

QUARTERLY REPORT  
TO INVESTORS **2021**

December 2021



MICROEQUITIES PRIVATE TO BEYOND  
**THE IPO FUND**



Microequities Asset Management

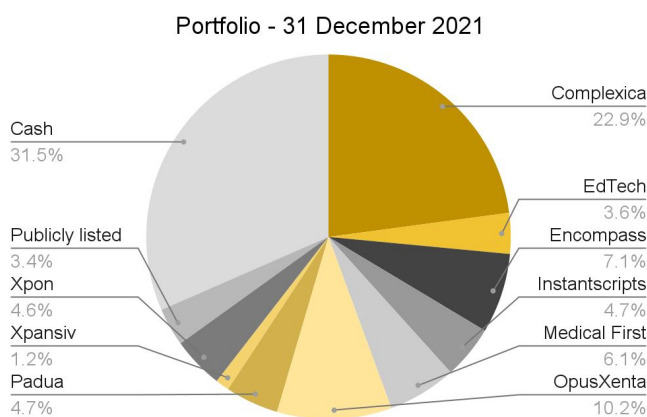
**D**ear fellow investors,

The December quarter was an exciting quarter for the Fund, with our first IPO in Xpon Technologies, four new private investments and two follow-on investments.

Our portfolio now includes nine private investments, of which five investments were sourced directly from Microequities network and wholesale investors.

We also commenced building our listed investment portfolio with an investment in a high quality business that is currently significantly undervalued by the market and has strong growth prospects.

The Fund is expected to return 5.4%<sup>1</sup> (net of fees) for the quarter ending December 2021. This performance was driven by a revaluation of our largest investment, Complexica, following a secondary transaction with a third-party at a 21% premium to our investment price. In addition, our investment in Xpon Technologies was re-valued up by 50% in-line with the IPO price<sup>1</sup>.



<sup>(1)</sup> Note valuation is subject to movements in publicly listed investments.

<sup>(2)</sup> All investments held at cost or updated based on material third party financing transactions or mark-to-market valuations.

Important information: This information is not intended to be financial advice. Past performance is not indicative of future performance. Microequities Asset Management Pty Ltd is a corporate authorised representative, number 462438, as appointed by Microequities Asset Management Group Limited holder of AFSL number 287526. Application for units in the Fund is limited to investors that are wholesale or sophisticated investors within the meaning of Section 761G(7) and 761GA(7) of the Corporations Act 2001.

## Key Portfolio Developments

During the quarter we invested in InstantScripts, Medical First Group, OpusXenta and Padua. In addition, we made a further investment in Complexica and followed-on from our pre-IPO investment in Xpon Technologies with an additional investment in the IPO.

Some of the highlights across the portfolio include a strategic investment by Flinders Port Holdings (FPH) in Complexica. This investment and collaboration with FPH will enable Complexica to pursue the development of next-generation software applications for ports globally.

In addition, InstantScripts was ranked #2 on The [Australian Financial Review Fast Starters list 2021](#) and the No #1 [SmartCompany](#) for 2021.

## Investment Pipeline

We are currently reviewing a strong pipeline of quality opportunities and expect to complete several investments in the next quarter. We look forward to detailing these and other developments across the portfolio in our next quarterly update.

We recognise that our investors have an extensive network and experience across a vast number of industries that could provide a valuable source of deal flow. To the extent that there is a business that you believe could be an appropriate investment for the Fund, please reach out to us using the contact details on the last page of this document.

## Fund Currently Soft Closed

The Fund is currently soft closed and is expected to reopen once it is 80% invested. We expect to reopen the Fund in February 2022. Current unit holders will receive entitlement rights to participate. **Those who are not currently unit holders of the Fund are encouraged to submit a form and deposit to ensure a spot once the Fund is reopened (click below).**

[RESERVE SPOT FOR FUND REOPENING](#)

