

Key Investor Statistics

Asset Value	Investor Net Asset Value ¹	Shares Issued	Annualised Gross IRR ²	TVPI	Portfolio Size
\$105.9m \$34.98 per Share ³ ▼ down from \$35.41	\$103.5m \$34.18 per Share ³ ▼ down from \$34.43	3,027,276	15.6%	2.1x Gross uplift from investments	17 Active portfolio companies

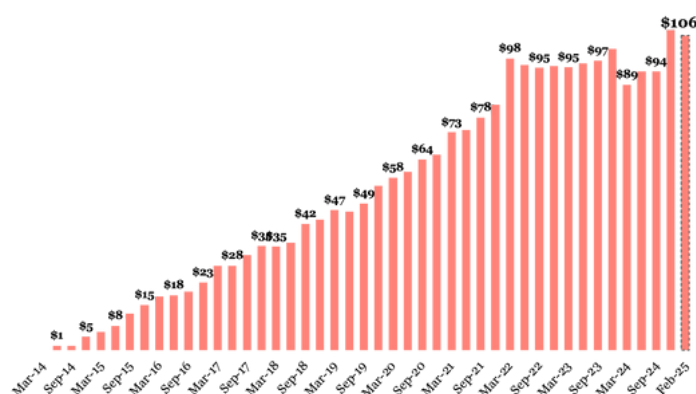
¹ The Investor Net Asset Value (iNAV) is the Asset Value minus any performance fee and any accounts payable.

² The annualised return from all portfolio investments. Includes reinvestment from exits and dividend proceeds and excludes management fees and expenses.

³ Undiluted.

ASSET VALUE

(\$ MILLION, INCLUDES WORKING CAPITAL ASSETS)



Manager's Commentary

It's clearly very challenging for many in New Zealand at the moment, compounded by the geopolitical storm developing across the world. All this creates economic uncertainty and stress for individuals, and that flows through to lower discretionary spending for people and businesses.

PFL's portfolio is well situated to continue weathering the economic conditions, and to bear away through political storms—at least within reason.

Our portfolio companies have been coping with recessionary conditions for over two years, and almost all have changed the nature of their business to be intrinsically more resilient. The prevailing economic conditions are just an extension of previous conditions. Companies can control their own spend and refine how they direct their efforts to be more efficient and sustainable in difficult conditions. Our companies, although sometimes weary, continue to trade and, generally, grow.

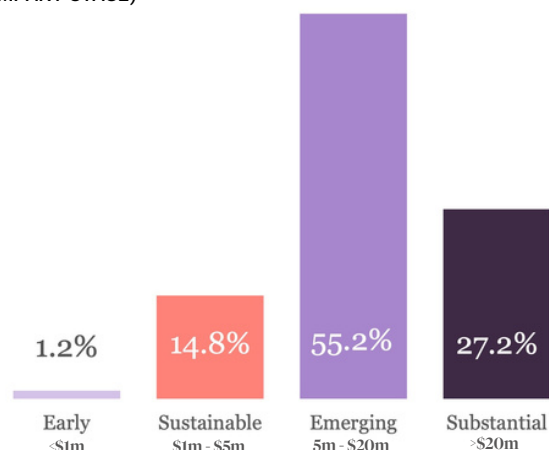
GEOPOLITICAL TURMOIL

The most immediate manifestation of the geopolitical tension is the imposition of tariffs by the USA on certain imports from certain regions, and the resulting responses. So far, none of our portfolio companies are exposed to any of the imposed or suggested tariffs. Meanwhile, many companies are enjoying the reasonably strong USD to NZD rates recently.

Chart of the Month

PORTFOLIO COMPOSITION AS AT 28 FEBRUARY 2025


(BY COMPANY STAGE)



Ongoing growth is seeing our portfolio value increasingly focused on companies with larger revenue. Larger companies are more resilient, easier to assist, and more likely to attract interest from potential acquirers.


About Punakaiki Fund

Punakaiki Fund (PFL) is a venture capital investment company with total assets of \$106 million as at the end of February 2025. Punakaiki Fund is managed by 2040 Ventures Limited. PFL raises funds to make long-term investments into high-growth, revenue-generating New Zealand-based technology companies.

Connect:  punakaikifund.co.nz



Contact:  info@punakaikifund.co.nz

 +64 21 526 239

2040 Ventures Limited, Level 2, 99 Quay Street, Auckland 1010

AI CHANGES

Some commentators, especially those working in AI-related companies, believe that AI will disrupt entire sectors, including software companies. Some propose that clients will simply ask AI to build our SaaS software rather than purchase it from vendors.

