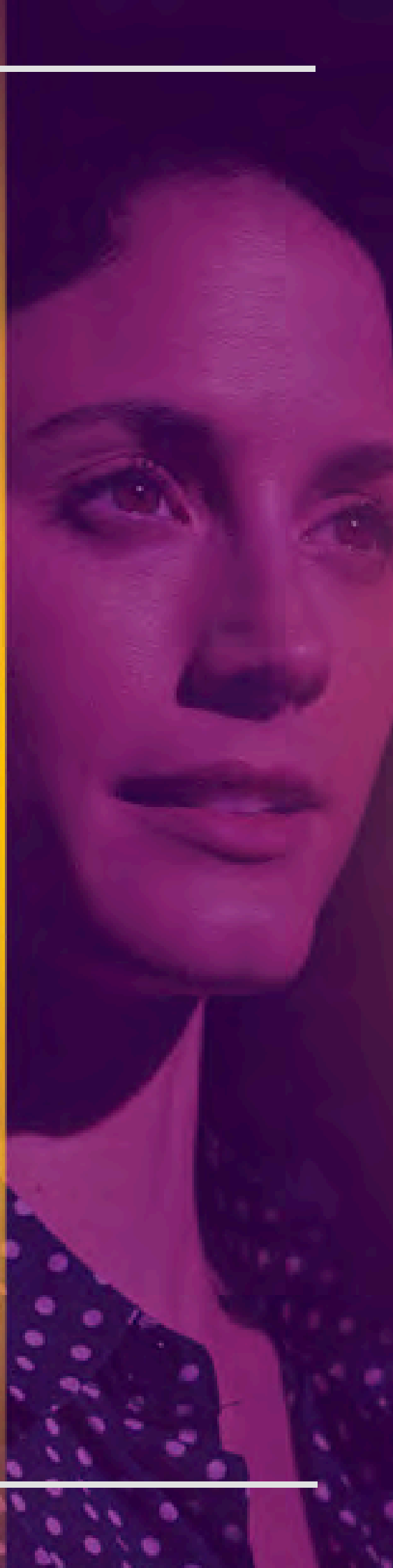
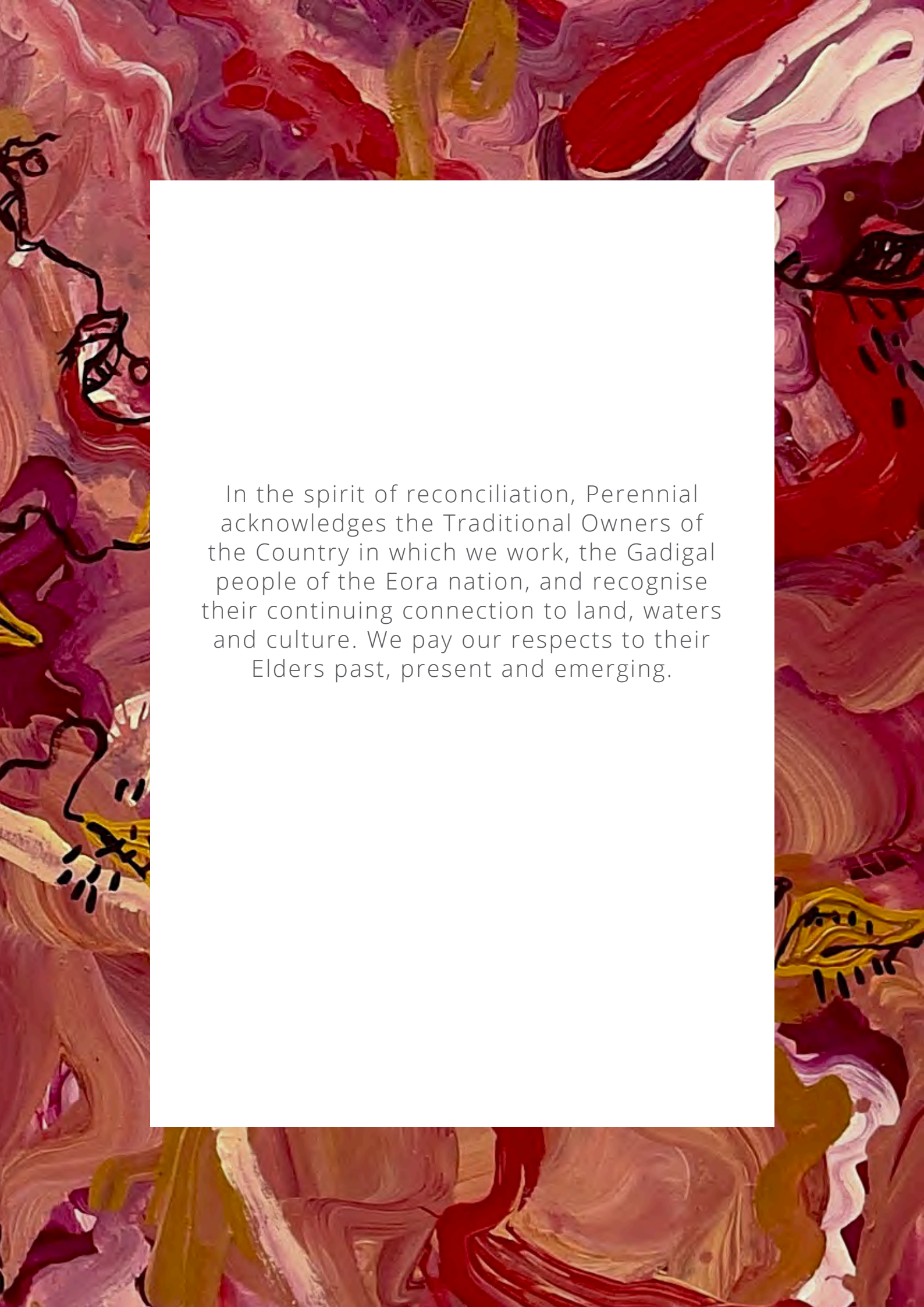


2024
Perennial
Better Future
Impact
Statement

RELEASED MAY 2025





In the spirit of reconciliation, Perennial acknowledges the Traditional Owners of the Country in which we work, the Gadigal people of the Eora nation, and recognise their continuing connection to land, waters and culture. We pay our respects to their Elders past, present and emerging.