## Portfolio Composition & Valuation

Company	Date of Initial Investment	Security Instrument	Amount Invested	Interest accrued	Estimated valuation at 31 Dec-21 <sup>1</sup>	Portfolio Weighting <sup>2</sup>	Valuation Uplift
<a href="#">Complexica</a>	Aug-21	Ordinary Shares	8,000,000	-	9,684,461	22.9%	1.2x
<a href="#">EdTech Group</a>	Aug-21	Convertible Notes	1,501,728	26,613	1,528,341	3.6%	-
<a href="#">Encompass</a>	Sep-21	Ordinary Shares	3,000,001	-	3,000,001	7.1%	-
<a href="#">InstantScripts</a>	Oct-21	Ordinary Shares	2,000,075	-	2,000,075	4.7%	-
<a href="#">Medical First Group</a>	Nov-21	Ordinary Shares	2,573,612	-	2,573,612	6.1%	-
<a href="#">OpusXenta</a>	Nov-21	Ordinary Shares	4,300,096	-	4,300,096	10.2%	-
<a href="#">Padua</a>	Nov-21	Preference Shares	1,999,998	-	1,999,998	4.7%	-
<a href="#">Xpansiv</a>	Sep-21	Convertible Notes	500,000	14,723	514,723	1.2%	-
<a href="#">Xpon</a>	Aug-21	Ordinary Shares & Convertible Notes	1,290,000	-	1,935,316	4.6%	1.5x
<b>Total private investments</b>			<b>25,165,510</b>	<b>41,336</b>	<b>27,536,623</b>	<b>65.1%</b>	
<b>Publicly listed investments</b>			<b>1,368,207</b>		<b>1,430,024</b>	<b>3.4%</b>	
<b>Cash at Bank</b>			<b>13,350,588</b>		<b>13,350,588</b>	<b>31.5%</b>	
<b>Net Assets</b>			<b>39,884,305</b>		<b>42,317,235</b>	<b>100.0%</b>	

<sup>(1)</sup> All investments held at cost or updated based on material third party financing transactions or mark-to-market valuations. Note valuation is subject to movements in publicly listed investments before 31 December.

<sup>(2)</sup> Weightings based on estimated valuation at 31 December.

[Complexica](#) is a leading provider of Artificial Intelligence software applications. At the heart of its science-based technology is Complexica’s Decision Cloud® which is powered by the award-winning Artificial Intelligence engine called Larry, the Digital Analyst®. The AI-based software applications optimise sales, marketing, and supply chain decisions, particularly for organisations characterised by a large SKU range and long tail of customers.

1 <sup>st</sup> Investment Round	\$5.0m (Aug-21)
2 <sup>nd</sup> Investment Round	\$3.0m (Nov-21)
Total Invested	\$8.0m
Portfolio %	22.9%
Key Personnel	Matt Michalewicz (CEO)

## Update

- The Fund invested a further \$3m in Complexica alongside a \$5m strategic investment from Flinders Port Holdings (FPH).
- Flinders Port Holdings is also an existing customer of Complexica. The two companies have been collaborating for the past two years on the development of a world-first use-case for Complexica’s Artificial Intelligence software at the Flinders Adelaide Container Terminal to dynamically improve container movements through a 24/7 optimisation process. This strategic investment will enable both parties to further strengthen their collaboration. Complexica will establish a new Ports & Logistics Division to execute its go-to-market strategy globally.
- Flinders Port Holdings is South Australia’s leading port and logistics services provider with seven ports located at Port Adelaide, Port Lincoln, Port Pirie, Thevenard, Port Giles, Wallaroo and Klein Point. Other companies in the FPH group include Flinders Ports, Flinders Logistics, Flinders Adelaide Container Terminal, and Flinders Warehousing & Distribution.
- The Fund’s investment in Complexica was revalued upwards by 21% following a secondary transaction with a third-party in line with the higher price.
- The business continued to sign high quality enterprise clients during the quarter including Asahi, DuluxGroup and a multinational FMCG corporation.
- During the quarter, Complexica was named as a finalist for [ARN’s 2021 Innovation Awards](#). Representing the entire Australian ecosystem, few finalists make the shortlist from a pool of over 195 organisations.

