

## Key Investor Statistics

Asset Value	Investor Net Asset Value <sup>1</sup>	Shares Issued	Annualised Gross IRR <sup>2</sup>	TVPI	Portfolio Size
<b>\$97.2m</b> \$32.12 per Share <sup>3</sup> ▼ down from \$32.34	<b>\$95.3m</b> \$31.49 per Share <sup>3</sup> ▼ down from \$31.71	<b>3,027,276</b> Plus 69,924 June 2027 \$30 options	<b>14.3%</b>	<b>1.9x</b> Gross uplift from investments	<b>17</b> Active portfolio companies

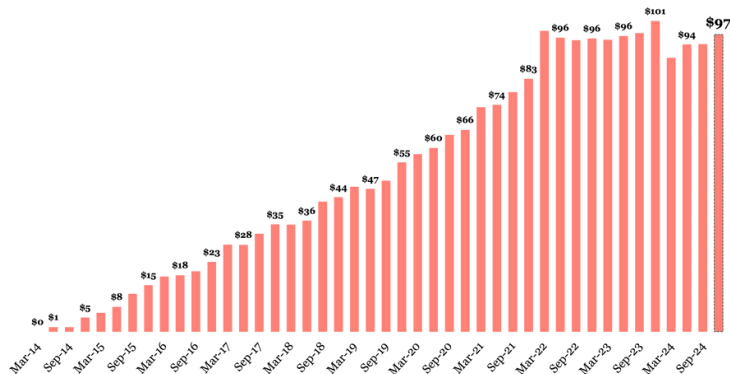
<sup>1</sup> The Investor Net Asset Value (iNAV) is the Asset Value minus any performance fee and any accounts payable.

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

<sup>3</sup> Undiluted.

### ASSET VALUE

(\$ MILLION, INCLUDES WORKING CAPITAL ASSETS)

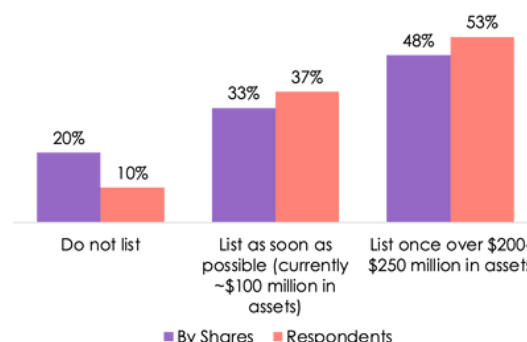


## Manager's Commentary

Thank you to the 25% of shareholders (representing 28% of shares) who contributed to this year's investor survey. Below, we provide some of the key results and discuss how they are being factored into PFL's future.

### PATH TO IPO

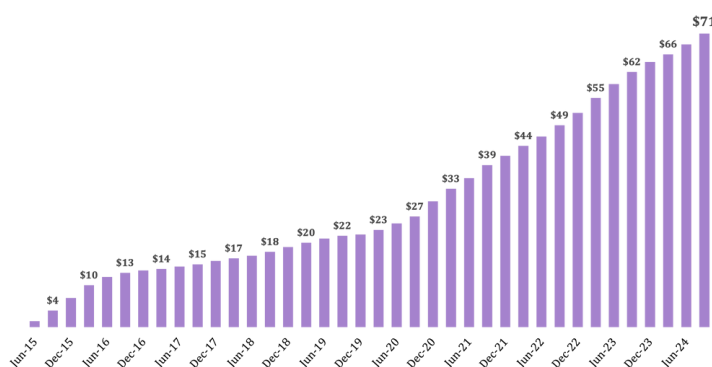
90% of respondents (80% by PFL shares held) would like PFL to list. Most of those preferred that we wait until the fund was over \$200-250m in assets.