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About the Better Future Strategy

The Perennial Better Future Strategy is focused on authentic Sustainable or Environmental, Social and Governance (ESG) investing. We seek to invest in companies making a positive contribution to society and the environment, while pursuing strong, consistent returns for investors.¹

We seek to invest in companies that have a positive impact on the environment and society, with a focus on companies that derive the majority of their revenues from the below business operations - "Better Future Enabler Investments".



Renewable energy, improving energy efficiency or seeking to reduce greenhouse gas (GHG) emissions; or



Healthcare or health outcomes; or



Education services or outcomes (including childcare); or



Water treatment or remediation; or



Environmental services; or



Improve efficiency of resources; or



Nature-based technologies or solutions; or



Social welfare; or



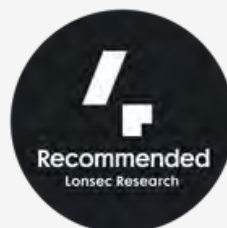
Leasing of properties to organisations that provide healthcare, education, childcare or social housing purposes.

During 2024, the Perennial Better Future Trust and the Perennial Better Future Active ETF (ASX:IMPQ) have been classified as Sustainable Plus under the new RIAA (Responsible Investment Association Australasia) Sustainability Classifications Initiative. The funds have an investment rating of Recommended from Lonsec and Zenith and also have the highest possible sustainability ratings from each Lonsec (5 Bees) and Zenith (Impact).



SUSTAINABLE PLUS

CERTIFIED BY RIAA



¹ Please read the PDS for further details including full definition of "Better Future Investments" and "Better Future Enabler Investments"

We also employ a negative screen with a zero-revenue threshold. We do not invest in companies that to our knowledge receive any revenue from*:

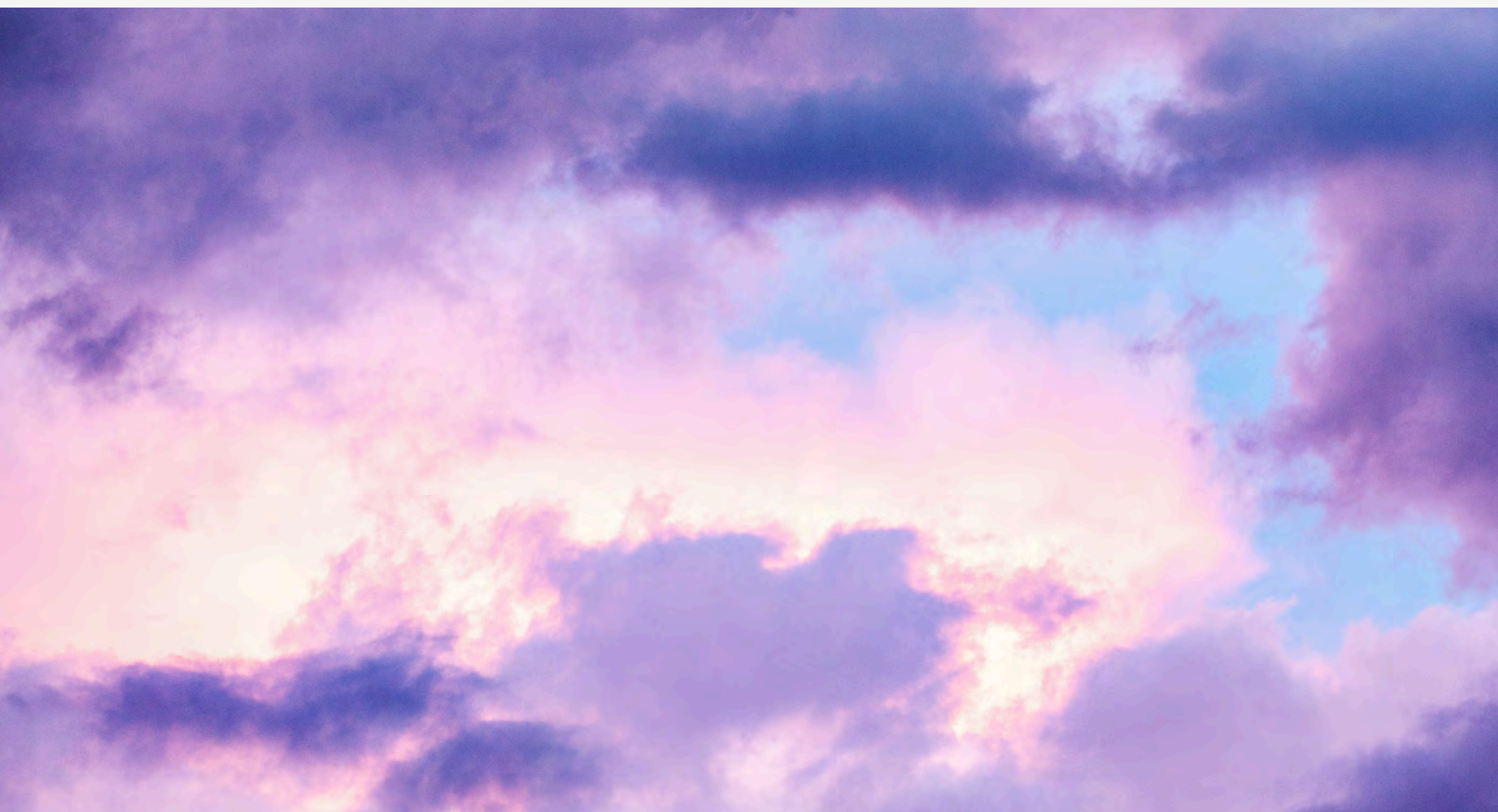


*see Perennial Better Future PDS available at www.perennial.net.au for the full list of exclusions

The Better Future Strategy is available through the following products:

The Perennial Better Future Trust: Available direct or through platforms: Netwealth, Hub24, BT Panorama, AMP North, WealthO2, Macquarie Wrap, CFS Edge, Powerwrap, Praemium, Dash and Mason Stevens.