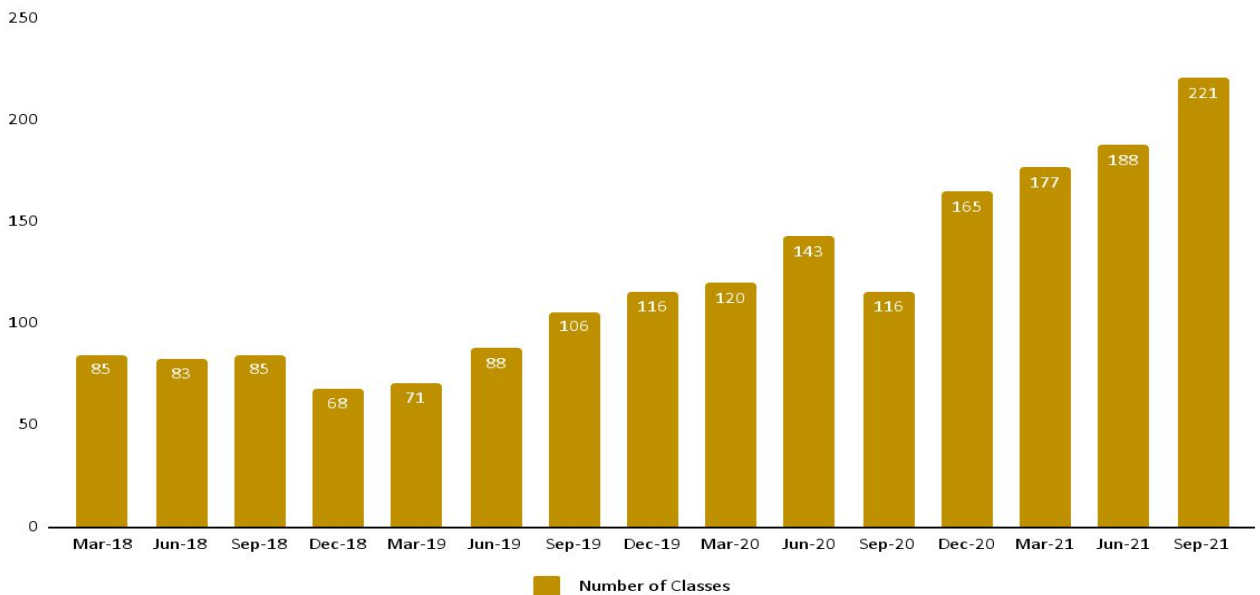
[EdTech Group](#) delivers technology-based solutions to make school-life more convenient, connected and enjoyable for schools, parents and students. With a combined database of over 1.4 million users and over 1,400 schools, the Edtech Group will be able to deliver high quality digital technologies education online via a SaaS platform and face-to-face skills and experiences to schools and school age students throughout Australia.

1 <sup>st</sup> Investment Round	\$1.5m (Aug-21)
Total Invested	\$1.5m
Portfolio %	3.6%
Key Personnel	Adam Jacobs (CEO)

## Update

- Edtech Group completed the acquisition of Skoolbag on 30 September. Skoolbag is a software-as-a-service (SaaS) delivering an all-in-one communication platform for schools.
- Following the re-opening post-COVID, the business has seen an increase in the number of coding classes booked. The business is on track to deliver a company record for the upcoming summer school holiday intake.
- During the quarter, the EdTech Group launched a new product called Cyber Engineers and signed the first major contract with TAFE QLD to rollout the training software across their campuses.
- The business continued to sign additional re-sellers for its CODEFLIX product across the US, Australia and the UK. CODEFLIX is Edtech’s proprietary platform that delivers hundreds of hours of video tutorials in digital technologies education.

## Key Metric



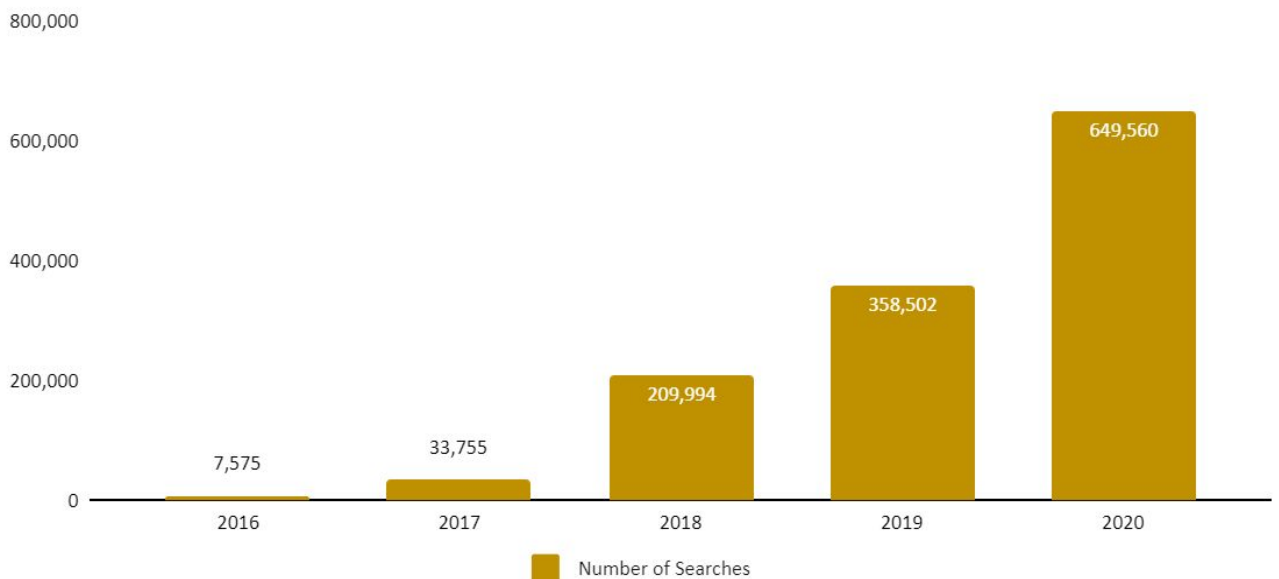
[Encompass](#) provides a platform for automating corporate KYC due diligence to financial services companies, mainly banks and insurance companies. Encompass’ intelligent process automation conducts live document and data collection, analysis and integration from public and premium sources to bring transparency to complex corporate structures and ultimate beneficial ownership. Encompass transforms a customer due diligence process that typically takes hours or days into minutes and reduces the risk of errors or non-compliance.

