IPO and 6 Unlisted Expansion & Growth investments for the Fund, with various other transactions in due diligence. Investments to date include businesses in ecommerce, fintech, edtech, regtech, professional services and big data. A number of these companies are on track to IPO over the next 6-12 months.

The third bucket in the PPP investment strategy targets selected opportunities in Listed Equity Placements & IPOs. We believe this is a good source of near-term returns for the Fund where we can leverage the size and scale of the Perennial team and our market presence. To date we have participated in 10 Listed Equity Placements and IPOs for the Fund, which have helped to get PPP3 off to a positive start in its first month. Examples include Family Zone (ASX:FZO) and Zoom2U (ASX:Z2U).

The pipeline of potential private investment opportunities continues to grow strongly in terms of quality, quantity and unit size. In our view, this reflects the emergence of a new institutional investment window in the domestic market, which we characterise as Last Private Offer (LPO) investing. Perennial is regarded as an attractive partner for founder-led private businesses given our ability to provide both capital and guidance from an aligned & proactive position of ownership.

Over the next few pages, we will share with you additional details regarding some of the early investments in the Fund. We will continue to provide regular quarterly updates to unit holders on both the returns generated by the Fund and the operational performance of the underlying companies.



Company Update – Crimson Education

Sector	Investment Stage	Brief Description
Ed Tech	Unlisted Expansion & Growth	College placement & online high school

Founded in 2013, Crimson is a global education technology company. Crimson has experienced excellent growth since it was first launched, and PPP3 invested as part of an equity round in August 2021 (see [news article here](#)).

The company has two key products in market:

1. Crimson College Admissions (CCA)

- CCA facilitates student entry into the world's highest ranking universities. The program includes academic tutoring, admission consulting, career mentoring and extra-curricular activities.
- CCA is the world's largest online college admissions portal with operations in 6 continents. The platform uses proprietary technology that is centred around the student needs and is highly scalable.
- To date, CCA has helped facilitate over 2,200 entries to the top 50 US universities and 900 entries to the top UK universities. The company had over 3,500 students enrolled in its admission program in FY21 – an increase of more than 50% on the prior year.

2. Crimson Global Academy (CGA)

- CGA is an online school for students aged 10-18yo. It was launched in 2020 and is Crimson's most recent product.
- Since launching, CGA has attracted students from over 20 countries, and some of the best teachers globally. Similar to the College Admissions program, CGA uses proprietary technology and is now building its own proprietary content.

We invested in Crimson for the following reasons:

- Jamie Beaton is an exceptional founder - a highly motivated and passionate individual who created Crimson on the back of his own personal experiences from studying at Harvard, Stanford, Oxford and Yale.
- Crimson is a product-led business – the company delivers strong results for its students, which are 4x more likely to gain entry into a US Ivy League university and 2-4x more likely to gain admission to Oxford or Cambridge.
- The business generates very positive customer feedback, with 98% of students & families providing a 4 or 5 star rating from over 100k reviews.
- The company has considerable size and scale. It now operates in over 20 countries and is generating revenue in excess of A\$50m pa. It employs with over 2,300 tutors worldwide on its proprietary digital platform.
- Crimson is the global leader in college admissions and has a very strong brand in market. It has effectively created a new digitised market for its services over the last few years.
- The unit economics of the business are attractive given its pricing power and the scalable nature of the online offering. Students pay a significant portion of the program fees upfront.
- The launch of the online high school CGA provides an additional growth option for the company. While still in its early stages, the students' results have been very strong, and will provide cross-selling opportunities for Crimson over time.

Company Update – InDebted

Sector	Investment Stage	Brief Description
Professional Services	Unlisted Expansion & Growth	Digital debt collection platform

Founded in 2016, InDebted was built to deliver a vastly improved debt collection experience for both consumers and creditors. At the heart of the business is an automated digitised platform which provides a more efficient process for all parties, with a particular focus on consumer data and behaviour. The company is disrupting the traditional debt collection industry through its digital-first engagement and customer-first experience.

Given this unique technology platform, the business has scaled rapidly, and now operates in 5 countries with over 180 employees. Much of this growth has been driven by their existing FinTech and BNPL customer base introducing InDebted into new markets, which we believe will create a natural moat over time. Beyond debt collection, InDebted is in the process of developing allied financial products which will provide additional growth opportunities in the future. PPP3 led an investment round for InDebted in August 2021 - see ([news article here](#)).

We invested in InDebted for the following reasons:

- The founder Josh Foreman built the initial technology platform himself from scratch, after identifying a better way to undertake debt collection via a digitised process. The platform has since been rebuilt and upgraded by the InDebted engineering team to allow for global scalability.
- InDebted has automated debt collection to >90% as compared to traditional providers (which are <10% automated), thereby creating a much more efficient, cost effective and scalable process for all parties.
- A highly automated process enables InDebted to collect much smaller debt balances than previously, which has effectively created a new global market for the service.
- Over >1m individuals have used the InDebted platform to date. Despite being a debt collector, InDebted receives rave reviews with a 4.9 rating on Google from over 1300 users.
- InDebted has over 100 blue-chip clients spread across fintech, BNPL, banks, utilities and telcos located in Australia, New Zealand, Canada, the USA and the UK. The company has a clear rollout pipeline over the next 12 months with these counterparties in multiple new markets.
- InDebted has limited competition globally for its platform. This is reflected in its key BNPL customers rolling out InDebted geographically as they themselves expand into new markets.
- The unit economics of the business are highly attractive with revenue growth of >100% pa and low customer acquisition costs.