Active ETF quoted on the ASX: Perennial Better Future Active ETF (ASX: IMPQ)



Better Future Portfolio Impact Highlights



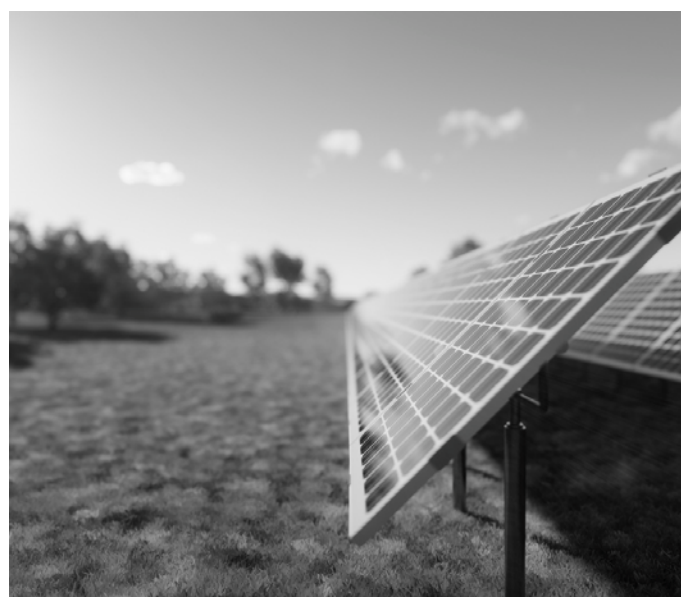
The portfolio is **87.2% LESS carbon intensive** compared to the **ASX Small Ordinaries benchmark** and 88.6% less carbon intensive than the ASX300 (based on Scope 1 and 2 CO₂ emissions)^{2 3}

~13.6K GWH of renewable energy generated in 2024

by portfolio companies, which is equivalent to ~1.9m homes powered for a year^{4 5}

33.0% of portfolio companies have a **Reconciliation Action Plan** (2023: 31%) compared to 21% of the ASX300 and 12% of the ASX Smalls Ords⁶

111 dedicated **ESG engagements** with management and boards about material ESG risks and opportunities **across 34 portfolio companies**



8 **female Directors** appointed to the board **across 8 portfolio companies** during 2024, in many cases following our engagement with the company, totalling 81 female Directors since the Trust's inception.⁷

24% of portfolio companies with a **female chair** (2023:18%) compared to 16.5% of the ASX Small Ords benchmark⁸

² Carbon intensity (tCO₂e per \$ revenue) of Perennial Better Future Investments compared to ASX Small Ordinaries benchmark. Holdings as at 31 December 2024.

³ Carbon intensity (tCO₂e per \$ revenue) of Perennial Better Future Investments compared to ASX 300. Holdings as at 31 December 2024.

⁴ MEZ company disclosures

⁵ Conversion of 0.0072 GWh to power 1 home, Climate Council Australia.

⁶ AEF, ARF, BEN, CHC, COH, CQE, EQT, GEM, HCW, MX1, NHF, PPT, SDF, SGM, SIQ

⁷ A4N, AUB, BEN, GSS, HUB, IPD, NWL, SPK

⁸ 4DX, BEN, COH, CXL, EQT, GEM, GSS, IPD, JAN, OFX, SPK

Environmental Highlights



The **weighted carbon intensity (WACI) of the portfolio** is **87.2% less** than the ASX Small Ordinaries benchmark (2023: 82.9%) and **88.6% less** (2023: 84.2%) than the ASX300 (based on Scope 1 and 2 CO₂ emissions).⁹



13,600 GWh of renewable energy generated which is the equivalent to ~1.9m homes powered for a year.¹⁰



80% of the portfolio have disclosed **Scope 1 and 2 emissions** and **52%** of the portfolio have disclosed **Scope 1, 2 and 3 emissions**.¹¹



9 portfolio companies have a **Science Based Target (SBTi)**, with 7 aligned to the 1.5 degree ambition.¹²



~A\$3,600m in green financing initiatives by portfolio companies.¹³

⁹ Carbon intensity (tCO₂e per \$ revenue) of Perennial Better Future Investments compared to ASX Small Ordinaries benchmark. Holdings as at 31 December 2023.

¹⁰ MEZ. As reported by Meridian Energy. Conversion of 0.0072 GWh to power 1 home, Climate Council Australia.

¹¹ As at 31 December 2024. Portfolio holdings grossed up to exclude cash holding of approximately 6%

¹² AEF, BEN, CNU, FPH, IRE, KMD, MEZ, NHF, SPK

¹³ MEZ NZ\$300m Retail Green Bond, CHC \$3.35bn Green Loan Facility executed on behalf of Charter Hall Prime Office Fund

Social & Governance Highlights



8 female Non-Executive Directors appointed to the board in 2024 across **8 portfolio companies**, in many cases following engagement on the importance of gender diversity. Since inception, a total of 81 female Directors have been appointed the boards, typically following engagement.¹⁴



31% representation of women on portfolio company management teams **(2023: 32%)** and **42% representation of women** on portfolio company boards **(2023: 39%)**.

78% of Directors on portfolio company boards are **independent (2023:82%)**.¹⁵



33% of portfolio companies have a **Reconciliation Action Plan (RAP)**, up from 31% of portfolio companies in 2023. This compares to 21% of the ASX300 and 12% of the ASX Small Ords.¹⁶



24% portfolio companies with a female chair (2023:18%), compared to 17% in the ASX Small Ordinaries benchmark and 15% of the ASX 300.¹⁷

40:40

7 portfolio companies (2023:5) are signatories of the **40:40 Vision**.¹⁸



2 portfolio companies (2023:2) have achieved **B Corp certification**.¹⁹

¹⁴ AUB, A4N, BEN, GSS, HUB, IPD, NWL, SPK

¹⁵ The majority of the balance is comprised of Managing Directors or relate to founder-led companies

¹⁶ SGM, GEM, SDF, NHF, EQT, BEN, CHC, SIQ, PPT, CQE, APM, COH, MX1, IRE

¹⁷ Source: Macquarie (index statistics) 4DX, BEN, COH, CXL, EQT, GEM, GSS, IPD, JAN, OFX, SPK

¹⁸ AEF, BEN, CXL, IEL, IRE, SGM, SPK. Refer to p.6 for more detail on the 40:40 Vision.

¹⁹ AEF, KMD

Engagement

The Better Future Team regularly engages with portfolio companies on material ESG issues. Typically, we meet with portfolio companies several times a year to discuss a range of sustainability and ESG issues. Despite some push-back - particularly in the US - in relation to ESG and sustainability during 2024, we continue to see most companies willing to engage and improve in relation to sustainability and ESG issues. We set out below some detail on our engagements and outcomes during 2024.

