Perennial Partners

Private to Public Opportunities Fund No.3

Quarterly Report September 2024

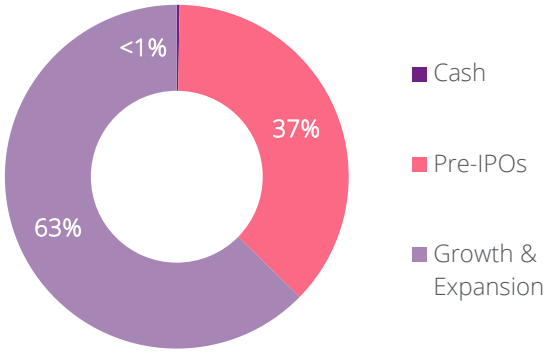
				Since Inception[1]	
	NAV ($)	Month (%)	Quarter (%)	CAGR[2] (%)	Cumulative (%)
Perennial Private to Public Opportunities Fund No.3	1.044	-0.5	-0.4	+1.4	+4.4

Performance Update

The Private to Public Opportunities Fund No.3 (PPP3) delivered -0.4% (net of fees) for the quarter ending September 2024. Since inception in August 2021, PPP3 has returned +4.4% (net of fees) and is fully deployed.

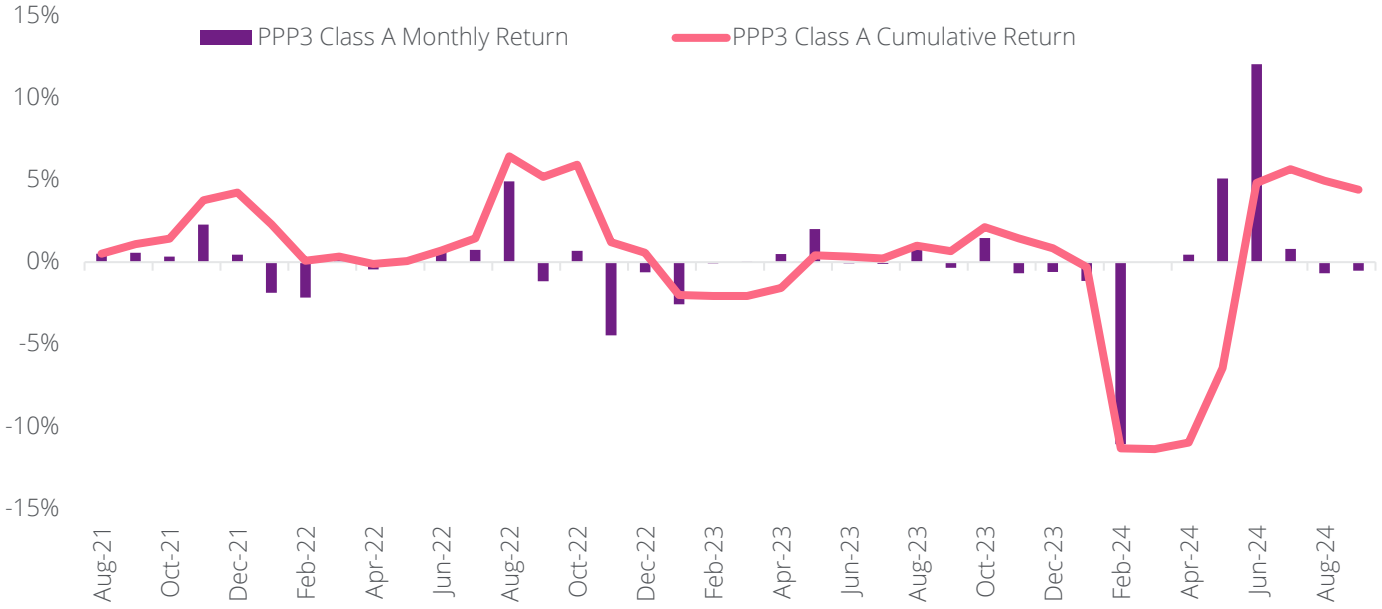
There were a number of offsetting impacts which resulted in the overall small negative performance. A positive contribution resulted from an e-commerce investment which saw an uplift following a new investment round. An increase in the carrying value of our position in European fintech XYB also positively impacted performance. During the period, the Fund made a small follow-on investment in watercraft business The Whiskey Project. The main negative driver came from a reduction in the carrying value for a digital data business. The company is raising funds at a lower implied valuation to our previous holding level, with the proceeds being used to support working capital.

