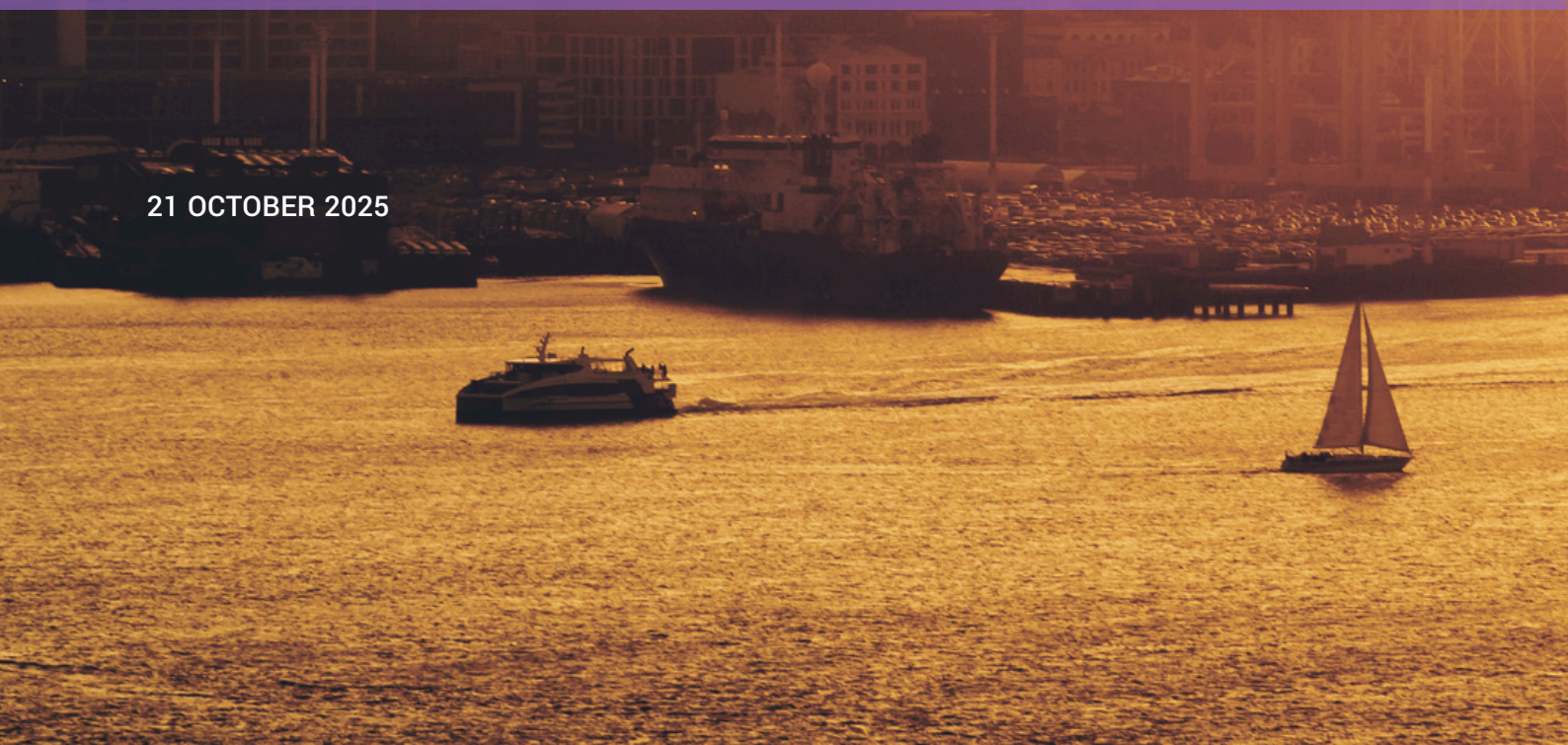
Punakaiki Fund

PFL

DIVIDEND DISTRIBUTION NOTICE & MATERIAL INFORMATION DISCLOSURE

21 OCTOBER 2025



Dividend Distribution Notice

Dear Shareholders,

Punakaiki Fund Limited (Punakaiki Fund) is pleased to announce the declaration of its inaugural cash dividend of $2.00 per share, along with a dividend reinvestment plan priced at $30.30 per share. Please read this document which contains information on how to participate in the Dividend Reinvestment Plan, and information that may be relevant to your decision as to whether or not to participate in the Dividend Reinvestment Plan.

