Punakaiki Fund

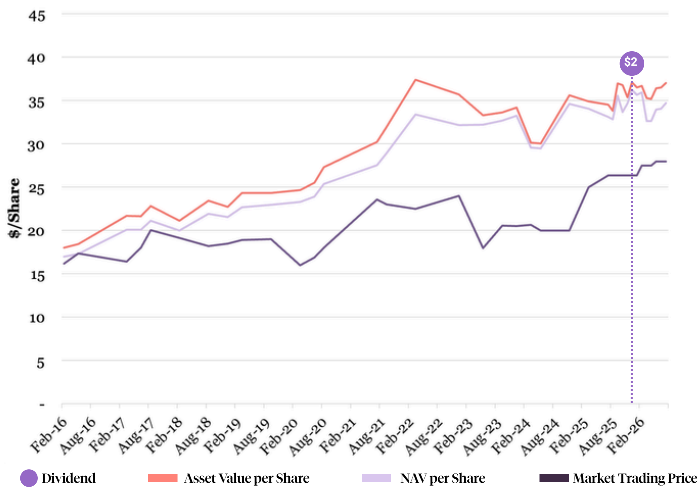
# Investment Update & NAV Report
July 2026

## Key Investor Statistics

| Asset Value | Net Asset Value per Share[1] | Shares Issued | Investment ROI<br>Uplift on invested capital | Portfolio Size |
|---|---|---|---|---|
| ▲ **$144.8m**<br>Up 2.2% from $141.7m | ▲ **$34.71**<br>Up 1.9% from $34.05 | **3,915,996**<br>including 905 shares held as treasury stock. | **2.0x**<br>Gross uplift from investments | **19**<br>Active portfolio companies |

*[1] The (undiluted) Net Asset Value (NAV) per Share is the Asset Value per Share minus any performance fee and any accounts payable.*

## Share Price Performance




## Iron ore produced by CullBeck

*CullBeck Co-founder and CTO, Dr Bavinesh Maisuria, holding up iron ore produced using CullBeck's patented reactor.*

## Manager Commentary

This month we announce our investment into CullBeck, invite you to the Annual Shareholders' Meeting this Wednesday, and invite you to submit (with an agenda) on the Capital Markets Review (Phase 2).

**CULLBECK**

CullBeck raised $15 million in July, with $6 million invested by Punakaiki Fund, and another $2 million by our sister fund, Climate Venture Capital Fund 2. Our investment reflects our conviction in the company's long-term potential. CullBeck lowers the price of making iron, and in doing so it also removes emissions.

Direct reduction of metal is usually where hydrogen reacts with the oxygen attached to the ore, forming water and the metal itself. However, it generally needs a high purity ore formed into special pellets, and the process can take up to 8 hours. CullBeck have created a way to do this for lower grade ore, like New Zealand's iron sands, keeping it in sand form, and with a process that takes just 150 seconds.

The company is taking a modular approach to delivering its plants. Over the next 18-24 months the goal is to deliver and test the first 2.5 tonne per hour demonstration plant, and then to manufacture and sell groups of four tubes as 10 tonne per hour modules.

The company has advance revenue from its first client, the titanomagnitite ore it targets is widely available, and the minimum plant size is tiny versus market norms. But this is not a SaaS company, and it will take some years before we see material amounts of iron in production.

Incidentally, as a Climate Venture Capital Fund 2 co-investment, it will have the added bonus of reducing emissions in one of the world's highest emitting sectors, once at scale. Steel production is responsible for roughly 8% of global $CO_2$ emissions, over 90% of which is from the blast furnaces that CullBeck's technology will replace. CullBeck's


## About Punakaiki Fund

Punakaiki Fund (PFL) is a New Zealand focused venture capital investment company, managed by 2040 Ventures Limited.
PFL raises funds to make long-term investments into high-growth, revenue-generating New Zealand-based technology companies.

punakaikifund.co.nz | info@punakaikifund.co.nz | Punakaiki Fund Limited | +64 21 526 239 (Manager)

+64 21 363 589 (Investor Relations) | 2040 Ventures Limited, Level 2, 99 Quay Street, Auckland 1010

plants will have zero emissions with green hydrogen (e.g. produced from solar power and electrolyses), and a 50% reduction if they use methane ("natural gas") to create the hydrogen.

## CATALIST REGULATIONS CONSULTATION

The Government is consulting on Capital Markets Reforms (Phase 2), with **submissions due by 5pm, Tuesday 25 August**.

The discussion document covers eight issues, several of which are interesting to us and to our shareholders. We broadly support the direction of the reforms, but one issue matters more to PFL shareholders than the rest: Issue 3 – the size thresholds on Catalist Markets.

Catalist is the licensed New Zealand stock exchange that runs our share register and our periodic trading auctions. It was set up in 2021 as a "stepping stone" market for small growth companies, and its licence caps who can join: a company must have a market capitalisation below $60 million to list, and must leave within two years of exceeding $100 million.

Those caps assume companies progress neatly from seed funding, through the growth stages, to an NZX listing. The reality is different. An NZX listing doesn't stack up until companies are far larger. In our view, perhaps $500 million or more, and MBIE's own paper notes that no company has ever moved from Catalist to the NZX. That leaves a wide gap in the middle where companies are too big for Catalist's retail market and too small for the NZX to make sense.

PFL sits squarely in that gap. With $144.8m of assets, we are well above Catalist's entry cap, which is why trading in PFL shares is currently limited to existing shareholders and wholesale investors, rather than open to the public.