1 <sup>st</sup> Investment Round	\$3.0m (Sep-21)
Total Invested	\$3.0m
Portfolio %	7.1%
Key Personnel	Wayne Johnson (Co-founder and CEO)

## Update

- Encompass’ client base includes multinational financial institutions including Santander, Accuity, Invidem, Brodies and Dun & Bradstreet.
- Encompass was recently named as a regional winner at Barclays Entrepreneur Awards 2021
- The company raised capital to accelerate growth through expanding the sales and marketing team, enhance products and capture more of the expanding \$9.5bn global KYC market.
- Encompass officially launched in North America during the quarter, allowing the company to better serve the needs of existing global clients.

## Key Metric



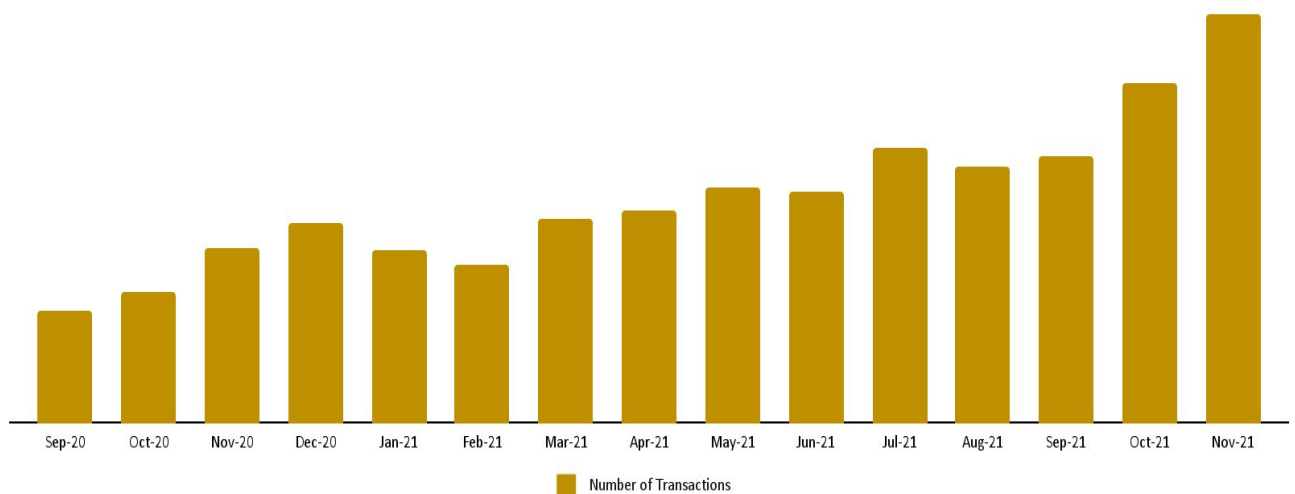
[InstantScripts](#) is a platform that generates prescriptions and other medical certifications and facilitates live telehealth consultations. The company reduces patients' time attending GP clinics for brief and routine doctor consultations. The business has served more than 300,000 users and partnered with nearly half of the pharmacies in Australia.