Overall, we are excited by the growth opportunities for InDebted both geographically and by product given its unique technology platform.



Company Update – Lumi

Sector	Investment Stage	Brief Description
Fin Tech	Unlisted Expansion & Growth	Online SME lender

Founded in 2018, Lumi is an SME-focused online lender which has developed its own proprietary consumer interface and credit engine. Lumi offers both term loans and lines of credit to SMEs up to \$300k, and it recently launched a B2B point-of-sale BNPL product. Its competitive advantage stems from its quick online application, approval and settlement process, which is enabled by Lumi's proprietary technology platform. PPP3 invested in Lumi as the cornerstone institutional fund during an equity round in May 2021, which settled after the fund was raised.

We invested in Lumi for the following reasons:

- The founder and CEO Yanir Yakutieli is an experienced and focussed fintech entrepreneur. His simple vision is to provide Australian SMEs with a fast, flexible and fully transparent lending product to help grow their business. Yanir has also built a very strong and incentivised team around him.
- Following a self-imposed slowdown during COVID last year, Lumi's loan book has started to recover steadily during CY21 as the SME economy re-opens.
- SME lending in Australia is a large and growing market which the traditional banks do not service well. This provides ongoing opportunities for the next-generation of technology-driven lenders like Lumi.
- While many fintechs utilise third-party software, Lumi built its own front-end and back-end system. This provides key advantages in terms of speed, flexibility, scalability and new product development.
- SME borrowers are increasingly adopting digital services to help run their businesses. Lumi's automated online credit approval process differentiates its product from both traditional and other fintech lenders in the market:
 - online loan application only takes a few minutes
 - automated credit assessment completed within 2 hours
 - once approved, funds are available on the same day
- Lumi is regarded as a best-in-class online experience, with positive ratings & reviews from its customers. It has strong relationships with loan brokers and other debt market counterparties.
- Despite it being recent market entry with a modest (but growing) loan book size, Lumi has established very low cost of funding via a scalable NAB warehouse facility.
- In the last quarter, Lumi partnered with BNPL provider Openpay to offer funding for its B2B solution. This partnership enables an end-to-end payment experiences, including funding for the merchant's customer beyond Openpay's core B2B solution.

The combination of a proprietary technology platform, automated credit assessment and low cost of funds results in excellent unit economics for Lumi. We look forward to ongoing growth in this business.

Company Update – Willow

Sector	Investment Stage	Brief Description
Big Data	Unlisted Expansion & Growth	Digital twin for physical assets

Founded in 2017, Willow is a data analytics business providing ‘digital twin’ solutions for corporate customers in the property, resources, retail, transport and infrastructure sectors. While headquartered in Sydney, Willow has grown its global footprint quickly, with over 250 employees spread across 7 offices globally. Their ‘WillowTwin’ platform provides a single user interface driven by real-time data to better optimise physical assets at both an operational and project level. We have known the Willow business and management team for many years following an earlier investment via our PPP1 fund. PPP3 invested in Willow as part of a follow-on equity round in August 2021.

We increased our investment in Willow for the following reasons:

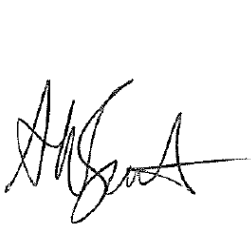
- The management team led by co-founder and CEO Joshua Ridley and Chairman Nicholas Moore have deep domain expertise across enterprise software, data analytics, property and infrastructure. The executive team and Board are all significant investors in the business.
- Digitisation of physical assets is an accelerating global trend as data analytics are helping to drive real-time decision making and operational efficiency. In this new world, cyber security and monitoring of hard assets has also become paramount for infrastructure owners.
- The global opportunity set for a digital twin service is very large and includes such diverse assets as commercial property, mining, airports & sea ports, road & rail networks, defence, finance, stadiums and telecommunications.
- Willow has already secured multinational customers in the majority of these verticals, with over 46 assets and 18 corporate customers at various stages of roll-out.
- Willow develops deep relationships with its corporate customers as the data platform becomes an embedded part of their operations. Contracts are typically long-term and subscription based in nature (SaaS), with the scope to expand significantly into a greater customer asset pool over time.
- Willow has secured a global partnership with Microsoft which has been developed over the past 4 years. This partnership extends to the property assets for both Microsoft itself and its Azure enterprise clients.

In summary, Willow is at the forefront of the global roll-out of digital twin products with an exceptional combination of management, technology, partners and customers.

PPP3 has had a strong start since its launch. The total fundraising process for PPP3 closed fully subscribed at \$200m, with strong demand from wealth firms, financial planners, stockbrokers, family offices and individual wholesale investors, as well as Perennial staff and friends & family. The growing pipeline of potential private company investments across multiple sectors is encouraging, and equity markets continue to provide opportunities for the Fund. We look forward to updating unitholders on our progress as we continue to deploy capital in the period ahead.

Thank you again for your investment in the Fund.

Yours sincerely,



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