In 2024, the Better Future Team approached portfolio companies to discuss material ESG issues in **111 dedicated ESG engagements across 34 Better Future portfolio companies**.

The key topics we discussed in 2024 included Governance, Gender Pay Gaps, Gender Diversity (both board and executive diversity), Greenhouse Gas (GHG) emissions disclosures, alignment with the Paris Agreement and Modern Slavery & Ethical Supply Chain.

Case Studies

Alpha HPA (ASX: A4N)

We have been engaging for some time with Alpha HPA ("Alpha") on various ESG issues. Alpha has developed a process to produce ultra-high purity alumina products in a more sustainable and cost-effective manner than traditional processes. Our engagement commenced in 2021 and topics, have included board gender diversity. Since the commencement of our engagement three female directors have been appointed to the board. Most recently, Annie Liu was appointed in December 2023, with significant industry experience, having worked at Tesla and Ford managing battery material supply chains. Marganita Johnson was appointed in January 2024, with significant aluminum industry experience. We are encouraged by the progress that the company has made with these appointments and have continued our engagement on other ESG priorities.

Genetic Signatures (ASX: GSS)

We had multiple engagements with the GSS board over the last twelve months to address some gaps we believed existed in the executive skill set and governance. This engagement led to a director (previously recommended by Perennial) moving up to Chair, following the exit of the long standing Chair. In addition, the CEO was replaced with a well-qualified female CEO with deep global experience in the sector to provide a greater focus on commercialisation. Finally, Perennial was able to recommend another female director with experience as a CFO of an ASX listed healthcare company for a NED role to provide greater financial acumen to the board.

Engagement Themes

GENDER PAY GAPS

In March 2024, Perennial Better Future wrote to all companies that performed lower than the Australian average (21.7%) on gender pay gap based on the WGEA Gender Pay Gap data, released in February 2024. We sought to understand the drivers and context behind the pay gaps, the actions taken including any processes, policies or steps, and progress in gender balance in executive leadership positions. We encouraged email responses or offered video calls to companies. We received responses from the vast majority of the companies contacted and will continue to engage with the companies on this important issue.

GENDER DIVERSITY - MANAGEMENT

Since 2022 Perennial has been a member of the 40:40 Vision, an investor-led initiative working towards gender-balanced executive teams by 2030. The Vision seeks to bring transparency and accountability to companies' commitments to gender diversity in senior leadership and calls for at least 40% women in executive teams by 2030. 40:40 stands for 40% women, 40% men and 20% any gender.

We have been appointed the lead investor for seven Better Future portfolio companies and have been taking charge of conversations with these corporates on enhancing the representation of women in their executive teams. to date, we have had two of our companies sign onto the Vision - Calix and Australian Ethical.

We believe the collective support of the ASX300 and investors is critical to achieving gender-balanced executive teams that will improve outcomes for all stakeholders.

GENDER DIVERSITY - BOARD

We continued to engage with portfolio companies on gender diversity and during the year, eight well-qualified female directors were appointed to portfolio company boards, often after our engagement. These included Alpha HPA, AUB Group, Netwealth and Genetic Signatures.

MODERN SLAVERY/ETHICAL SUPPLY CHAIN

We continue to engage with portfolio companies on Modern Slavery and Ethical Supply chain practices. Fore example, during the year, we had a dedicated meeting with Netwealth (ASX: NWL) to review and discuss their Modern Slavery statement. We provided feedback and comments including considerations for best practice

Engagement Themes

GREENHOUSE GAS EMISSIONS

Typically, companies that are held in the Better Future strategy have a relatively low emissions footprint. We have been targeting portfolio companies to report Scope 1 and 2 CO₂ emissions by the end of 2024, and put in place targets to align with the Paris Agreement by the end of 2025. This target applies to any company that we have been holding for an extended period, to ensure we have been able to directly engage with the company.

Outcomes during the year included Netwealth and Immutep each disclosing Scope 1 and 2 greenhouse gas emissions following engagement, Telix Pharmaceuticals is well progressed on measuring its emissions as a prelude to disclosing emissions and Arena REIT adopted an Emissions Reduction Plan in relation to their financed emissions.

As at year end, companies representing 80% of the portfolio had disclosed Scope 1 and 2 emissions. We continue to engage with the companies that have not disclosed, however we note that generally these companies are either planning to disclose during 2025 or conduct operations that are not likely to have a material emissions footprint.

As at year end, companies representing 24% of the portfolio had adopted Science Based Targets in relation to greenhouse gas emissions.

GOVERNANCE

We have met with our portfolio companies to engage on governance issues during the year including on remuneration policies and board independence. For instance, now that the company has made improvements in improving the gender diversity of the board, one of the issues that we engaged with Alpha HPA on during the year is improving the independence of the board as the company has a number of executive directors. This included engaging with the company before the AGM and voting against the election of one of the relevant directors. An outcome of our engagement is that post year-end the company announced that an executive director was resigning.

Better Future Enablers

We provide a company overview of our Better Future Enabler investments, including recent company highlights, as well as how their business operations help to contribute to a better future.



3P Learning is a provider of educational software and eBooks to schools and parents of school-aged students globally. The company's key products are the Mathletics, Math Seeds, Reading Eggs and Writing Legends platforms. 3PL's other products include the Brightpath Progress assessment product which measures student progress in writing and mathematics. The company offers free or subsidized services to schools, charities and not for profits organizations that operate under financially constrained circumstances.



4D Medical is a medical technology company that has developed software used with traditional X-ray or CT scanning that provides more sophisticated data on lung function. This enables physicians to understand regional airflow in the lungs and identify respiratory deficiencies earlier and with greater sensitivity.



Alpha HPA

Alpha HPA is a chemical engineering company that can produce ultra-high purity alumina products with dramatically less emissions and waste. The Company's technology is expected to reduce greenhouse gas emissions by up to 70% versus traditional processes. A key development is the company's UltraCoat product that greatly reduces fire risk in lithium ion batteries. The alumina is used in the manufacturing of semiconductors to reduce heat generated and make the semiconductors more efficient as well as reducing the cooling needs of data centres.