BACKGROUND

Following the sale of its shareholding in Quantifi Photonics Limited for $28.9 million, Punakaiki Fund has received $25.8 million in cash proceeds to date, with another $3.1 million (based on the current NZD/USD exchange rate) held in escrow accounts and, subject to meeting certain conditions, is expected to be received before the end of 2026. Punakaiki Fund investigated undertaking a pro-rata share buy-back and cancellation in order to return some of these funds to Punakaiki Fund shareholders, including applying to the Inland Revenue Department for a binding ruling on the tax consequences of such a share buy-back.

The Inland Revenue Department has advised that they believe that the proposed share buyback would likely be considered a dividend and have associated tax consequences. As a result, the Punakaiki Fund Board has decided not to proceed with the buy-back and will instead pay a dividend under the approach outlined in our Capital Allocation Policy (CAP). The CAP sets out that after provisioning an amount for Punakaiki Fund's future operating costs, 35% of net exit proceeds shall be used to fund a distribution to shareholders, and a performance fee payment to 2040 Ventures Limited (Punakaiki Fund's manager), on an 80/20 basis.

The Punakaiki Fund Board has determined, based on the full value of the Quantifi Photonics Limited exit, and after providing $4.9 million for future operating costs, a **cash dividend of $2.00 per share** will be paid to Punakaiki Fund's shareholders, at a total maximum cash cost of approximately $6.9 million (which may change depending on the number of Punakaiki Fund shares that might be issued to new investors, holders of June 2027 $30 Options (Options) who decide to exercise their options prior to the Record Date, or to existing shareholders pursuant to the Dividend Reinvestment Plan).

DIVIDEND DETAILS

Record Date	28 October 2025 (11:59pm)
Payment Date	3 Nov 2025
Cash Dividend per Share	$2.0000
Imputation Credits per Share1	$0.0657
Gross Dividend per Share	$2.0657
Supplementary Dividend per Share	$0.0000
Currency	NZD
Dividend Reinvestment Plan Strike Price per Share	$30.30
Other Adjustment Made to the Strike Price	None
Assessed iNAV/Share2	$33.62
Strike Price Discount to Assessed iNAV/Share	9.89%
Source of Dividend Reinvestment Plan Shares	New Issue

[1] The amount of imputation credits available per share will decrease if Punakaiki Fund issues additional shares prior to the Record Date.
[2] After the dividend payment, but before the issue of Dividend Reinvestment Plan shares.

ACTIONS REQUIRED IN CATALIST

To ensure your dividend payment is processed smoothly and without unnecessarily incurring excess withholding tax, please check that your bank account and tax details are up to date in your Catalist account.

To check your details, log into your Catalist account and click on "My account"/ "Accounting Settings" in the top right of the screen, and then click on the blue edit icons to edit your tax numbers and tax rate details. Please enter the tax numbers for all jurisdictions where you are a tax resident and enter your resident or non-resident withholding tax (RWT / NRWT) rate, as applicable, under the "Tax rate (RWT/NRWT)" heading. If no tax rate is provided, a default (and potentially higher) rate will be applied. If you are unsure of your correct tax rate, please seek independent advice, as individual circumstances can differ.

You can log in to your Catalist account anytime to review or update your information.

DIVIDEND REINVESTMENT PLAN

Punakaiki Fund has established a Dividend Reinvestment Plan (Plan) which offers you the opportunity to reinvest some or all of the net cash dividends payable or credited on your Punakaiki Fund shares into new Punakaiki Fund shares. This provides an opportunity for you to increase your investment in Punakaiki Fund. Participation in this Plan is completely optional; however, you will only be eligible to participate in the Plan if, at 11:59pm on the Record Date:

1. you held Shares; and
2. you are resident in New Zealand or Australia (or if you are not a resident of New Zealand or Australia, your participation in this Plan is lawful under the relevant laws that apply to you, and Punakaiki Fund determines that you are eligible to participate); and
3. you either hold your Shares directly or hold your Shares indirectly through a nominee whose address is recorded in Punakaiki Fund's share register as being in New Zealand or Australia.