Current Fund Allocation



Activity levels in both private and public markets have seen a welcomed increase in CY24. In terms of our private funds, there has been a total of 26 transactions including 7 full/partial exits across all our portfolios this year. We have also observed a marked increase in domestic IPO activity, with a number of our private investments now accelerating their ASX listing plans, and an increase in pre-IPO transactions in the market. This follows a solid rebound in the IPO market in the USA over the last 12 months. On the M&A front, there has also been a step-up in takeover activity in both private & public markets this year. This overall increase in market activity has been driven by increased corporate confidence, rallying equity markets, and an improved macroeconomic outlook. We have further explored these macro & market trends in the next few pages.

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



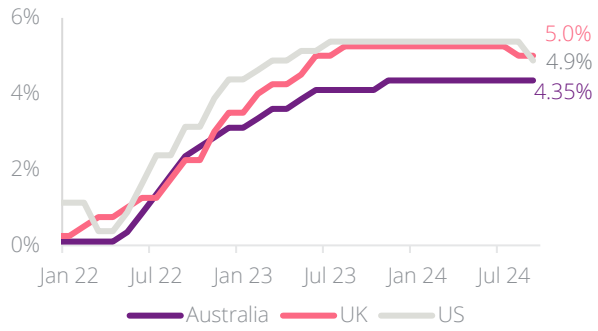
[1] Inception date for PPP3 is 18 August 2021. Performance shown is net of fees. It does not take into account any taxes payable by an investor. Past performance is not a reliable indicator of future performance.

[2] CAGR is compound annual growth rate.

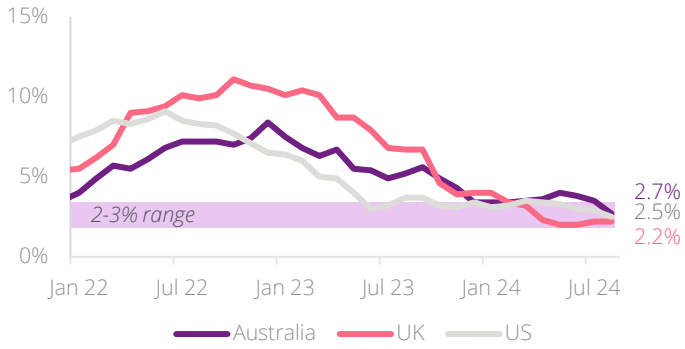
Market Update

While global economic data is still somewhat variable, the overall outlook has stabilised, with lower inflation leading to interest rate cuts offshore. A more predictable macro environment and lower interest rates is favourable for global equity markets, company valuations, IPO activity and M&A transactions.

Central Bank Policy Rates[1]



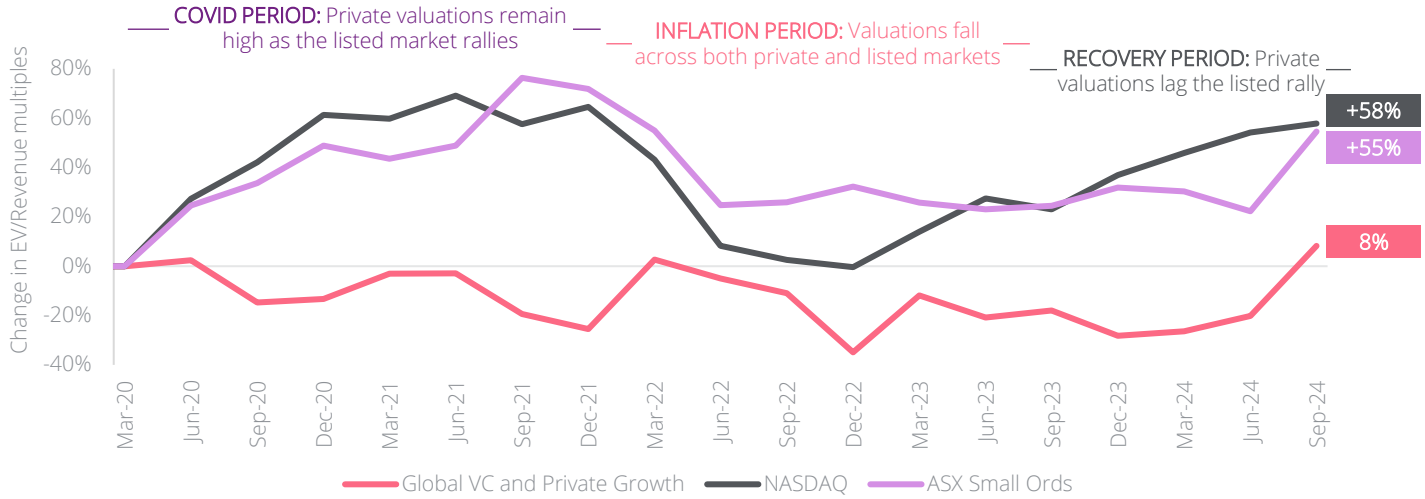
CPI[1]



Private Company Valuations Have Lagged Public Markets[2]

Over the last 4-5 years, global private company valuations have traded flat to down, while listed company valuations have held up and traded sharply higher over the last year. There are some early signs that global private market valuations are now improving and starting to close the gap on their listed peers as per the chart below.