Arena REIT is an internally managed Real Estate Investment Trust that owns and manages 276 social infrastructure properties across Australia that provides essential community services in three sectors; early learning centres, healthcare properties and disability accomodation.



Calix is an environmental technology company that has several businesses focused on solving global challenges. These include its "LEILAC" technology to separate carbon dioxide from the cement production process; Zero Emissions Steel TechnologY ("ZESTY") process; mid-stream lithium ore process which it is developing in joint venture with Pilbara Minerals; and direct air carbon capture process that is being used by Heirloom Inc in the US. Further detail on progress during the year is included in the Better Future Highlights section below.



**SOCIAL
INFRASTRUCTURE
REIT**

Charter Hall Social Infrastructure REIT is a real estate investment company that invests in social infrastructure properties in Australia. The REIT consists of 347 properties delivering essential services across childcare, education, healthcare, transport and government services.



Cochlear is a medical device company that produces an electronic device to improve hearing. It is the global leader in implantable hearing solutions having provided more than 750,000 hearing devices to help people hear. The company invested over \$270m in research and development in 2024.



Fisher & Paykel Healthcare is a medical device company and a leading designer and manufacturer of products and systems for acute and chronic respiratory care, surgery and the treatment of obstructive sleep apnea. Their products enable patients to transition to less acute care settings.



G8 Education^{ltd}

G8 Education is a childcare service provider that operates developmental and educational child care services, under a range of brands and more than 400 centers across Australia. Services include early learning, kindergarten and preschool centers across six Australian states.



Genetic Signatures is a molecular diagnostic company that manufactures testing solutions for infectious diseases using proprietary technology. The company produces detection kits that identify viral pathogens such as influenza and gastrointestinal parasites more efficiently than traditional methods. In 2024, Genetic Signatures received US Food and Drugs Administration approval for the it's EasyScreen Gastrointestinal Parasite Detection Kit which improves the speed and accuracy compared to traditional methods.



ImmuteP is a biotechnology company that develops immunotherapies for the treatment of cancer and autoimmune diseases. Its lead product "efti" is designed to improve the effectiveness of existing cancer treatments. "Efti" stimulates the immune system and when used in conjunction with other cancer therapies has been shown to improve patient outcomes. Further detail on progress during the year is included in the Better Future Highlights section below.



IDP Education is an international education service company that provides international student placements and English language testing. It supports students globally through tertiary education placement in 1100 institutions globally.



ImpediMed's is a medical device company that produces bioimpedance spectroscopy (BIS) systems to accurately and noninvasively aid in the early detection of lymphoedema in breast cancer and other cancer patients. In 2024, over 250,000 tests were conducted to measure lymphoedema risk in patients globally including in Australia and the US.



Integral Diagnostics is a healthcare service company that provides medical imaging services across Australia and New Zealand in both regional and metropolitan areas. Diagnostic imaging is key to the early detection and prevention of many health issues.



Janison's is an education services provider of online learning and assessment platforms that is used by organizations globally to deliver exams, including the NAPLAN tests in Australia. This is more efficient than traditional "pen and paper" exams and the platform can be used to improve educational outcomes. Janison delivered 7m digital assessments in FY24 across 117 countries.



Meridian is a New Zealand based electricity generator that supplies electricity from 100% renewables sources. It is New Zealand's largest electricity generator and produces electricity from hydro, wind and solar. In FY24, Meridian generated 13,566 GWh of renewable energy.



Micro-X is a medical technology company that produces an ultra-lightweight, highly mobile x-ray device used in a range of healthcare applications. These include lightweight x-ray machines for use in medical and security applications; a groundbreaking Head CT for stroke detection and is developing a mobile full body CT for use in regional communities. Further detail on developments during the year is included in the Better Future Highlights section below.



Nanosonics is a medical technology company that prevents the transmission of infections. The company's Trophon product is a global leader in high level disinfection for ultrasound devices. The company has recently received US Food & Drug Administration approval for the company's Corus device which is to be used in the disinfection of endoscopes.

The Neuren logo consists of the word "neuren" in a white, lowercase, sans-serif font, centered within a dark blue rounded rectangular background.

Neuren Pharmaceuticals is a biopharmaceutical company developing therapies for neurodevelopmental diseases including Rett Syndrome, Fragile-X syndrome, Phelan McDermid Syndrome and Pitt Hopkins Syndrome. As at December 2024, over 1,000 Rett Syndrome patients in the US were taking Neuren's DAYBUE, the only FDA approved treatment for Rett Syndrome.

The Nib logo features a green stylized asterisk-like symbol to the left of the word "nib" in a bold, lowercase, sans-serif font.

Nib is a health insurance provider in Australia and New Zealand. The Company provides health and medical insurance to over 1.7 million Australian and New Zealand residents, and over 180,000 international students and workers in Australia. nib Thrive, nib's NDIS business, is focused on supporting people with disability and long-term health needs to overcome their challenges.

The PolyNovo logo features a stylized globe icon composed of green and blue geometric shapes, with the word "PolyNovo" in a blue sans-serif font below it.

PolyNovo is a medical technology company that has developed the NovoSorb biodegradable polymer matrix that is being used by 861 hospitals globally to improve complex wound outcomes for patients. The product is available in 46 countries and has been used in over 67,000 patients. The product organises a large wound into a series of small wounds that the body is more easily able to heal. NovoSorb is synthetic compared to existing competitive "biologic" products that are animal based and carry greater risk of infection. The product is typically used in patients with burns or complex wounds. Novosorb has been used recently in conflict zones to improve outcomes for patients impacted by the conflicts in Ukraine and the Middle East.

The Sims Metal Management logo features a stylized blue and green geometric icon to the left of the text "SIMS METAL MANAGEMENT" in a blue sans-serif font.

Sims is a global metal recycling company and provides circular solutions for technology. Recycling aluminium saves up to 90% of GHG emissions produced in the primary production process with up to 80% saved for copper. Using scrap metal as part of an electric-arc furnace can reduce emissions in steel production by approximately 50%.

The Telix Pharmaceuticals logo features a stylized blue and white icon to the left of the text "TELIX PHARMACEUTICALS" in a blue sans-serif font.

Telix is a biopharmaceutical company whose prostate imaging product, Illucix, has been a game-changer for helping urologists detect and manage prostate cancer with approximately 100,000 scans conducted in the United States and 28 other countries, including Australia, during 2024. Telix is also developing a prostate cancer therapeutic product and the Zircon renal cancer imaging product. Further detail on progress during the year is included in the Better Future Highlights section below.

