

PEL

TREASURY STOCK NOTICE & MATERIAL
INFORMATION DISCLOSURE

22 MAY 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 25 May 2026 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 initially allocated \$5 million of this amount to a 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.

Punakaiki Fund purchased 165,016 Shares at a total cost of \$4.4 million which were subsequently reissued to new investors in previous Programmes.

Punakaiki Fund has allocated an additional amount to the Treasury Stock Reserve to increase its balance back to \$5 million. 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. To date, a total of \$10.6 million has been allocated to the reserve, including the current reserve, along with amounts used to acquire Shares under the Programme to date, along with associated performance fee payments.

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 25 May 2026.

Please review the details in the table below carefully if you are intending to participate in the May 2026 Auction. It contains information which may impact your Share purchasing or selling decisions.

CONTACT

If you have any questions regarding the 25 May 2026 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%)	195,799

PARTICIPATION STRATEGY FOR MAY 2026 AUCTION

Maximum Amount Available to Acquire Treasury Stock Shares ²	\$1,800,000
Punakaiki Fund May Auction Purchase Order Price	\$29.70
Maximum Allowable Order Volume (Shares) ²	60,606 Shares
Initial Bid Volume	60,606 Shares
Initial Bid Value	\$1,799,998

Punakaiki Fund will place a single purchase order on the first day of the May 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 25 May 2026 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 25 May 2026 Auction should familiarise themselves with the information in the:

1. [Punakaiki Fund 2025 Annual Report](#);
2. [Punakaiki Fund 2025 Interim Accounts](#);
3. [Punakaiki Fund's monthly NAV reports](#), including the [October 2025](#), [November 2025](#), [December 2025](#), [January 2026](#), [February 2026](#), [March 2026](#), and [April 2026](#) NAV reports; and
4. 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.

VALUATION & INVESTMENT

Punakaiki Fund is in the process of finalising a new investment into an existing portfolio company that would trigger a revaluation of that company. The revaluation is expected to increase Punakaiki Fund's Net Asset Value per Share from \$32.62 (as at 30 April 2026), to between

\$33.00 and \$34.00 per Share, with the high probability that the revaluation will result in a NAV per Share in the top half of this range.

INVESTMENTS

Since Since 30 September 2025, Punakaiki Fund has made the following investments:

1. Couchdrop Limited, increasing its shareholding to 25.1% (November 2025);
2. Boardingware Limited (Orah), increasing its shareholding to 33.6% (December 2025); and
3. Hectre Limited, acquiring an initial 13.2% shareholding (December 2025).

In February 2026, Accel-KKR acquired Whip Around. Punakaiki Fund has remained invested in the business indirectly through a 5.3% holding the US-based entity that acquired Whip Around. As part of this transaction, Punakaiki Fund received \$0.09 million in exit proceeds, of which \$0.03 million is held in escrow based on the current NZD/USD exchange rate.

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 \$2.8 million based on the current NZD/USD exchange rate.

FINANCIAL INFORMATION

The table below sets out selected financial information for Punakaiki Fund for the four annual periods to FY2025, the FY2026 period (unaudited), and for the one-month period to 30 April 2026.

NZ\$ '000	FY2022	FY2023	FY2024	FY2025	FY2026 (Unaudited)	1 month to 30 April 2026
Financial Position						
Investments	93,070	90,200	86,910	104,549	111,680	111,980
Cash	5,068	4,980	2,331	766	13,610	22,412
Total Assets	98,197	95,258	89,346	105,397	125,419	135,011
Financial Performance						
Change in Fair Value of Investments	21,664	(5,928)	(4,953)	17,164	14,782	300
Cash Flows						
Cash Flows from Operating Activities	(1,805)	(2,694)	(2,911)	(2,920)	(6,116)	(744)
Cash Flows from Investing Activities	(316)	(3,058)	(1,663)	(476)	7,651	-
Cash Flows from Financing Activities	5,021	5,664	1,925	1,831	11,307	9,545
Total Cash Flows	2,900	(88)	(2,649)	(1,565)	12,842	8,801



Punakaiki Fund currently has 3,915,996 ordinary Shares and 58,590 June 2027 \$30 options on issue. Punakaiki Fund has raised \$12.0 million of capital from new investors since 31 March 2026 by issuing 359,584 new Shares at an average price of \$33.50 to wholesale investors.

As of the date of this document, Punakaiki Fund has a wholesale offer open at a price of \$33.50 per Share.

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) since 30 September 2025. Punakaiki Fund's Chair, Mike Bennetts, intends to step down in 2026 before the Annual Shareholders meeting, and, as part of a previously disclosed Governance Review, we also expect to announce other directors retiring and being appointed over the next few months.

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

Nigel Scott has indicated that he intends to sell up to 2,860 of his shares and Mike Bennetts has indicated that he intends to sell up to 2,000 shares in the May 2026 Auction.

Lance Wiggs, Teresa Betty, and Jayshree Das have indicated that they do not intend to participate in the May 2026 Auction.

	30 September 2025		30 April 2026	
	SHARES	OPTIONS	SHARES	OPTIONS
Mike Bennetts	61,500	-	61,500	-
Teresa Betty	770	-	770	-
Nigel Scott ²	2,860	-	2,860	-
Jayshree Das	-	-	-	-
Lance Wiggs*	78,191	-	78,866	-
Total	143,321	-	143,996	-

* 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 have implemented a Programme to acquire its own Shares in order 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 have allocated an initial amount of \$5 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.

All acquired Shares have subsequently been reissued to new PFL 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 [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.

Total performance fee payments of \$2.842 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 \$1.8 million treasury stock purchase would be \$0.450 million.

Punakaiki Fund is managed by 2040 Ventures Limited
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**Punakaiki
Fund**