The full terms and conditions of the Plan, along with how to participate by electing into the Plan on Catalist, are set out in the Dividend Reinvestment Plan Offer Document. Please read the Dividend Reinvestment Plan Offer Document carefully. It contains important information about the Plan.

You can make you Participation Election into the Plan from the Record Date onwards up to but excluding the Payment Date. Catalist will send you a link on or about the Record Date so that you can make your Participation Election online on Catalist's Platform. You can make or change your Participation Election any time up until (but excluding) the Payment Date. If you change your Participation Election on the Payment Date, there is no guarantee that your amended Participation Election will apply to the dividend payment made on that Payment Date, and you may be bound by your original Participation Election.

For the current dividend, up to 100% is eligible for reinvestment, which means the full amount of your net cash dividend will be used to purchase additional shares. Any remaining balance (if your dividend doesn't divide exactly by the share price) will be credited to your Catalist Wallet.

STATEMENTS

Punakaiki Fund will send a statement via Catalist to your electronic mail address within five business days of the Payment Date. You will also be able to find this statement in the Communications tab of your Catalist Dashboard. The statement will provide the details of the dividend, your participation in the Plan (if applicable) and any necessary tax information.

OPTIONS

If you hold Options, you will not be entitled to receive a dividend in respect of those Options. The exercise price ($30.00 per Option) will not be adjusted as a result of the payment of the dividend.

If Option holders exercise their Options, including paying the necessary funds to Catalist to exercise those Options prior to the Record Date, then the Shares issued as a result of the exercise of Options will be eligible to receive the dividend. If you are uncertain about whether you should exercise your Options, please contact your broker, financial, investment or other professional advisor.

In order to exercise your Options, please login to your Catalist account and exercise the options on the exercise page.

CONTACT

If you have any questions regarding the dividend, the Plan or the Options, please contact Punakaiki Fund: info@punakaikifund.co.nz

Material Information Disclosure

This disclosure contains important information. You should read the whole disclosure before making any decisions about participating in the Dividend Reinvestment Plan or exercising Options. If you have any doubts as to what you should do, please consult your broker, financial, investment or other professional advisor.

Any Punakaiki Fund Limited (Punakaiki Fund) shareholder considering participating in the Dividend Reinvestment Plan (Plan), or considering exercising their June 2027 $30 Options (Options), should familiarise themselves with the information in the:

1. Punakaiki Fund 2025 Annual Report;
2. Punakaiki Fund's monthly NAV reports, including the recent September 2025 NAV Report; and
3. The material information disclosures set out below.

The Punakaiki Fund Board considers that this information will allow Punakaiki Fund shareholders to make an informed assessment of the merits of participating in the Plan or exercising their Options.

MATERIAL INFORMATION DISCLOSURES

The information provided below sets out aspects of Punakaiki Fund that have changed compared to that reported in the Punakaiki Fund 2025 Annual Report.

INVESTMENTS

Since 31 March 2025, Punakaiki Fund has invested a total of $5.472 million into the following investments:

1. **June 2025**: Projectworks Holding Inc., resulting in the current 9.5% shareholding;
2. **July 2025**: Whip Around (NZ) Limited, resulting in the current 5.3% shareholding; and
3. **August 2025**: Sea-Flux Limited, resulting in the current 13.0% shareholding.

Punakaiki Fund exited its investment in Quantifi Photonics Limited in March 2025, and to date has received exit payments totalling $25.8 million. Punakaiki Fund's share of remaining exit proceeds, which are held in escrow (and are to be released when and if certain conditions are met), totals $3.1 million based on the current NZD/USD exchange rate.

