Punakaiki Fund

PFL

TREASURY STOCK NOTICE & MATERIAL INFORMATION DISCLOSURE

14 AUGUST 2026

Treasury Stock Notice

Dear Shareholders,

Punakaiki Fund Limited (**Punakaiki Fund**) is pleased to announce that it will seek to purchase ordinary shares (**Shares**) in the Punakaiki Fund Share trading auction scheduled to open on 17 August 2026 (**Auction**) under its treasury stock programme (**Programme**). The nature and terms of the Programme are set out in the Disclosure Document, which can be downloaded here.

BACKGROUND

Following the sale of its shareholding in Quantifi Photonics Limited, Punakaiki Fund has received $25.8 million in cash proceeds to date, with additional amounts held in conditional escrow.

Punakaiki Fund has the ability to allocate up to a total of $12 million from the Quantifi Photonics sale proceeds to the Treasury Stock Reserve, which is to be available to acquire Shares as treasury stock during the periodic Share trading auctions conducted on the Catalist Market Limited platform.

To date, a total of $11.1 million has been allocated to the Reserve. Punakaiki Fund has purchased a total of 225,622 Shares at a total cost of $6.1 million, which were subsequently reissued to new investors in previous Programmes. Associated performance fee payments of $1.5 million have also been made.

The Treasury Stock Reserve currently has a balance of $5 million available for the Programme.

PARTICIPATION STRATEGY

The current metrics of the Programme are set out in the table below, along with Punakaiki Fund's participation strategy (**Strategy**) in respect of the Auction scheduled to open on 17 August 2026.

Please review the details in the table below carefully if you are intending to participate in the Auction. It contains information which may impact your Share purchasing or selling decisions.

CONTACT

If you have any questions regarding the Auction, the Programme or treasury stock more generally, please contact Punakaiki Fund: info@punakaikifund.co.nz

TREASURY STOCK PROGRAMME METRICS	
Treasury Stock Reserve[1]	**$5,000,000**
Number of Shares Currently Held as Treasury Stock	-
Maximum Number of Shares Able to be Held as Treasury Stock (5%)	**203,217**
PARTICIPATION STRATEGY FOR AUGUST 2026 AUCTION	
Maximum Amount Available to Acquire Treasury Stock Shares[2]	**$1,600,000**
Punakaiki Fund Auction Purchase Order Price	**$31.00**
Maximum Allowable Order Volume (Shares)[2]	**51,612 Shares**
Initial Bid Volume	**51,612 Shares**
Initial Bid Value	**$1,599,972**

Punakaiki Fund will place a single purchase order on the first day of the Auction for the Initial Bid Volume noted above. Punakaiki Fund may (at its sole discretion) alter the volume of the order, either up or down, in response to the prices and volumes of other orders in the Auction. Changes to Punakaiki Fund's order volume will occur at most once per day, and no later than four hours prior to the end of the Auction's open period. **Punakaiki Fund reserves the right to amend its participation strategy, including withdrawing its order, if it believes the Auction is not operating in an orderly manner.**

[1] *This amount is available to the treasury stock Programme to acquire Shares over several Auctions, after provisioning for future potential tax obligations in respect of any acquired Shares and the payment of performance fees triggered by the acquisition of Shares under the Programme. Punakaiki Fund may allocate additional funds from the Quantifi Photonics sale to the Treasury Stock Reserve in the future.*

[2] *The Programme provides for Punakaiki Fund to alter the volume of Shares that it seeks to purchase in an Auction, subject to the constraints specified within this Participation Strategy and treasury stock Disclosure Document. Punakaiki Fund is not required to purchase Shares equal to the Maximum Allowable Order Volume, or expend the Maximum Amount Available to Acquire Treasury Stock Shares the Auction.*

Material Information Disclosure

This Material Information Disclosure contains important information. You should read the whole disclosure before making any decisions about participating in the Auction to buy or sell Shares. If you have any doubts as to what you should do, please consult your broker, financial, investment or other professional advisor.

Any Punakaiki Fund shareholder considering participating in the Auction should familiarise themselves with the information in the:

1. Punakaiki Fund FY2026 Annual Report;
2. Punakaiki Fund's monthly NAV reports, including the and April 2026, May 2026, June 2026, and July 2026 NAV reports; 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 Share Trading.

MATERIAL INFORMATION DISCLOSURES

The information provided below sets out aspects of Punakaiki Fund that have changed compared to that reported in the documents noted in the previous section, along with the reproduction of certain important information contained within those reports.

INVESTMENTS

Since 31 March 2026, Punakaiki Fund has made the following investments:

1. Couchdrop Limited, increasing its shareholding to 29.1% (May 2026);
2. Projectworks Holding Inc., increasing its shareholding to 10.0% (July 2026); and
3. Cullbeck Limited, acquiring an initial 11.2% shareholding (July 2026).