1 <sup>st</sup> Investment Round	\$2.0m (Oct-21)
Total Invested	\$2.0m
Portfolio %	4.7%
Key Personnel	Dr Asher Freilich (Founder and CEO)

## Update

- During the quarter, InstantScripts was ranked #2 on The Australian Financial Review Fast Starters list 2021 and the No #1 [SmartCompany](#) for 2021.
- To learn more about the business, I encourage you to read the [Australian Financial Review's](#) interview with the CEO of InstantScripts, Dr Asher Freilich.
- During the quarter, Richard Skimin joined InstantScripts as COO. Richard has extensive experience from his previous role as Managing director of News.com.au and News Corp Australia e-commerce division.
- The business continues to expand rapidly and has increased its focus on marketing with advertisements on buses in Sydney and Brisbane, trams in Melbourne as well as on TV and radio.

## Key Metric



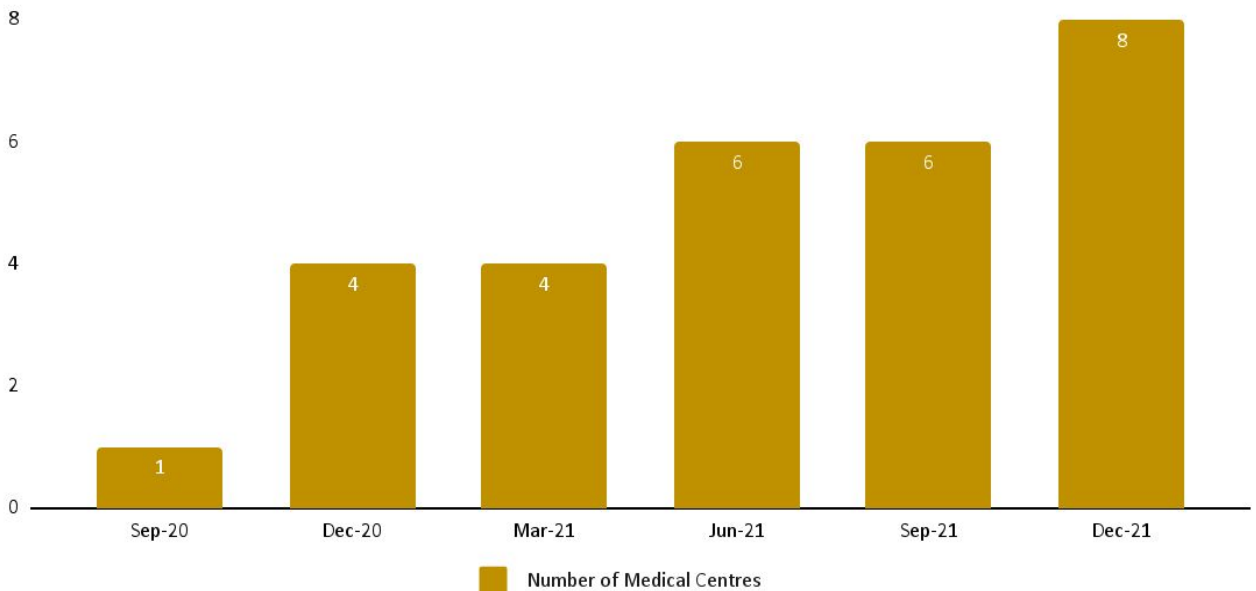
[Medical First Group](#) is a medical centre operator with a network of local general practice clinics and properties. The company prides itself on providing high quality care for its patients and grows its business through the acquisition of high quality GP practices. The business is positioned to take advantage of the highly-fragmented industry.

1 <sup>st</sup> Investment Round	\$2.6m (Nov-21)
Total Invested	\$2.6m
Portfolio %	6.1%
Key Personnel	Kevin Dhillon and Alok Anand (Founders)

## Update

- Microequities invested in Medical First Group alongside Dr Alex Abrahams, who has extensive experience in medical roll-ups as the founder of Pacific Smiles Group. Dr Abrahams has also taken the position of Chair of the Medical First Group board.
- Medical First Group owns 8 GP practices in NSW, QLD and VIC.
- During the quarter, Medical First Group acquired 2 additional practices (included in the 8 above) in Richmond, NSW and Rosewater, SA.
- Medical First Group has a number of high quality GP practices in its pipeline that it expects to complete in the following quarter.