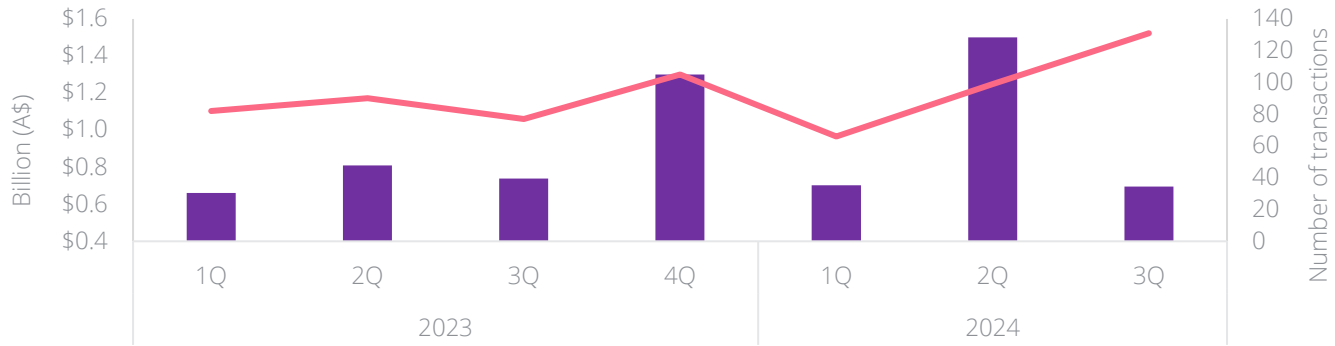
Change in EV / Revenue Valuation Multiples



Private Deal Volume Increasing[3]

Private market activity in Australia has been slow since 2022, but over the last year we have seen an uptick in transaction volumes (pink line below) and an overall increase in deal values (purple columns below). While this increase has come off a low base, it is a promising development when coupled with the improved macroeconomic conditions described above.

Australian Private Capital Deals



1. RBA, Bank of England, Forbes, Office of National Statistics UK and U.S. Bureau of Labor Statistics
2. Pitchbook and Bloomberg
3. Cut Through Ventures