FINANCIAL INFORMATION

The table below sets out selected financial information for Punakaiki Fund for the four annual periods to FY2025, the FY2026 period (audited), and for the four-month period to 31 July 2026.

NZ$ '000	FY2022	FY2023	FY2024	FY2025	FY2026 (Audited)	4 months to 31 July 2026
Financial Position						
Investments	93,070	90,200	86,910	104,549	111,680	130,680
Cash	5,068	4,980	2,331	766	13,610	13,557
Total Assets	98,197	95,258	89,346	105,397	125,416	144,849
Financial Performance						
Change in Fair Value of Investments	21,664	(5,928)	(4,953)	17,164	14,782	8,996
Cash Flows						
Cash Flows from Operating Activities	(1,805)	(2,694)	(2,911)	(2,920)	(6,114)	(2,092)
Cash Flows from Investing Activities	(316)	(3,058)	(1,663)	(476)	7,651	(10,004)
Cash Flows from Financing Activities	5,021	5,664	1,925	1,831	11,307	12,043
Total Cash Flows	2,900	(88)	(2,649)	(1,565)	12,844	(53)

Since the end of July 2026, an additional $5 million has been invested. Punakaiki Fund currently has 4,064,345 ordinary Shares and 58,590 June 2027 $30 options on issue. Punakaiki Fund has raised $19.0 million of capital from new investors since 31 March 2026, and issued 568,539 Shares at $33.50 per share to them.

As of the date of this Notice, Punakaiki Fund has a wholesale offer (Offer) open at a price of $33.50 per Share. The Offer will be paused during the Auction. The new Offer will go live on 24 August at a price of $34.00.

BOARD AND MANAGEMENT

The following changes have occurred within Punakaiki Fund's Board and Management.

On 30 June Nigel Scott resigned from the Punakaiki Fund Board, and on 8 July 2026 Scott Weenink and Andrew Chen were appointed. Mike Bennetts resigned as director on 31 July 2026 and Scott Weenink replaced Mike as Chair on the same date.

At 2040 Ventures Limited (Punakaiki Fund's manager) both Cormac McCullough and Tom Culley have recently been promoted to Partner.

The table below sets out Punakaiki Fund's directors' relevant interests.

Scott Weenink is considering buying shares in the Auction.

Teressa Betty is considering selling all or part of her 770 shares.

Lance Wiggs, Jayshree Das and Andrew Chen have indicated that they do not intend to participate in the Auction.

	30 April 2026		14 August 2026	
	SHARES	OPTIONS	SHARES	OPTIONS
Scott Weenink		-	-	-
Teressa Betty	770	-	770	-
Andrew Chen	1,440	-	1,440	-
Jayshree Das	-	-	-	-
Lance Wiggs*	78,866	-	78,866	-
Total	**81,076**	**-**	**81,076**	**-**

** Lance Wiggs' shareholdings include a partial interest in **8,192** Shares held by 2040 Ventures Limited and **660** Shares held by immediate family members.*

STRUCTURE

There have been no changes to the structure of Punakaiki Fund.

TREASURY STOCK

Punakaiki Fund has implemented a Programme to acquire its own Shares to promote increased trading liquidity of its Shares, reduce the gap between the traded price of Shares and Punakaiki Fund's underlying intrinsic value per Share, and to increase the value of remaining Shares by purchasing Shares at below their intrinsic value.

Punakaiki Fund has published a treasury stock Disclosure Document in relation to this Programme and has allocated a total amount of $11.1 million from the proceeds of the exit of Quantifi Photonics to fund the Programme.

In December 2025, Punakaiki Fund purchased 82,508 treasury stock Shares at a price per Share of $26.37, for a total cost of $2.2 million.

In February 2026, Punakaiki Fund purchased a further 82,508 treasury stock Shares at a price per Share of $27.50, for a total cost of $2.3 million.

In May 2026, Punakaiki Fund purchased a further 60,606 treasury stock Shares at a price per Share of $27.96, for a total cost of $1.7 million

All acquired Shares have been reissued to new Punakaiki Fund investors. Subsequently, the Punakaiki Fund Board allocated additional funds to the Treasury Stock Reserve, increasing its balance back to $5 million.

PERFORMANCE FEE PAYMENT

Under Punakaiki Fund's Management Agreement with 2040 Ventures Limited (the manager of Punakaiki Fund), 2040 Ventures Limited 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.

Total performance fee payments of $3.3 million have been made to 2040 Ventures Limited since 30 September 2025.

The expected performance fee payment to 2040 Ventures Limited as a result of a maximum of $1.6 million treasury stock purchase would be $0.4 million.

Punakaiki Fund is managed by 2040 Ventures Limited
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