## Key Metric





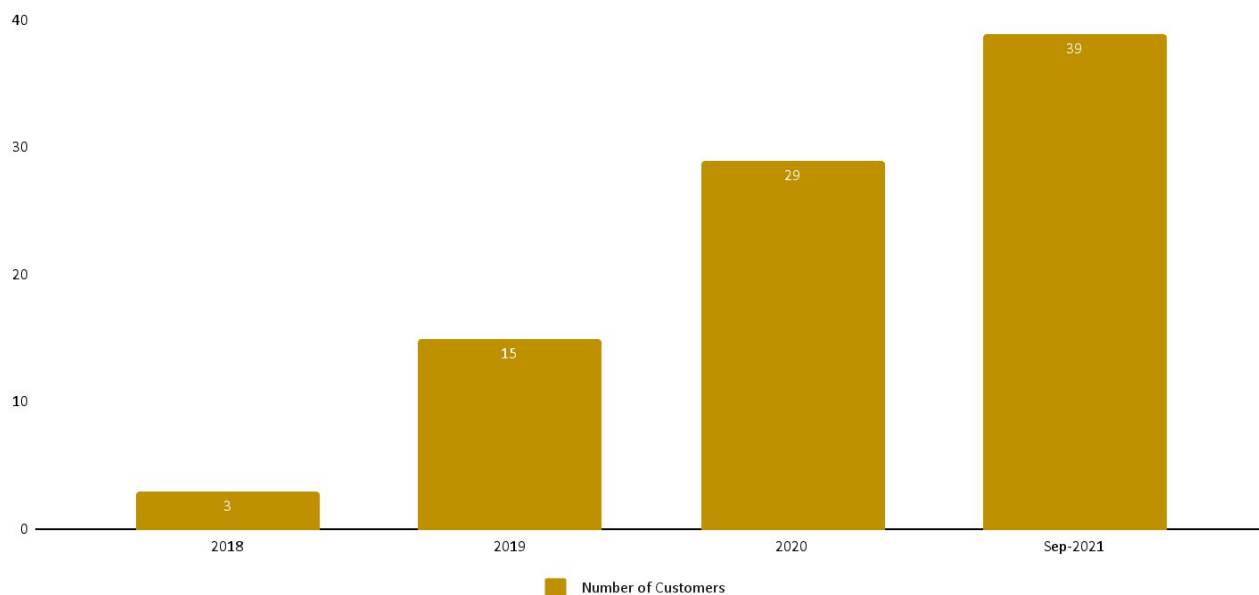
[OpusXenta](#) is a global technology company serving the death care profession and its suppliers, with offices in Australia, New Zealand, Europe and North America. The cloud-based platform enables cemeteries, crematoria and funeral homes to manage their operations better, adapt to a changing market environment and to build out their digital presence.

1 <sup>st</sup> Investment Round	\$4.3m (Nov-21)
Total Invested	\$4.3m
Portfolio %	10.2%
Key Personnel	Tony Lorge (Founder and CEO)

## Update

- OpusXenta has a diversified client base across Australia, New Zealand, Europe and North America, including 9 of the top 10 cemetery operators in Australia.
- With a changing death care sector, OpusXenta is well-positioned to lead the shift of the global death care sector into the digital world.
- OpusXenta intends to use the capital raised to accelerate growth through sales and marketing activities and product development.

## Key Metric



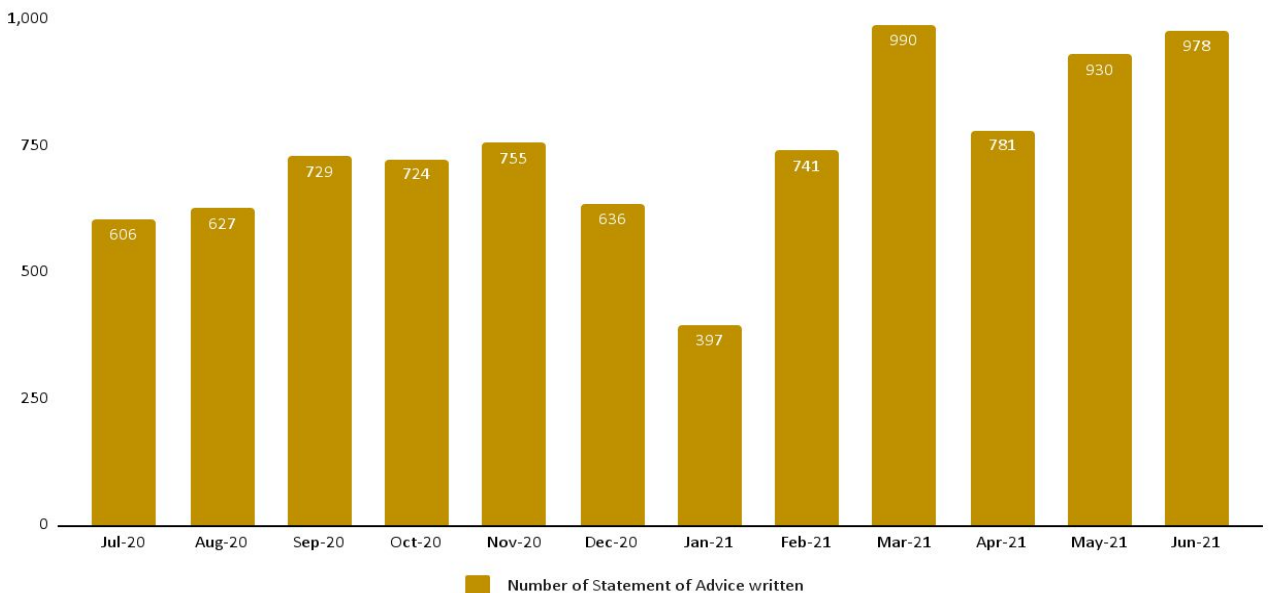
[Padua](#) provides software and services to financial advisers to help them through the advice process - from client discovery, to product and strategy comparison, to advice recommendation - before the cycle begins again on client review. Padua's proprietary technology connects to AFS licensee's approved CRM software to automate the advice process for financial advisers and their clients. Padua aggregates advice data and provides it back to its advisers to benchmark themselves. Padua data is now being used by advisers and licensees and are quoted as the data source in financial media.