Better Future Monthly Highlights in 2024

We provide an overview of the Better Future Highlights from each month of 2024. Better Future Highlights are typically key milestones or positive updates from Better Future Enabler investments.

January 2024 - PolyNovo (ASX:PNV)

Portfolio holding PolyNovo has developed the NovoSorb biodegradable polymer matrix that is being used globally to improve complex wound outcomes for patients. The product is now available in 37 countries and has been used in over 37,000 patients. The product assists patient outcomes by, in effect, organizing a large wound into a series of small wounds that the body is more easily able to heal. NovoSorb is synthetic compared to existing competitive “biologic” products that are animal based and that, among other issues, carry greater risk of infection. The product is typically used in patients with burns or complex wounds, although surgeons are continuing to find new use cases. Novosorb has been used recently in conflict zones to improve outcomes for patients impacted by the conflicts in Ukraine and the Middle East. During the month PolyNovo provided a trading update with global revenue up 66% to \$49m which was ahead of market expectations.

February 2024 - Calix (ASX:CXL)

During the month, portfolio holding Calix announced significant progress for its Zero Emissions Steel Technology (ZESTY) technology. Calix completed a Front-End Engineering and Design (FEED) study for a 30,000 tonne per annum ZESTY Hydrogen Direct Reduced Iron demonstration plant.

The study estimates that ZESTY can produce near zero emissions hot briquetted iron (“HBI”) from low grade iron ore for ~AUD\$630-800 per tonne of HBI. This cost is close to the range of existing, carbon-intensive HBI processing costs before any benefit of emissions reduction is accounted for. Further cost savings are expected as the technology is scaled and refined.

The reduction of iron ore to metal iron currently accounts for 80-85% of the steel industry’s carbon dioxide emissions with the ZESTY technology having the potential to reduce the emissions intensity of reducing iron ore to metal iron from 1.89 tonnes of carbon dioxide per tonne to near zero.

The ZESTY process is one of a number of potential applications of Calix’s core technology that includes low emissions lime and cement, direct carbon capture, alumina processing and lithium processing.

March 2024 - Alpha HPA (ASX:A4N)

During March, portfolio holding Alpha HPA released an update which touched on recent developments in potential applications for the company's high purity alumina and associated products. Existing end markets for products from the company's low carbon process include the sapphire glass (used in screens for mobile phones), LED lighting and semiconductor industries. One of the more interesting recent developments is in the lithium-ion battery anode sector. A number of global customers are testing aluminium oxide coated graphite anode materials using Alpha's "Ultracoat" process. The Ultracoat process provides for higher capacity, faster cycling and replaces the traditional carbon-pitch coat which is the incumbent graphite anode coating process. Significantly, the process has also been shown to provide an almost 100% reduction in thermal runaway (battery fires) under industry standard nailpenetration testing. This is another potential application for products produced by Alpha HPA as it moves towards finalising Stage 2 of the company's HPA First facility in Gladstone, Queensland.

April 2024 - Immutep (ASX:IMM)

During April 2024, Immutep announced some positive preliminary results from its Phase IIb Trial evaluating the company's Efti product when used in combination with the cancer therapy KEYTRUDA as a first-line treatment of head and neck squamous cell carcinoma in patients with negative PD-L1 expression which are colloquially considered to be "cold tumours". These "cold tumour" patients are typically not treated with KEYTRUDA as it has not been demonstrated to be effective. The preliminary results of using the combination of Efti and KEYTRUDA demonstrated an overall response rate of 26.9% in these "cold tumour" patients which was an encouraging outcome. Dr Martin Forster of the University College of London Cancer Institute, who is the investigator for the trial stated, "These preliminary topline results...are encouraging. Head and neck squamous cell carcinomas are a heterogenous disease that represent a high unmet medical need.... This is especially the case for patients with tumours that do not express PD-L1 and those that cannot receive chemotherapy. The ability of efti to work with....KEYTRUDA to potentially improve patients' clinical responses and expand patient populations that respond to the latter, without using chemotherapy, is promising." This is just one of a number of trials involving efti in various types of cancer that are focused on improving outcomes for patients.

May 2024 - Meridian Energy (ASX:MEZ)

During May 2024, Meridian Energy announced that it had signed a 20-year contract to supply electricity to the New Zealand Aluminium Smelter ("NZAS") at Tiwai Point. A significant aspect of the contract is that Meridian has the right to reduce NZAS electricity consumption in certain circumstances, typically where rainfall has been low and impacted Meridian's hydro energy generation. This will provide greater flexibility for the NZ electricity grid with less need for fossil fuel generation in the broader network in these circumstances. This provides greater flexibility than is typically the case with similar agreements globally and there is potential for a similar mechanism to be adopted in other jurisdictions to assist in the energy transition.

The contracts were on much better financial terms for Meridian than the existing agreement and the was longer than expected. This will provide greater financial security for the local community in Invercargill, NZ and will allow NZAS to have long term certainty to invest in the smelter to improve efficiency and greenhouse gas emissions.

June 2024 - Calix (ASX:CXL)

During the month, portfolio holding Calix announced a positive update on its Direct Air Capture (DAC) projects in partnership with Heirloom. Under an exclusive technology license agreement, Calix's Leilac will provide its electric calcination and carbon capture technology to two Heirloom DAC facilities capable of removing up to ~320,000 tonnes of carbon dioxide from the atmosphere per year.

Heirloom has announced they will build co-located DAC facilities in Shreveport, Louisiana. The first facility will have a CO₂ removal capacity of ~17,000 tonnes per year and is expected to be operational in 2026. The second ~300,000 tonne per year facility will be built in phases, with the first ~100,000 tons of capacity expected to be operational in 2027. The second facility is Heirloom's contribution to Project Cypress, a US Department of Energy-supported DAC Hub eligible for up to US\$600m in government funding. The State of Louisiana will also contribute up to US\$10m in economic incentives for the projects, reflecting bipartisan support for DAC in the state. Both facilities are expected to create at least 1,000 construction jobs and over 80 permanent jobs.

