Private to Public Opportunities Fund

Quarterly Report September 2021

	NAV ($)	Quarter (%)	Since Inception net of fees (%)
Perennial Private to Public Opportunities Fund	1.923	25.6	118.5

Performance Update

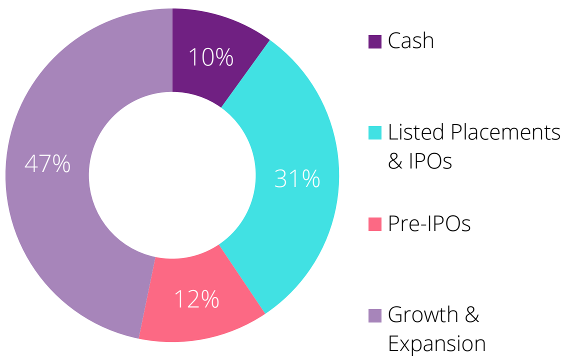
The Private to Public Opportunities Fund (PPP1) returned 25.6% (net of fees) for the quarter ending September 2021. Since inception in August 2019, PPP1 has returned 118.5% (net of fees and inclusive of the distributions paid in July 2020 and 2021).

The key driver of the strong quarterly return was the listing of Spire Global (NYSE:SPIR) on the New York Stock Exchange and the repricing of Spriggy as they completed a new funding round. Please see following pages of this newsletter for further details on these two investments.

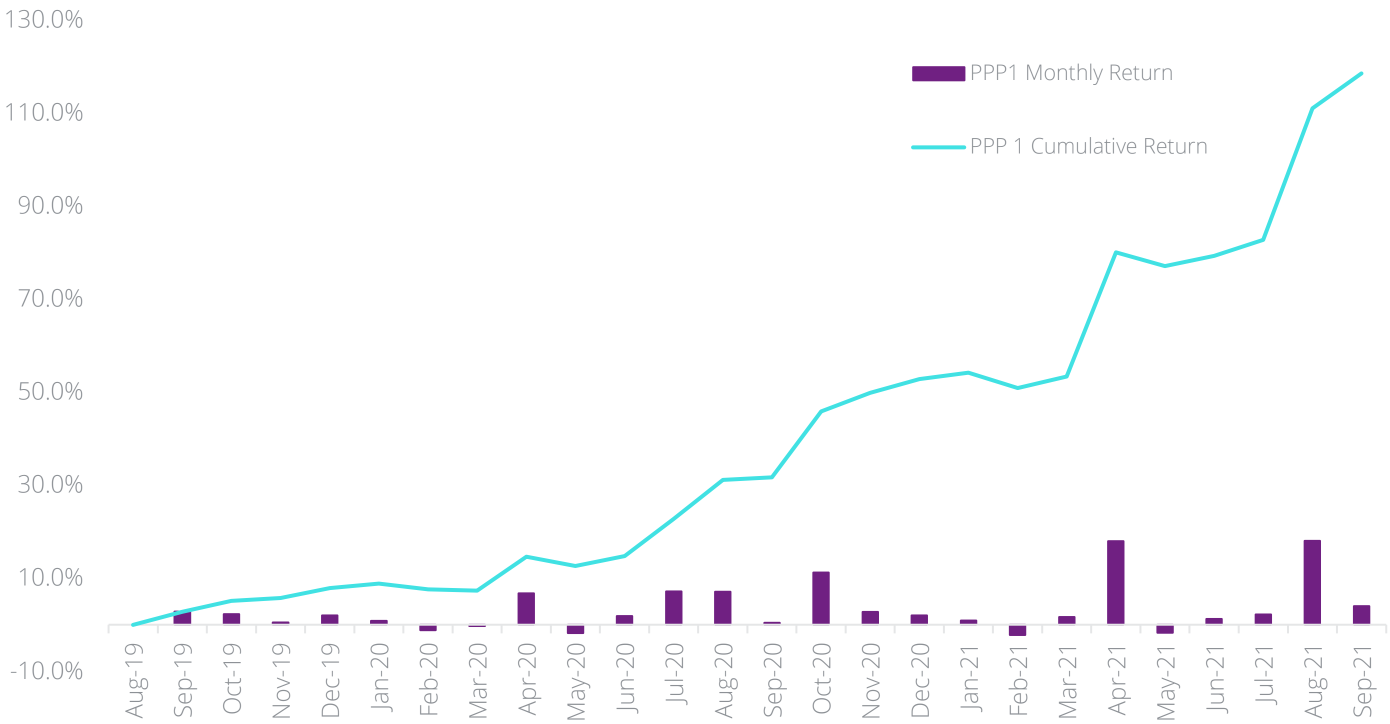
PPP1 was negatively impacted during the quarter by the performance of listed positions in Lumos (ASX:LDX), Nuheara (ASX:NUH) and EP&T Global (ASX:EPT).