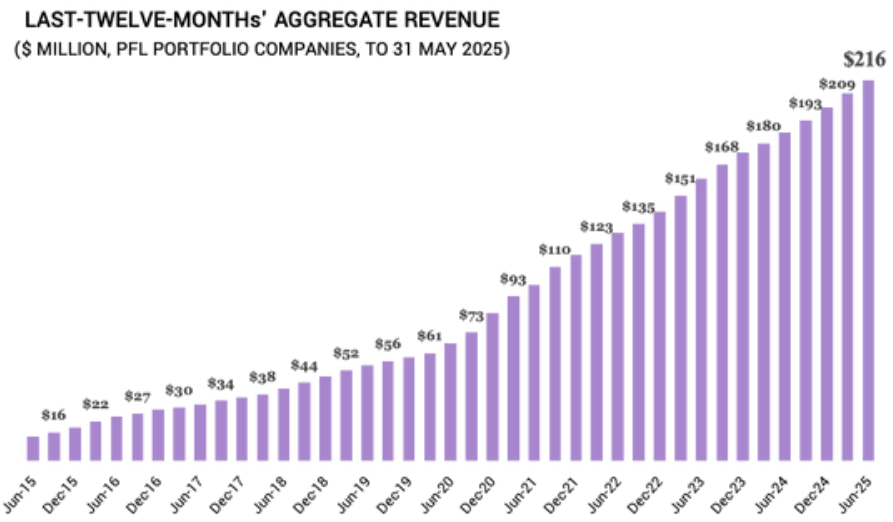
The table below sets out details regarding Punakaiki Fund's top ten investments as at 14 October 2025. Other than those changes previously noted, there have been no other changes in the shareholdings of Punakaiki Fund's top ten investments since 31 March 2025. Quantifi Photonics Limited and CONQA (QA Tech Limited) were removed from the top ten investments list during the period and were replaced by Get Home Safe Limited and Sea-Flux Limited.

	Company	Company description	Shareholding	ROI	Holding Value
SUBSTANTIAL $20M+	devoli	Wholesale internet service provider powering Contact Energy & Nova	53.9%	3.9x	$31.8m TTM Revenue $159m
	ONCE·IT	New Zealand discount ecommerce site for fashion, furniture and more	25.6%	4.2x	
	whip around	Digital fleet maintenance solution serving USA trucking market	5.3%	0.7x	
EMERGING $5-$20m	PROJECTWORKS	Professional services automation software	9.6%	2.9x	$36.4m TTM Revenue $28m
	HUNGRY HUNGRY | MOBI	On and off-premises hospitality digital ordering and engagement platform	15.1%[1]	0.4x	
	Couchdrop	Software for moving vast amounts of data between platforms	21.8%	7.8x	
SUSTAINABLE $1-$5M	SEA-FLUX	Fleet management software for commercial vessel operators	13.0%	1.0x	$15.9m TTM Revenue $10m
	REDSEED	Coach-led off-the-shelf and customised learning for frontline staff	48.5%	4.8x	
	orah	Duty of care platform for schools enabling students safety and support	28.9%	3.5x	
	GetHomeSafe	Lone-worker journey management tool keeping staff safe	21.0%	2.3x	

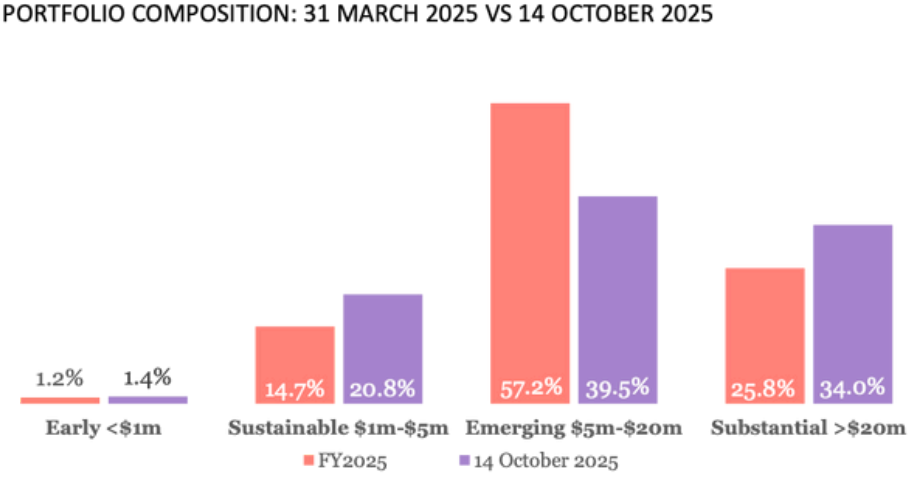
The value of Punakaiki Fund's investments as at 31 March 2025 was $104.549 million. The table below sets out a reconciliation between this value, and the value of Punakaiki Fund's investments of $93.410 million as at 14 October 2025.