PPP3 Top 10 Holdings – Company Updates

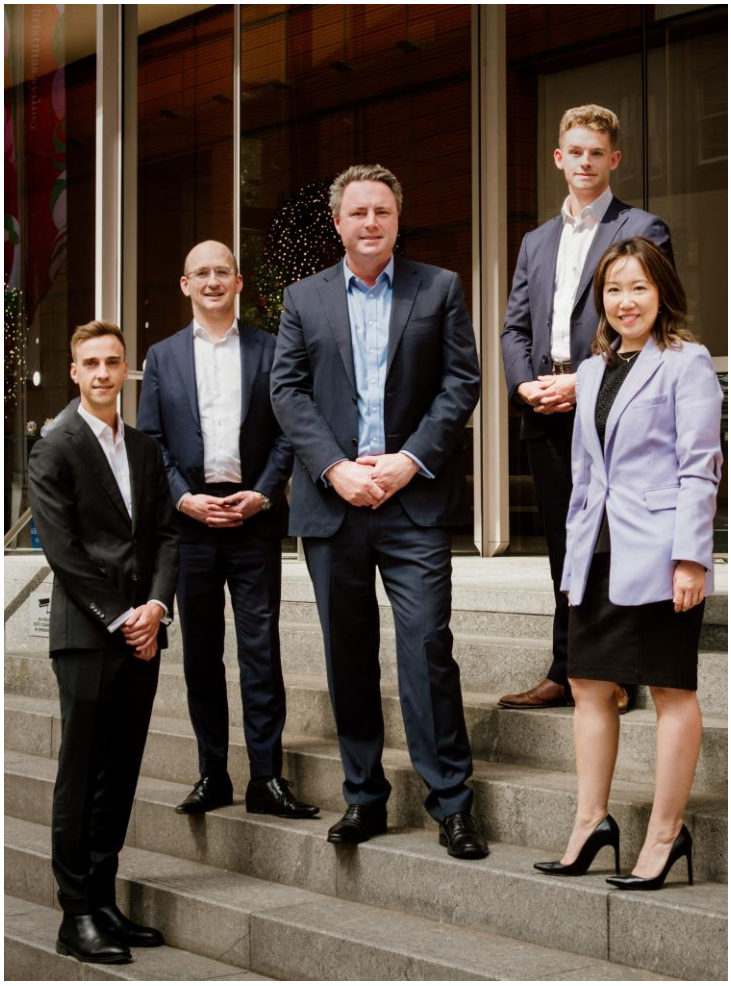
Private Company (Alphabetically)	Sector	Company Overview	Company Updates (Sep-24 Quarter)
CRIMSON	Ed Tech	Founded in 2013, Crimson is a global education technology company. Crimson has two main products: 1. Crimson College Admissions - Facilitates student entry into the world leading universities. It is the world's largest online college admissions portal. 2. Crimsons Global Academy - Leading online school for students aged 10-18 years old.	➢ Crimson continues to achieve topline growth while maintaining a strong balance sheet. ➢ The college admissions business and Revision Village business have been stand out performers in terms of both growth and free cash flow generation. ➢ Crimson also welcomes new CFO Blair Houston, ex PushPay and Tend.
Demyst	Data B2B SaaS	Demyst delivers external data solutions through an enterprise SaaS platform for large institutions. Demyst is focused on both data discovery and data deployment.	➢ The company is investing in its scalable productised solution (v2) and is expecting a strong finish to 3Q whilst proactively managing its cash balance.
emesent	Deeptech	Emesent is a world leader in the autonomous collection of accurate and detailed 3D survey, inspection, and monitoring data in underground mines. Its flagship product, Hovermap, is a versatile autonomy and 3D Light Detection and Ranging (LiDAR) mapping solution.	➢ Emesent has started the financial year strongly, exceeding their budget across bookings, revenue and EBITDA as of August 2024. ➢ Emesent has also recruited a new CFO.
encompass the full picture, fast	Reg Tech	Encompass automates corporate KYC due diligence for corporate customers, and in particular multinational financial institutions. The platform can complete the KYC process in ~8 minutes while maintaining a full audit trail compared to traditional solutions which can take hours to days.	➢ Encompass continues to focus on growing its banking customer base globally. ➢ The business is undertaking a cost-out program which will improve its financial metrics going forward. ➢ Encompass' capital raising process continues to progress.
EQUIEM	Proptech	Equiem is modernising the commercial real estate industry with building software that makes workplaces better for landlords, tenants, and employees. The software platform provides comprehensive and easy-to-use dashboards and insights for effective tenant engagement.	➢ Equiem is performing well and in line with budget for the new financial year to date. ➢ The company has also renewed several material client contracts over recent months and continues to build out its pipeline across its large landlords.

PPP3 Top 10 Holdings – Company Updates (continued)

Private Company (Alphabetically)	Sector	Company Overview	Company Updates (Sep-24 Quarter)
InDebted	Digitisation of Professional Services	Indebted provides an automated, data-driven and customer-centric digital debt collections platform. The platform uses machine learning and behavioural data to personalise the collections process for each individual consumer.	➢ Indebted has had a strong start in the first quarter of FY25. ➢ The company has recently secured $60m in new private capital in which Perennial participated, further details can be found in this article.
koala	E-commerce	Koala is a vertically integrated furniture e-commerce company which has transformed the furniture experience for consumers. Koala has become a key player in the furniture and mattress market in Australia, has expanded into Japan, and has recently entered the USA market.	➢ Koala is experiencing solid overall revenue growth and is also seeing strong early performance in key U.S. and Japanese market. ➢ The business is profitable and is undertaking initiatives to drive efficiencies in the business.
shippit	SaaS/ Marketplace	Shippit's multi-carrier allocation technology brings together retailers, carriers, and customers to power ecommerce in the retail industry. Through Shippit, retailers can automate and optimise their fulfillment and shipping – saving time, increasing customer service and reducing costs.	➢ Shippit has outperformed the eCommerce market despite lower overall consumer confidence. ➢ Disciplined cost and cash management will see Shippit reach cashflow breakeven as per plan in the next quarter. ➢ Shippit continues to invest in its Enterprise strategy.
Spriggy	Fintech	Spriggy is Australia's largest and most trusted family financial education and money management application. The business has exceptional brand recognition from parents, children and schools.	➢ After growing 45% YoY over FY24, Spriggy began FY25 in a similarly strong fashion. The company has also made encouraging progress on key transformational initiatives. ➢ Spriggy now has over 1.2 million members using its flagship product and 575 schools using Spriggy's digital payments solution.
XYB	Fintech	XYB is an end-to-end core banking platform and embedded finance solution for banks, fintechs, financial institutions and other non-bank customers.	➢ XYB closed their Series A raise which puts the business in a strong position to execute on its strategy. ➢ Currently focused on building the customer pipeline and closing sales leads. ➢ CEO and co-founder, Derek Joyce, has relocated to HQ in London.

Thank you for your continued interest in PPP3.

Yours sincerely
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