The outlook for PPP1 is very positive with a number of private positions including Planet Innovation, Koala, Brosa, Animoca Brands, Microba and BuildXact all performing incredibly well.

Current Fund Allocation



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



Inception date for PPP1 is 19 August 2019. Performance shown is net of fees and includes distributions to date. It does not take into account any taxes payable by an investor. Past performance is not a reliable indicator of future performance.

Company Update – Spire Global

During the quarter, Spire Global (NYSE:SPIR) successfully listed on the New York Stock Exchange through a Special Purpose Acquisition Company (SPAC) called NavSight Holdings. The implied valuation for this transaction was very attractive compared to our entry price, as reflected in the strong Fund performance during August. However, public trading since listing has been volatile, and we expect this to continue for several months before the strong business fundamentals come to the fore.

SPACs which are also known as a “blank cheque companies” have existed in the US market for several years but have become increasingly popular in the last 12mths. The SPAC is a listed shell company that is created to merge with a private company (or companies), with the purpose of creating a single entity that will be a publicly traded company. If the existing SPAC vehicle is not large enough to complete the acquisition of the identified target company they often complete a Private Placement in Public Equity (PIPE) transaction prior to the merger. Investors in the SPAC typically buy units for $10. The unit is made up of a regular share that is redeemable, plus a warrant. The warrant is a call option that allows investors to buy additional shares at a given exercise price. Post the merger with the private company, both the shares and warrants are listed and traded publicly.

In the case of Spire Global:

- Navsight Holdings was the SPAC vehicle;
- Six4 Holdings was the sponsor;
- On 1 March 2021, Navsight offered to acquire Spire Global. The transaction valued the combined entity at a **$1.2bn pre-money** valuation or a $1.6bn post money valuation - assuming no redemption and including the PIPE investment;
- PIPE investors were anchored by Tiger Global, BlackRock, Hedosophia and JAWSs - who committed $245m;
- Following the transaction, Spire and NavSight would hold a 67% and 33% stake respectively in the combined entity. In addition, the combined entity would be renamed Spire Global;
- On 17 August 2021 the merger was completed;
- Whilst the SPAC share price was $10 per share, this equated to $6.70 in cash attributable to Spire and $3.30 applicable to SPAC sponsors and PIPE investors;
- The majority of the SPAC investors redeemed their shares but have kept their warrants.

Given the dynamic above and due to the outstanding warrants and associated hedging there is often heightened volatility in the share price post listing.

Between the listing on 17 August 2021 and 30 September 2021, there was extreme volatility given the limited free float for Spire. This caused the share price to peak at over $18 per share before closing the quarter at $12.53, and this **is what has been reflected in PPP1’s NAV as at the end of 30 September 2021**. It should be noted that shares from the PIPE transaction were tradeable from October adding to volatility and causing some short-term weakness below this level this month.

Despite the weakness seen in October, it is worth remembering that Spire was able to raise $265m in cash ($245m from the PIPE and $20m in shares that were not redeemed) reducing dilution for existing investors. The cash raised will be used for both organic and inorganic growth initiatives including:

- The Acquisition of EarthXact for $161m ($103m in cash and $58m in Spire stock) to entrench their strong position in the maritime data and analytics space. EarthXact increases Spires customer base by 150, of which 75% are new customers;
- A new partnership with Myriota - a world-leading provider of secure, low-cost, and long battery life satellite connectivity for the Internet of Things (IoT). Myriota is the first large-scale, commercial, IoT-focused customer of Spire;
- Awarded the largest volume of commercial weather data purchased to date by NOAA under the Commercial Weather Data Buy Program.