	$m
Value of Investments as at 31 March 2025	**104.549**
Investments (3 portfolio companies)	5.472
Divestments (1 portfolio company)	(25.799)
Increases in Holding Value of Investments (4 portfolio companies)	16.17
Decreases in Holding Value of Investments (9 portfolio companies)	(6.973)
Decrease in Holding Value of Financial Instruments	(0.009)
Value of Investments as at 14 October 2025	**93.41**

The aggregated revenues of all of Punakaiki Fund's companies has continued to grow since 31 March 2025. The diagram below sets out the long-run revenue growth of Punakaiki Fund's investments.



As set out in the diagram below, due to new investments, divestments and valuation changes applicable to individual investments, the composition of Punakaiki Fund's investments portfolio has changed since 31 March 2025.



FINANCIAL INFORMATION

The table below sets out selected financial information for Punakaiki Fund for the five annual periods to FY2025, and for the part period to/as at 14 October 2025.

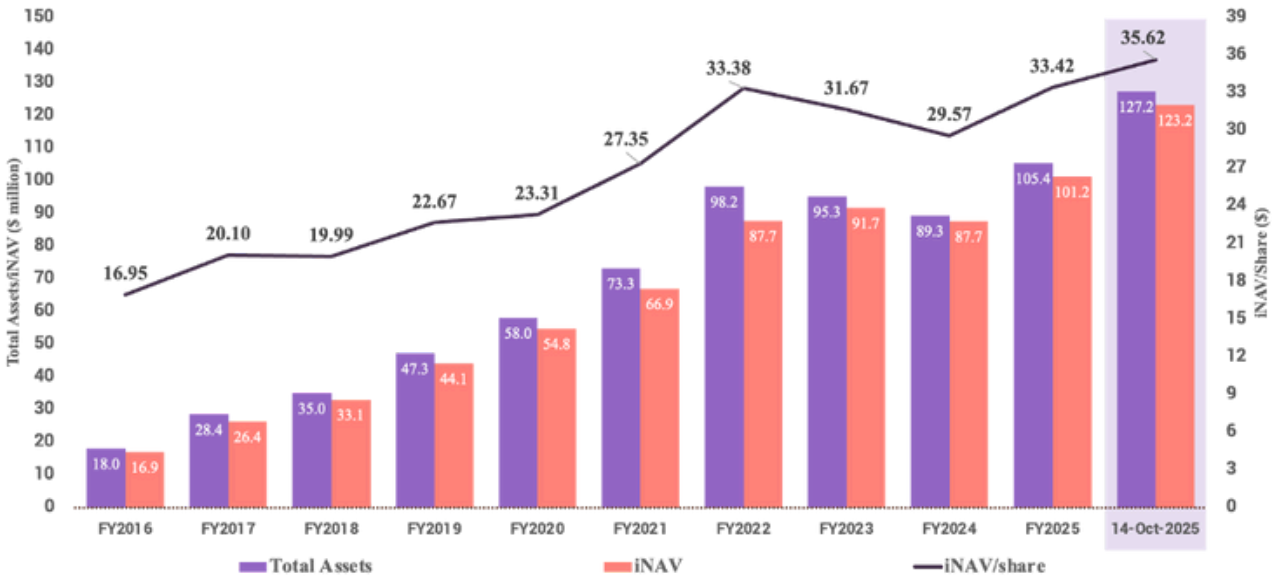
NZ$ '000	FY2021	FY2022	FY2023	FY2024	FY2025	14 October 2025
Financial Position						
Investments	71,090	93,070	90,200	86,910	104,549	93,410
Cash	2,168	5,068	4,980	2,331	766	33,162
Total Assets	73,297	98,197	95,258	89,346	105,397	127,234
Financial Performance						
Change in Fair Value of Investments	14,388	21,664	(5,928)	(4,953)	17,164	9,188
Cash Flows						
Cash Flows from Operating Activities	(1,392)	(1,805)	(2,694)	(2,911)	(2,920)	(2,132)
Cash Flows from Investing Activities	(1,681)	(316)	(3,058)	(1,663)	(476)	20,327
Cash Flows from Financing Activities	2,338	5,021	5,664	1,925	1,831	14,201
Total Cash Flows	(735)	2,900	(88)	(2,649)	(1,565)	32,396

Punakaiki Fund has raised $14.431 million of capital from new investors since 31 March 2025 by issuing 430,799 new shares at a price of $33.50. PFL currently has 3,458,075 ordinary shares and 62,924 June 2027 $30 options on issue.