## Chart of the Month

### LAST 12 MONTHS' EQUITY WEIGHTED REVENUE

(\$ MILLION, WEIGHTED USING MOST RECENT SHAREHOLDING)




The share of investors preferring to wait for greater scale before listing has risen. In 2021, 26% of respondents preferred to wait until we were over \$200 million in assets before listing and 62% of respondents preferred an immediate listing, or one when we exceeded \$100m in assets. In 2024, those preferring an immediate listing is down to 37% of respondents.

The change makes sense—we believe that scale really matters when it comes to listing, and we want to be large enough to attract investment from funds.


## About Punakaiki Fund

Punakaiki Fund (PFL) is a venture capital investment company with total assets of \$97 million as at the end of November 2024. 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.

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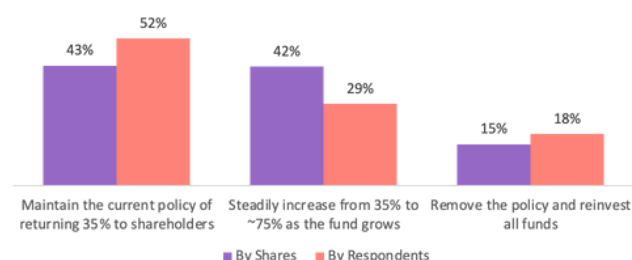
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## CAPITAL RETURNS

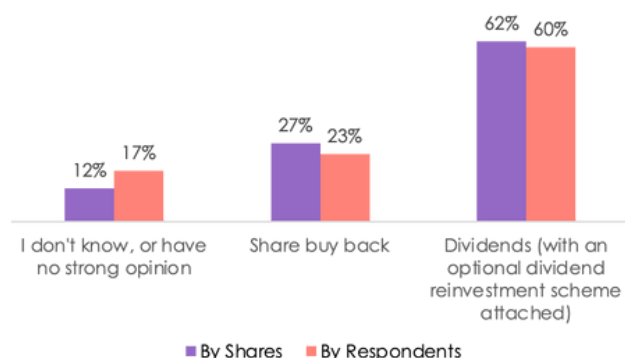
We introduced a Capital Allocation Policy in 2024, where 35% of any exit returns, after provisioning for operating reserves fee, would be returned to shareholders and used to partially pay any accrued performance fee.

It's wonderful to see strong shareholder support for the policy, with over 85% of shareholders and shares preferring to maintain or increase capital returns over time.



We remain very aware of the advantages and disadvantages of returning capital via share buy-backs (generally deemed a capital gain) and dividends (generally deemed as taxable income).

Despite that, responding shareholders preferred dividends to a share buy-back, and we all appreciate the power of cash in the hand. One difficulty for PFL is that our own investment returns are on capital account and have very little tax benefit to pass through. Therefore, we would need to pay Inland Revenue 33% of any dividends distributed to shareholders.



The most equitable and tax efficient way to return capital would be through a share buy-back program where all investors can participate. For tax efficiency, we would need to buy-back 15% of the shares from participating investors. For fairness to those not participating in the buy-back program, the price would need to be close to the Investor Net Asset Value (iNAV) per Share. A substantial exit would be required to deliver a buy-back on these terms.

## SATISFACTION

80% of respondents gave a rating of 5 or above to the question "How do you feel about your investment with Punakaiki Fund?" with an average rating of 6.2.

Disappointingly, there has been a significant reduction in satisfaction since 2021. Comments revealed that many investors are frustrated by the shares trading at large discounts to NAV, liquidity, and recent flat performance. We share these frustrations and are prioritising addressing these issues.

Many thanks for the constructive feedback shared. We have provided all of the comments to the Board, and think hard about what we hear as we plan ahead.

## BEN KAY (CFO) DEPARTURE ANNOUNCEMENT

Ben Kay, our CFO, is departing 2040 Ventures in February 2025 to take on a significant new role at another organisation, in another sector. Expect more news on that from his new organisation in coming days.

Ben's primary mandate was to bring PFL to a public listing, and he has put most of the building blocks in place.