TABLE STAKES

Great software companies should have an entrenched advantage, including through network effects and brand, as well as years of end-user-centric learnings. We believe the best companies, including across our own portfolio, are embracing AI tools to accelerate their own productivity and improve their offerings.

LOWER VOLATILITY IN MORE VOLATILE TIMES

With the economic conditions, rise of AI and emerging geopolitical storm, it seems likely that sharemarket investors may experience increased volatility over the months and years ahead.

Our portfolio is less exposed to these conditions, with a diverse range of local and international markets, a range of business models and “resiliency” as a cornerstone value across our companies. The last few years have tested that resilience, and we are stronger for it.

Meanwhile, they are embracing AI, either to take a leadership position in their chosen industry, or at least incorporating it into their business, recognising that AI will become a 'business as usual' tool in their fields.

GROWTH ATTACHED

Turbulent times present opportunities to make outsized returns. The natural diversity of our portfolio gives us comfort that we will, even in the worst scenarios, have opportunities for growth.

If we search for light in potentially dark clouds, three examples might be:

- **Couchdrop:** where Movebot clients, such as those based in the EU, may be looking to shift large amounts of data from the USA and cloud platforms to EU jurisdictions and back “on premise”.
- **Quantifi Photonics:** which may be seen as a critical infrastructure provider.
- **Devoli:** who largely provide broadband via fibre, may see their clients’ end users think twice about relying on Starlink for internet access.

Portfolio Highlights

VALUATION

This month we formally revalued Whip Around and Orah.

We are very happy to report that Whip Around has grown enough to enter the “Substantial” category, though our tough valuation approach saw the company fall in value, despite that growth.

The valuation of Orah was effectively unchanged, noting it had already changed in the December valuation.

Overall our Asset Value decreased slightly from \$107.2 million to \$105.9 million. The Asset Value per Share decreased from \$35.41 as at 31 January 2025 to \$34.98 as at 28 February 2025.

Next month we are due to revalue Devoli, which is valued externally.










GetHomeSafe

Get Home Safe continue their early success breaking into overseas markets, recently signing a contract with their first Fortune 500 company.

devoli

In 2024, the Devoli Voice Network delivered the equivalent of 244 years’ worth of voice calling minutes for their customers. That’s 128,400,000 minutes in total, or 10.7 million minutes per month.

Portfolio Net Asset Value - 28 February 2025

	Company	Company description	Shareholding	ROI	Last Valuation	Next Valuation	Holding Value	
SUBSTANTIAL \$20m+	 devoli	Wholesale internet service provider powering Contact Energy & Nova	53.9%	3.5x	Mar-24	▼ Mar-25	\$28.5m TTM Revenue \$147m	
	ONCE · IT	New Zealand discount ecommerce site for fashion, furniture and more	25.6%	5.2x	Aug-24	▼ Aug-25		
	 whiparound	Digital fleet maintenance solution serving USA trucking market	3.0%	0.7x	Feb-25	▼ Feb-26		
EMERGING \$5-\$20m	 projectworks	Professional services automation software	11.4%	4.6x	Jan-25	▲ Jan-26	\$57.2m TTM Revenue \$47m	
	 QUANTIFI PHOTONICS™	Optical photonics test & measurement equipment & software	16.4%	1.0x	May-24	▼ May-25		
	 HUNGRY HUNGRY MOBI	On and off-premises hospitality digital ordering and engagement platform	15.0%*	0.5x	July-24	▲ Jul-25		
	 CONQA	Quality assurance and productivity software for the construction sector	20.5%	1.2x	Sep-24	▼ Sep-25		
	 COUCHDROP	Software for moving vast amounts of data between platforms	21.8%	4.0x	Aug-24	▲ Aug-25		
SUSTAINABLE \$1-\$5m	 REDSEED®	Coach-led off-the-shelf and customised learning for frontline staff	48.5%	4.8x	Oct-24	▼ Oct-25	\$11.5m TTM Revenue \$7m	
	 orah	Duty of care platform for schools enabling students safety and support	28.9%	3.6x	Jan-25	► Jan-26		
ASSET VALUE	Total Holding Value for top 10 investments					▼	\$97.2m	
	Holding Value for other active investments					Nov-24	►	\$6.0m
	Investments Held For Exit (Escrow cash & companies)					July-24		\$1.7m
	Cash (net)							\$1.0m
Portfolio Net Asset Value**							\$105.9m	

Notes:


We perform or obtain an audited valuation for each investment at least once per year. All valuations are reviewed monthly and quarterly, checking for major changes in company and market performance, as well as other valuation inputs.

*Includes some shares with minor economic interest.

** Portfolio Net Asset Value is the value of the portfolio plus cash adjusted for net working capital, excluding any impact of performance fee liabilities.


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