As of the date of this document, Punakaiki Fund has a wholesale offer open at a price of $35.50 per share. This offer will be closed prior to the Record Date and will reopen after the Record Date with an amended price to reflect the impact of the dividend payment on the value of Punakaiki Fund's shares.

The diagram below sets out the movement in Punakaiki Fund's total assets, iNAV and iNAV/share for the period up to 14 October 2025.

PUNAKAIKI FUND'S TOTAL ASSETS, INAV AND INAV/SHARE TO 14 OCTOBER 2025



BOARD AND MANAGEMENT

There have been no changes to the Punakaiki Fund Board membership, or to the senior personnel of 2040 Ventures Limited (Punakaiki Fund's manager).

The table below sets out Punakaiki Fund's directors' relevant interests, including the gross cash amount of dividends that each will receive based on their respective Punakaiki Fund shareholdings as of 14 October 2025.

Mike Bennetts, Teressa Betty, Nigel Scott and Jayshree Das have indicated that they do not intend to participate in the Plan. Lance Wiggs has indicated that he intends to participate in the Plan.

	31 Mar 2025		14 Oct 2025		
DIRECTOR	SHARES	OPTIONS	SHARES	OPTIONS	CASH DIVIDEND ENTITLEMENT
Mike Bennetts	61,500	-	61,500	-	$123,000
Teressa Betty	770	-	770	-	$1,540
Nigel Scott	2,860	-	2,860	-	$5,720
Jayshree Das	-	-	-	-	-
Lance Wiggs*	74,495	-	78,191	-	$156,382
Total	**139,625**	**-**	**143,321**	**-**	**$286,642**

**Lance Wiggs purchased 3,696 shares after 31 March 2025. Lance Wiggs' shareholdings include a partial interest in 7,835 shares held by 2040 Ventures Limited and 660 shares held by immediate family members.*

STRUCTURE

There have been no changes to the Punakaiki Fund Board membership, or to the senior personnel of 2040 Ventures Limited (Punakaiki Fund's manager).

Mike Bennetts, Teressa Betty, Nigel Scott and Jayshree Das have indicated that they do not intend to participate in the Plan. Lance Wiggs has indicated that he intends to participate in the Plan.

PERFORMANCE FEE PAYMENT

Under Punakaiki Fund's Capital Allocation Policy, 2040 Ventures Limited (the manager of Punakaiki Fund) is entitled to receive a performance fee payment equal to 25% of any amount distributed to shareholders, or any lesser amount required to settle any accrued performance fee. The expected performance payment to 2040 Ventures Limited as a result of the dividend payment to Punakaiki Fund's shareholders will be approximately $1.7 million.