He has also built valuable partnerships, evolved our reporting, and developed a strong AIP investor program.

Our congratulations to Ben, and we thank him for his work over the last two years.

## WRAPPING UP 2024

It has been another interesting year for Punakaiki Fund. Despite prolonged headwinds, our portfolio has shown great resilience and a number of companies are growing quickly. We are optimistic and excited about what 2025 has in store.

Thank you again to all our wonderful investors and partners. We couldn't do this without your support.

## Lance

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## Portfolio Highlights

### VALUATION

This month we reviewed the valuation of two smaller companies, lowering each slightly.

The Asset Value per Share fell from \$32.34 (as at 31 October 2024) to \$32.12 (as at 30 November 2024).

We do not schedule any companies for valuation review in December as we close the 2040 Ventures office during the first part of January. Our NAV report for December will be sent in mid-late January.

### devoli

Devoli placed first in the [Deloitte Fast 50 Masters of Growth Category](#) boasting 478% revenue growth in the five years to 31 March 2024 (a number the company disputes as they believe it to be higher!).










The Masters of Growth is the hardest category to win as it requires companies to have at least \$5 million revenue at the start of the five year measurement period. This is a remarkable testament to the Devoli team's sustained efforts growing the company, and builds on their eighth and third places in 2023 and 2022, respectively.

### projectworks

Off the back of their \$7.5 million capital raise, Projectworks' executives Mark Orttung and Matthew Hayter featured on [The Business of Tech podcast](#) talking about the company's rise so far and the inside details on the company's big US push.

Projectworks also placed 19th in the [Deloitte Fast 50 Index](#).

**Portfolio Net Asset Value - 30 November 2024**

	Company	Company description	Shareholding	ROI	Last Valuation	Next Valuation	Holding Value	
SUBSTANTIAL \$20m+	 <b>devoli</b>	Wholesale internet service provider powering Contact Energy & Nova	53.9%	3.5x	Mar-24	▼	Mar-25	<b>\$26.2m</b> TTM Revenue \$123m
	ONCE · IT	New Zealand discount ecommerce site for fashion, furniture and more	25.6%	5.2x	Aug-24	▼	Aug-25	
EMERGING \$5-\$20m	 projectworks	Professional services automation software	11.4%	5.4x	Jun-24	▲	Jan-25	<b>\$48.3m*</b> TTM Revenue \$60m
	 QUANTIFI PHOTONICS	Optical photonics test & measurement equipment & software	16.4%	1.0x	May-24	▲	May-25	
	 HUNGRY   MOBI	On and off-premises hospitality digital ordering and engagement platform	15.0%**	0.7x	July-24	▼	Jul-25	
	 CONQA	Quality assurance and productivity software for the construction sector	20.5%	1.2x	Sep-24	▲	Sep-25	
	 whiparound	Digital fleet maintenance solution serving USA trucking market	3.0%	0.9x	Feb-24	▼	Feb-25	
	 COUCHDROP	Software for moving vast amounts of data between platforms	21.8%	7.3x	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	<b>\$13.0m</b> TTM Revenue \$7m
	 orah	Duty of care platform for schools enabling students safety and support	28.9%	4.6x	Feb-24	▶	Feb-25	
ASSET VALUE	<b>Total Holding Value for top 10 investments</b>						<b>\$87.4m</b>	
	Holding Value for other active investments				Nov-24	▼	<b>\$6.0m</b>	
	Investments Held For Exit (Escrow cash & companies)				July-24	▶	<b>\$1.7m</b>	
	Cash (net)						<b>\$2.0m</b>	
<b>Portfolio Net Asset Value***</b>							<b>\$97.0m</b>	

**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 additional amount from secondary revaluation of an undisclosed company

\*\* HHM Global shareholding includes shares owned by PFL that PFL only has a minor economic interest in.

\*\*\* 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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