Under Issue 3, the Government has put up four options. Option D: "Remove both thresholds", is the one we support.

With that single change, PFL could become a retail listing on Catalist: investment and trading in PFL would open to all New Zealand retail investors, not just those already on our register.

We have completed nine retail offers already, so very little would need to change on our side. More importantly, every growth company stuck in the same gap would gain a viable public market, a place to raise capital, provide liquidity to early investors and employees, and build a public track record while growing toward the NZX.

Removing the size caps does not mean removing investor protections. Catalist issuers still follow the market's disclosure rules and have audited accounts, and changes to the existing cap of $20 million per year on retail fundraising is not part of this consultation. That cap means regulation scales with the size of the money being raised, not the size of the company, which is exactly the "proportionality" the Government says it is aiming for. And because larger raises still need the NZX, the pathway to the main board is preserved. If anything, it is strengthened: companies can stay listed, visible and liquid while they grow into it, rather than going quiet in private ownership.

Catalist has run its market well since 2021, and in our view it has earned the chance to serve a wider range of companies and investors.

We will be submitting in support of Option D under Issue 3, and a supporting submission from you will genuinely help. MBIE specifically asks for examples from submitters' own experience, and yours as an investor caught in this gap is exactly that.

## VALUATION

The NAV per share increased from $34.05 (30 June 2026) to $34.71 (31 July 2026), driven mainly by an increase in our holding value of Projectworks, where we acquired a small amount of secondary shares. We also invested into CullBeck, which joins our top 10 companies, with Onceit dropping out.

The Asset Value increased from $141.7 million (30 June 2026) to $144.8 million (31 July 2026).

During July, we accepted $1.0 million of new investment, issuing 29,851 shares at $33.50 each.

This month we see the introduction of CullBeck to the Portfolio Table (page 3), which is in the "Early" category. We have also recognised Hectre's progress by elevating the company into the "Emerging" Category.

## SHARE TRADING

PFL's next share trading auction will be held from 17 - 21 August 2026 on Catalist. Once again, we will participate as a buyer under our Treasury Stock policy. The August 2026 Treasury Stock Notice & Material Information Disclosure document will be circulated on or before 14 August outlining PFL's participation strategy for the auction.

## PORTFOLIO NEWS & HIGHLIGHTS

**CullBeck** in the news:

- **Radio NZ:** Our Changing World: High powered magnets, and making steel with hydrogen
- **NZ Herald**: 'Green' steel start-up raises funds at $60m valuation, first customer could yield $1b revenue (paywall)
- **NBR:** Green iron: NZ deep tech startup CullBeck raises record $20m (paywall)

## Portfolio Net Asset Value - 31 July 2026

| | Company | Company description | Shareholding | ROI | Last Valuation | | Next Valuation | Holding Value |
|---|---|---|---|---|---|---|---|---|
| SUBSTANTIAL $20M+ | devoli | Wholesale internet service provider powering Contact Energy & Nova | 53.9% | 3.2x | Mar-26 | ▼ | Mar-27 | $26.8m TTM Revenue $165m |
| | whip around | Digital fleet maintenance solution serving USA trucking market | 5.9% | 1.1x | Feb-26 | ▼ | Feb-27 | |
| EMERGING $5-$20m | PROJECTWORKS | Professional services automation software | 10.0% | 3.3x | July-26 | ▲ | Jan-27 | $62.9m TTM Revenue $30m |
| | Couchdrop | Software for securely moving vast amounts of data between platforms | 29.1% | 4.5x | May-26 | ▼ | Sep-26 | |
| | hectre. | Optimising fruit quality and profit, from orchard to packhouse | 13.2% | 1.0x | Dec-25 | ▲ | Oct-26 | |
| SUSTAINABLE $1-$5M | SEA-FLUX | Fleet management software for commercial vessel operators | 13.0% | 1.2x | May-26 | ▶ | May-27 | $26.9m TTM Revenue $12m |
| | REDSEED | Coach-led off-the-shelf and customised learning for frontline staff | 50.1% | 2.0x | Nov-25 | ▲ | Oct-26 | |
| | orah | Duty of care platform for schools enabling students safety and support | 33.6% | 2.9x | Feb-26 | ▼ | Feb-27 | |
| | GetHomeSafe | Lone-worker journey management tool keeping staff safe | 21.0% | 2.7x | Apr-26 | ▶ | Apr-27 | |
| EARLY 01-$1M | CullBeck | Making cheaper iron without coal | 11.2% | 1.0x | July-26 | ▶ | Aug-27 | |

| ASSET VALUE | | | |
|---|---|---|---|
| **Total Holding Value for top investments** | | ▲ | **$116.5m** |
| Holding Value for other active investments | Jun-26 | ▲ | **$10.4m** |
| Investments Held For Exit (Escrow cash & companies) | Apr-26 | ▲ | **$3.9m** |
| Cash and Working Capital Assets | | | **$14.2m** |
| **Asset Value** | | | **$144.8m** |

***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.*

## About Punakaiki Fund

Punakaiki Fund (PFL) is a New Zealand focused venture capital investment company, managed by 2040 Ventures Limited.
PFL raises funds to make long-term investments into high-growth, revenue-generating New Zealand-based technology companies.

punakaikifund.co.nz   info@punakaikifund.co.nz   Punakaiki Fund Limited   +64 21 526 239 (Manager)

+64 21 363 589 (Investor Relations)   2040 Ventures Limited, Level 2, 99 Quay Street, Auckland 1010