1 <sup>st</sup> Investment Round	\$2.0m (Nov-21)
Total Invested	\$2.0m
Portfolio %	4.7%
Key Personnel	Matt and Anne-Marie Esler (Founders)

## Update

- Microequities participated in a \$9.8m capital raising for Padua which was recently featured in the [Australian Financial Review](#) in relation to the completion of the capital raising.
- Padua enables financial advisers to provide high quality advice to their clients in a more cost effective way.
- Padua's customers include the likes of Findex, InvestBlue, Count, Pinnacle and Fiducian.
- The capital raised will allow Padua to increase investment in sales, distribution and marketing and accelerate their technology roadmap.

## Key Metric



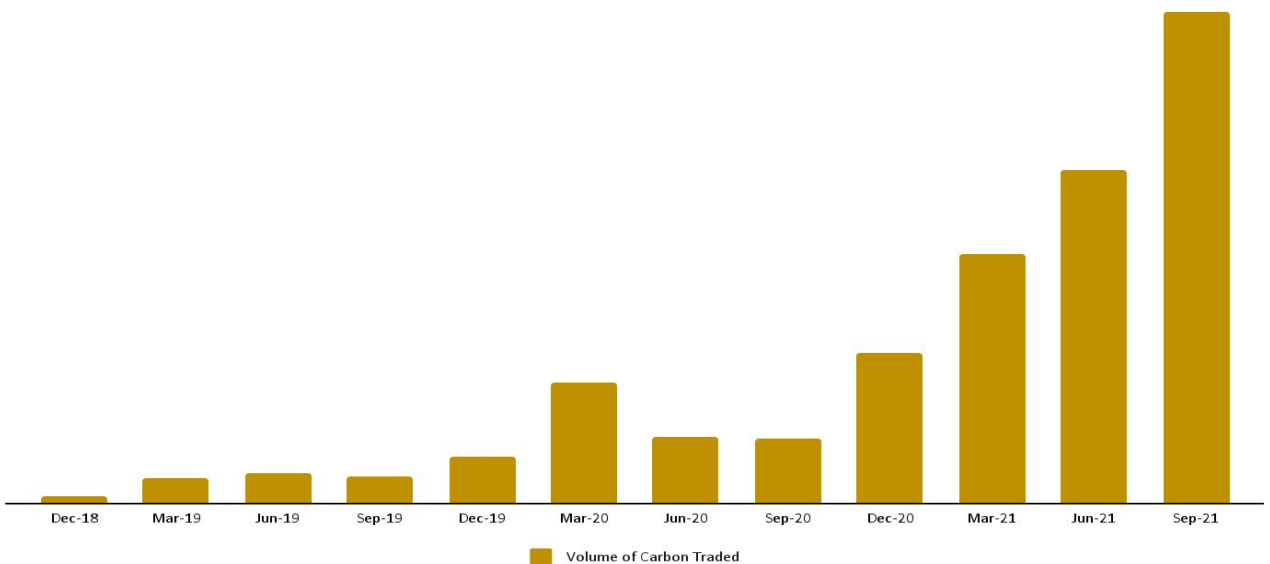
[Xpansiv](#) is a global marketplace, registry and market data provider for ESG-inclusive commodities such as carbon, water and renewable energy. The business has a strong ecosystem of customers, partners, technology and products and accelerates the transition to a net-zero future.