In addition to public funding, Heirloom will be responsible for financing the remaining capex for the project and will pay Leilac for associated engineering services. Once operational, both DAC facilities will be covered by Leilac and Heirloom's global licence agreement. Under the terms of the agreement, Heirloom will pay Leilac a minimum of US\$3/tonne of CO₂ separated by the Leilac technology. A higher variable royalty rate linked to the local CO₂ value is expected to become the prevailing future royalty rate as the cost of deployment falls.

July 2024 - Immutep (ASX:IMM)

During July, Immutep reported a positive update of results from Cohort B of the company's Phase IIb trial evaluating the company's "efti" product in combination with Merck & Co's cancer therapy KEYTRUDA in patients with head and neck cancer. Cohort B of the trial was for patients, with in effect, "cold" tumors where leading cancer therapy KEYTRUDA has not previously been shown to be effective. The results from the trial were encouraging with an objective response rate of 35.5% which are among the highest recorded for a chemotherapy-free approach in "cold" tumor patients. Additionally, there was a high complete response rate of 9.7%. The data was presented by Robert Metcalf, MD, from The Christie NHF Foundation Trust in Manchester, UK who stated, "The high response rate from this novel immunotherapy combination is well above other treatment approaches without chemotherapy. It matches historical response rates from chemotherapy-based treatments but without the associated toxicities. This is really significant for patients with head and neck squamous cell carcinomas who have a CPS less than one [cold tumors] and for whom chemotherapy is the current first line treatment...."

August 2024 - Calix (ASX:CXL)

Portfolio company Calix is developing a lower carbon concrete with Boral utilising clay that is calcined by Calix's proprietary calcination technology. The concrete industry makes up around 8% of global greenhouse gas emissions. The innovative solution aims to ensure the ongoing supply of a lower carbon concrete offering, given the expected decline in the global supply of existing products used in lower carbon concrete such as fly ash (sourced as a by-product of coal fired power stations) and blast furnace slag (by-product of steel production using coking coal). The clay product developed by Calix and Boral is, by contrast, relatively abundant. Other participants in the SmartCrete CRC project include the University of Technology Sydney and Transport for NSW. The first batch of clay has been successfully calcined by Calix's unique renewably powered electric calcination technology, demonstrating the potential of the approach to produce a low carbon intensity concrete. The Calix technology being used as part of this project is the same core process which is being developed to process materials from other industrial processes, including low carbon Iron and Steel.

September 2024 - Meridian Energy (ASX:MEZ)

During September, portfolio company Meridian Energy received consent to build a 120 Megawatt (MW) solar farm in Tai Tokerau Northland, New Zealand. The solar farm will be capable of producing 150 to 200 Gigawatt hours of electricity per year, enough to power more than half the homes in Northland. The project is Stage 2 of Meridian's Ruakaka Energy Park, which also includes a 100 MW battery energy storage system that is due for completion in early 2025. This is meaningful as excess solar generated when prices are low can be stored and sold during peak periods. The solar farm and battery will be added to Meridian's existing portfolio of hydro and wind assets and provides diversification to Meridian's portfolio which is predominantly based in the South Island of NZ. It is expected construction of the solar facility will get underway in early 2025 and will be completed in late 2026.

October 2024 - Telix Pharmaceuticals (ASX:TLX)

During October 2024, portfolio company Telix Pharmaceuticals announced that the US Food and Drug Administration (FDA) accepted a new drug application for the company's Pixclara product which is an imaging agent for glioma (brain cancer). The FDA granted the company's application priority review given the critical need to improve the diagnosis and management of gliomas, particularly in a post treatment setting. Conventional MRI techniques have several limitations including an inherent inability to differentiate between tumour progression or treatment-related causes. This can yield inconclusive results and delay time-sensitive treatment decisions. Subject to regulatory approval, Pixclara has the potential to address this need, enabling patients to receive greater clarity in their diagnosis and treatment decision-making. The FDA designated a goal date for the approval decision of 26 April 2025, paving the way for a US commercial launch in 2025. This follows the successful commercial launch of the company's Illucix imaging agent for prostate cancer which launched in 2022, and is expected to generate over \$745m revenue in 2024.

November 2024 - Calix (ASX:CXL)

During the month, portfolio holding Calix was announced as the winner of the Net-Zero Industries Award for Outstanding Project at an award ceremony at the United Nations Climate Change Conference COP29 in Baku, Azerbaijan.

The company received the award for its Zero Emissions Steel Technology (ZESTY) which is a renewably powered hydrogen direct reduced iron (H_DRI) technology for the production of green iron. The ZESTY project was selected from amongst 70 entries from around the world. Through efficient heating, the most efficient use possible of hydrogen gas, the elimination of additional processing steps and intermittent operability, ZESTY aims to deliver the lowest cost decarbonisation solution for green iron and steel.

The reduction of iron ore to metal iron currently accounts for 80-85% of the steel industry's carbon dioxide emissions with the ZESTY technology having the potential to reduce the emissions intensity of reducing iron ore to metal iron from 1.89 tonnes of carbon dioxide per tonne to near zero.

The ZESTY process is one of a number of potential applications of Calix's core technology that includes low emissions lime and cement, direct carbon capture, alumina processing and lithium processing.

December 2024 - Micro-X (ASX:MX1)

During December, portfolio holding Micro-X announced that it had been awarded a contract to develop a prototype lightweight and portable Full Body CT scanner by the United States Advanced Research Projects Agency for Health (ARPA-H). The scanner is being developed to provide enhanced care to people in regional and remote communities in the US.

The contract is for US\$8.2m (A\$12.5m) over 2 years, with the potential for a further US\$8.2m contract to develop the scanner through to FDA approval (up to A\$25m in total). The scanner will build on the core technology platform that the company has developed for the Head CT programme developed with funding from the Australian Medical Research Future Fund and the Baggage Scanner developed in conjunction with the US Department of Homeland Security.

Investment Initiatives

40:40 Vision

Perennial has been an active member of the 40:40 Vision since 2022, an investor-led initiative working towards gender-balanced executive teams by 2030. The Vision seeks to bring transparency and accountability to companies' commitments to gender diversity in senior leadership and calls for at least 40% women in executive teams by 2030. 40:40 stands for 40% women, 40% men and 20% any gender.



We have been appointed the lead investor for seven portfolio companies and have been engaging with these corporates on enhancing the representation of women in their executive teams. During the year, portfolio companies Australian Ethical and Calix signed up with the Vision.