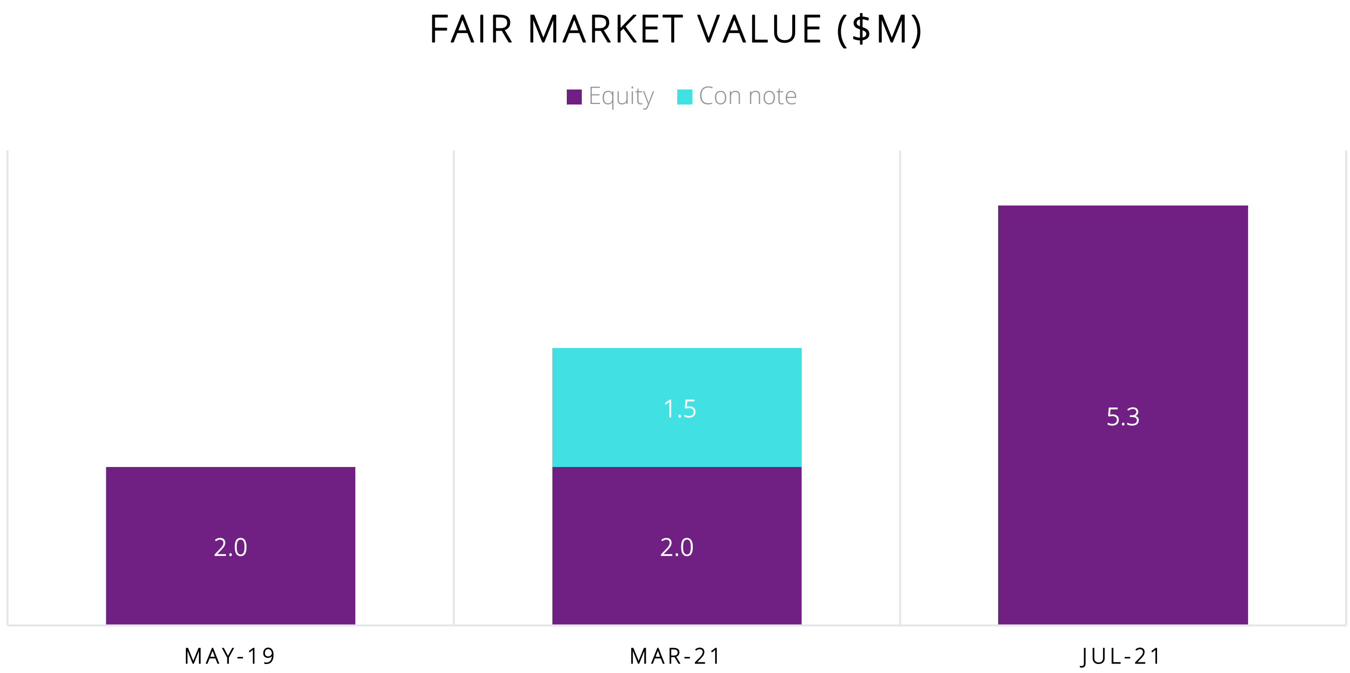
We remain positive on the fundamentals of Spire and look forward to increased analyst coverage and favourable catalysts in the period ahead.

Note: all currency numbers above are expressed in USD

Company Update – Spriggy

During the quarter, Spriggy announced a $35m funding round led by NAB Ventures. See **news article here**. For PPP1 investors, the impact was as follows:

1. A material uplift from the holding value of our existing equity investment, which was made in May 2019
2. The transaction enabled us to convert our convertible note acquired in March 2021 into equity.



We have been incredibly pleased with the operational execution of the company since we first invested. Spriggy now has over 550k members which provides them an outstanding platform to own the family banking category. The new capital enables the company to accelerate its growth initiatives which include:

- Product expansion into Spriggy Schools and Spriggy Invest;
- Accelerate member growth through marketing and strategic partner channels;
- New partnership with NAB.

The table below compares Spriggy to a selection of well-known large fintechs in Australia.

afterpay	netwealth	tyro	lendi	judobank	Spriggy
Personal credit	Wealth management	Payment solutions	Home loans	Business credit	Family banking
A$30.2B	A$4.1B	A$1.8B	>A$0.5B	A$1.9B	...
ASX:APT	ASX:NWL	ASX:TYR	Private[1]	Private[2]	

Note: all currency numbers above are expressed in AUD

Other Operational Updates

Planet Innovation

Planet innovation reported over 100% year on year revenue growth with margin expansion in FY21. Within this revenue growth, only 20% was directly attributable to COVID, and the majority from new products and customers. During the quarter Atmo raised $9.6m to accelerate its regulatory approval. Atmo is one of Planet Innovations venture businesses focused on assessing gut motility.

Way2Vat

During the quarter, Way2Vat (ASX: W2V) listed on the ASX. Way2Vat was a pre-IPO position in PPP1. The business provides a fully automated end-to-end VAT/GST reclaim solution for travellers with patented technology. We believe the company will strongly benefit from the current easing of travel restrictions globally.

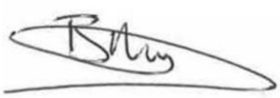
Koala

During the quarter, Koala released its new mattress ranges and expanded its product suite in Australia – of which multiple members of the Perennial team have been buyers of! The company also launched its ecommerce platform in South Korea. This is an exciting milestone for the company as they continue their international expansion.

Thank you again for your continuing interest in PPP1.

Yours sincerely,






Andrew Smith | Ryan Sohn | Brendan Lyons | Karen Chan

Contact us

Level 27, 88 Phillip Street
Sydney NSW 2000

1300 133 451

invest@perennial.net.au

www.perennial.net.au