1 <sup>st</sup> Investment Round	\$0.5m (Sep-21)
Total Invested	\$0.5m
Portfolio %	1.2%
Key Personnel	Joe Madden (CEO)

## Update

- Global carbon markets are forecast to surpass the size of oil and other commodity markets, reaching \$3.9 trillion by 2040. Xpansiv is well positioned to take advantage of the transition to reduce carbon emissions over coming years.
- The Fund participated in a pre-IPO raise of US\$100m ahead of an expected ASX listing in 2022.
- In October, Xpansiv and Platts launched a new benchmark for methane performance in natural gas production to support the launch of Xpansiv's Methane Performance Certificate (MPC). The MPC enables natural gas producers to earn a premium for natural gas produced and transported with low methane emissions intensity. S&P Global Platts' parent, S&P Global, has an equity investment in Xpansiv through its S&P Global Ventures arm.

## Key Metric





[Xpon](#) Technologies provides corporate and mid-tier enterprises in Australia, United Kingdom and Europe with solutions to support cloud infrastructure, customer facing digital products as well as marketing and advertising technologies. As a Google Cloud and Google Marketing implementation partner, Xpon is well-positioned to benefit from the global transition to cloud and digital marketing.

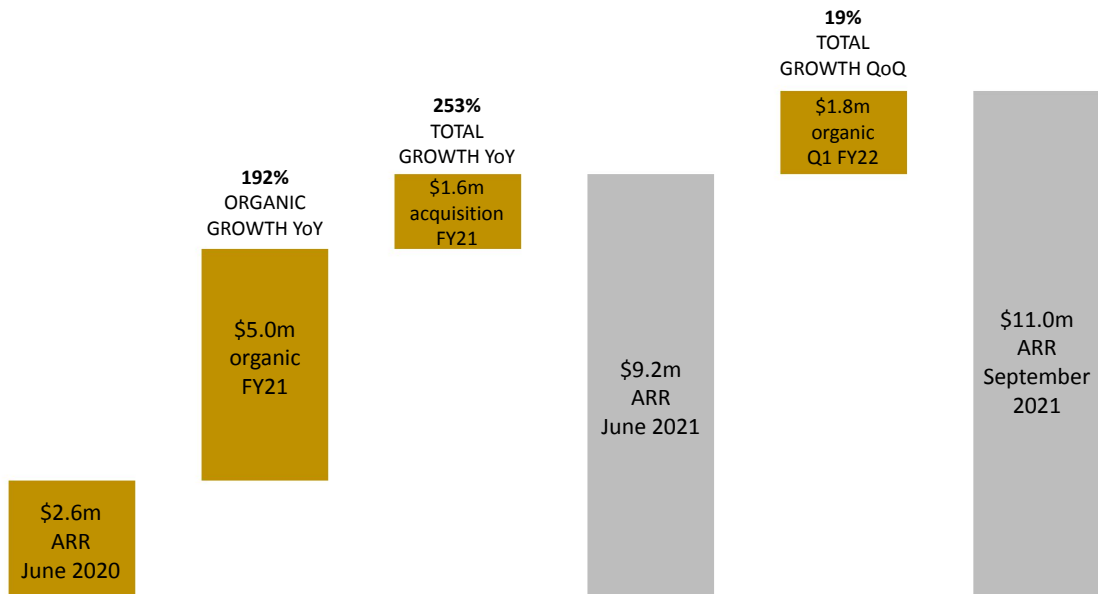
1 <sup>st</sup> Investment Round	\$1.3m (Aug-21)
Total Invested	\$1.3m
Portfolio %	4.6%
Key Personnel	Matt Forman (CEO)

## Update

- Xpon has become the first Australian company which is both a managed Google Cloud Partner and managed Google Marketing Platform Partner.
- In addition, Xpon’s Wondaris product, a next-generation data platform for marketers, enables companies to harness their first party data which is becoming increasingly important as the world transitions away from using third party data for marketing.
- The company has a wide range of high quality clients including OFX, Flight Centre, News UK, Oxfam and Ramsay Healthcare.
- Xpon Technologies listed on the ASX on 16 December at a 50% premium to the Fund’s pre-IPO investment price in August 2021. Consequently, the Funds investment was revalued upwards by 50% in-line with the IPO price<sup>1</sup>.

<sup>(1)</sup> Note valuation is subject to movements in publicly listed investments.

## Key Metric





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