We believe the collective support of the ASX300 and investors is critical to achieving gender-balanced executive teams. We encourage other investors and ASX300 companies to join the pledge to achieve the 40:40:20 gender balance target in executive leadership by 2030, to bring about tangible, structural change.

GIIN Impact Forum

Attended the GIIN Impact Forum in October 2024 in Amsterdam: In October, Emilie O'Neill from the Perennial Better Future team attended the Global Impact Investing Network (GIIN) Forum in Amsterdam. The GIIN is the global champion of impact investing, dedicated to increasing its scale and effectiveness around the world. The annual GIIN Impact Forum is a gathering of over 1,600 attendees from 70 countries who come together to learn from speakers, participate in interactive sessions and network with impact investing leaders. Key issues discussed during the Forum included the need and demand for more impact capital and the frameworks that are required to facilitate the provision of more capital.



Corporate Initiatives

Climate Active Certification

Perennial Partners has been certified as carbon neutral for its business operations for the FY23 period by Climate Active and at the time of writing is awaiting formal certification for FY24. The firm first achieved this government backed standard in FY22, and first achieved operational carbon-neutral status in FY21.

Perennial Partners is committed to reducing its carbon footprint and believes that achieving operational carbon neutrality will help to facilitate a better future and the transition towards a low-carbon economy.

Perennial Partners has purchased Australian Carbon Credit Units (ACCUs) to offset its emissions profile. The ACCUs are associated with the Mount Alfred Regeneration Project in Queensland. This project establishes permanent native forests on land that was cleared for vegetation and where regrowth was suppressed for at least 10 years.

Based on current emissions calculation methodology and stable business outcomes, Perennial will target a 40% reduction in total emissions across the value chain (scopes 1, 2 and 3) by 2030, from a 2021 base year.



Responsible Investment Association Australasia (RIAA)

Perennial is a member of the Responsible Investment Association Australasia (RIAA). RIAA champions responsible investing and a sustainable financial system in Australia and New Zealand. In 2024, Perennial was recognised by RIAA as a Responsible Investment Leader for the fifth consecutive year, highlighting our continued commitment to responsible investing. The Perennial Better Future Trust and the Perennial Better Future Active ETF (ASX:IMPQ) have RIAA certification and during 2024 were classified as "Sustainable Plus" which is the highest possible classification.



SUSTAINABLE PLUS
— CERTIFIED BY RIAA —



The Perennial Better Future Trust and the Perennial Better Future Active ETF (ASX:IMPQ) have been certified by the Responsible Investment Association Australasia according to the strict operational and disclosure practices required under the Responsible Investment Certification Program. See www.responsibleinvestments.com.au for details. The Responsible Investment Certification Program does not constitute financial product advice. Neither the Certification Symbol nor RIAA recommends to any person that any financial product is a suitable investment or that returns are guaranteed. Appropriate professional advice should be sought prior to making an investment decision. RIAA does not hold an Australian Financial Services Licence.

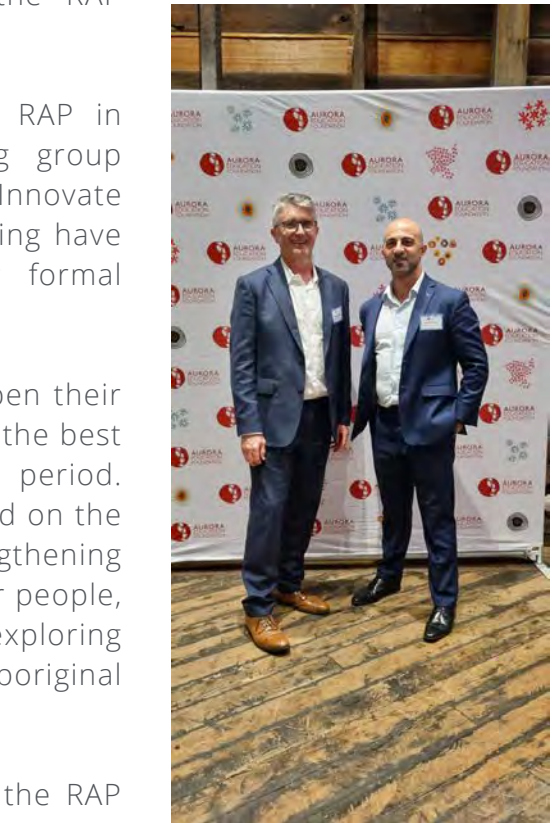
Our Reconciliation Journey

Perennial completed our Reflect RAP in 2023. Throughout the Reflect RAP period, our team established foundations that we believe will support our ongoing and sustainable journey towards Reconciliation, as we continue to progress through the RAP framework.

We are pleased to be working towards our Innovate RAP in 2024/2025, and have appointed an external working group member. We have received conditional approval of our Innovate RAP from Reconciliation Australia and at the time of writing have submitted our final Innovate RAP and are awaiting formal approval.

The goal of the Innovate RAP is for organisations to deepen their understanding of their sphere of influence and determine the best approach to advance reconciliation over a 24-month period. Throughout the Innovate RAP process, we will seek to build on the foundations we established during our Reflect RAP, strengthening our relationships with Aboriginal and Torres Strait Islander people, continuing to engage with staff on Reconciliation and exploring and implementing innovative strategies to empower Aboriginal and Torres Strait Islander peoples.

One initiative that we have been working on as part of the RAP process in conjunction with the Aurora Foundation is participating in Aurora's Intern Program. During the year the Perennial Better Future Team hosted a university student as an intern, providing the intern with hands on experience in our investment process and our approach to sustainable investing. During the year we also attended the Aurora Foundation's RISE Program Breakfast and End of Year Reception.



Tree Planting

In FY24, for the fourth consecutive year, in partnership with One Tree Planted, a tree was planted in Australia for every incremental direct client of Perennial as at 30 June 2024. This year, the project chosen is in partnership with the Wudjari First Nations people to restore degraded land in Western Australia by planting biodiverse native trees.

One Tree Planted states: "This unique project is enabling true economic self-determination of First Nations people through freehold ownership of land, long-term employment opportunities and the generation of sustainable income. Seed from endemic species in the immediate vicinity of the project will be collected, processed, propagated and planted, with the aim to restore the bush as closely as possible to its original condition."





Talented teams, great opportunities.

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