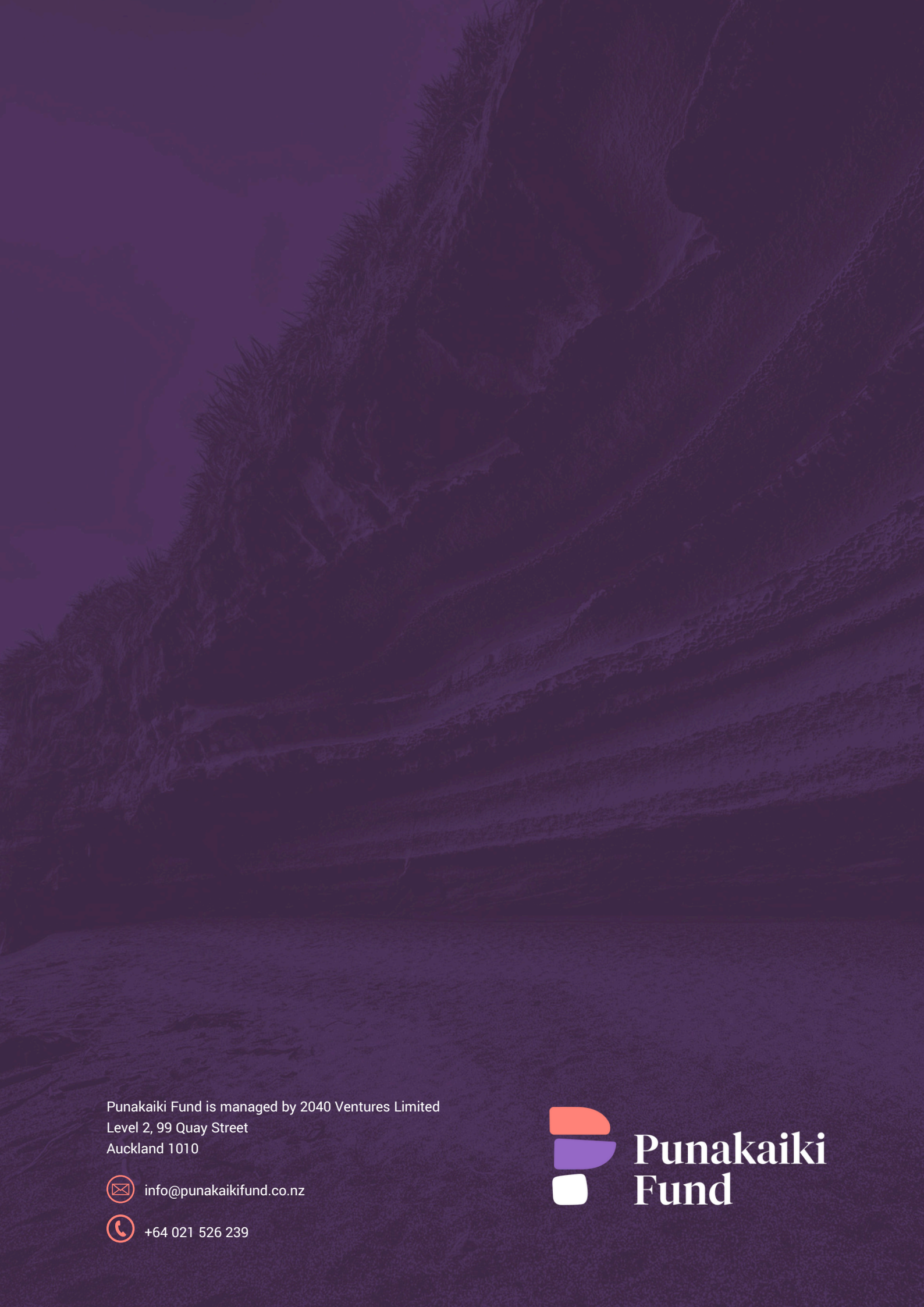
IRD BINDING RULING

Following the sale of its shareholding in Quantifi Photonics Limited, Punakaiki Fund investigated undertaking a pro-rata share buy-back and cancellation in order to return some of the exit proceeds to Punakaiki Fund shareholders. Punakaiki Fund applied to the Inland Revenue Department for a binding ruling on the tax consequences of such a share buy-back. The Inland Revenue Department has advised that they believe that the proposed share buy-back would likely be considered a dividend and have associated tax consequences. As a result, the Punakaiki Fund Board decided not to proceed with the buy-back.

TREASURY STOCK

Punakaiki Fund intends to implement a treasury stock buy-back programme. Once a treasury stock buy-back programme is in place, Punakaiki Fund will, subject to certain conditions and constraints, seek to acquire a portion of its own shares in the periodic share trading auctions for Punakaiki Fund conducted by Catalist Markets Limited. These shares would either be reissued to new investors, or, if held for 12 months, cancelled. Further information regarding a treasury stock buy-back programme will be provided to shareholders in due course.

Following the sale of its shareholding in Quantifi Photonics Limited, Punakaiki Fund investigated undertaking a pro-rata share buy-back and cancellation in order to return some of the exit proceeds to Punakaiki Fund shareholders. Punakaiki Fund applied to the Inland Revenue Department for a binding ruling on the tax consequences of such a share buy-back. The Inland Revenue Department has advised that they believe that the proposed share buy-back would likely be considered a dividend and have associated tax consequences. As a result, the Punakaiki Fund Board decided not to proceed with the buy-back.



Punakaiki Fund is managed by 2040 Ventures Limited
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