

Key Investor Statistics

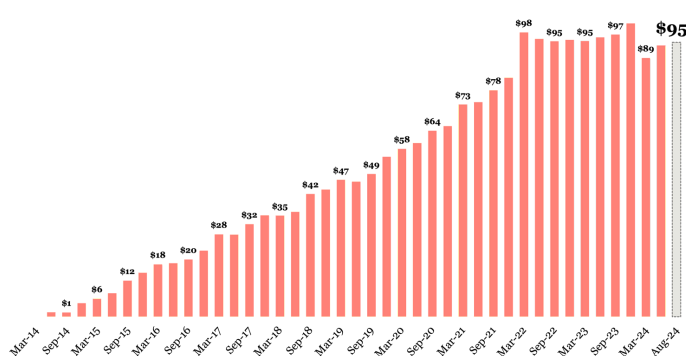
Asset Value	Investor Net Asset Value	Shares Issued	Annualised Share Price Return	Annualised Gross IRR**	TVPI	Portfolio Size
\$94.8m \$31.63 per Share ▲ up from \$31.22	\$93.1m \$31.05 per Share ▲ up from \$30.65	2,997,686	12% Since inception for original investors	14%	1.9x Gross uplift from investments	17 Active portfolio companies

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

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

ASSET VALUE

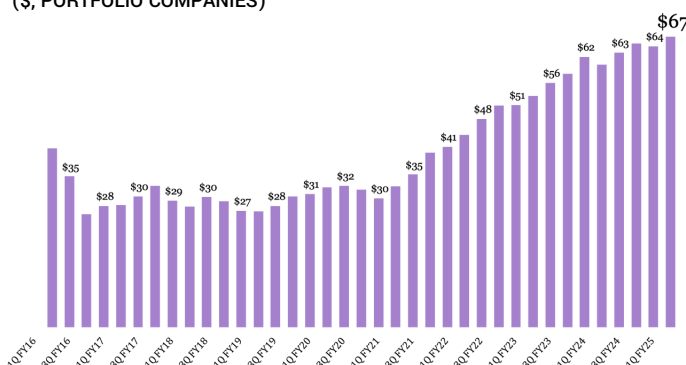
(\$ MILLION, INCLUDES RECEIVABLES & PREPAYMENTS)



N.B. August data is for the month end. Rest of chart is quarter ends

Chart of the Month

LAST 12-MONTH AGGREGATE REVENUE PER SHARE
(\$, PORTFOLIO COMPANIES)



While market multiples have fallen, revenue from our portfolio companies continues to rise.

Manager's Commentary

We are pleased to report a \$1.2 million increase in the Investor Net Asset Value, following our annual revaluations of Couchdrop and Onceit.

We look forward to providing a comprehensive update at the Annual Shareholders' Meeting, taking place via Zoom on Thursday, 19 September 2024. Register [here](#).


This month's chart (bottom left) comes courtesy of an insightful investor, who requested a view of how revenue per share has evolved over time. It balances the increase in company revenues with the impact of new share issuance, though the revenue (and equity-weighted revenue) is dominated by Devoli.

We are delighted to report that Devoli's revenue run rate is now over \$100 million per year. This growth is built on a simple yet powerful business model: being the best at helping its customers deliver high-quality broadband at scale.

Unlike many in the wholesale telco space, Devoli isn't competing with its own customers. Instead, they focus on lowering the true cost to serve residences and businesses, while enabling rapid expansion for their wholesale customers' businesses.


About Punakaiki Fund

Punakaiki Fund (PFL) is a venture capital investment company with total assets of \$95 million as at the end of August 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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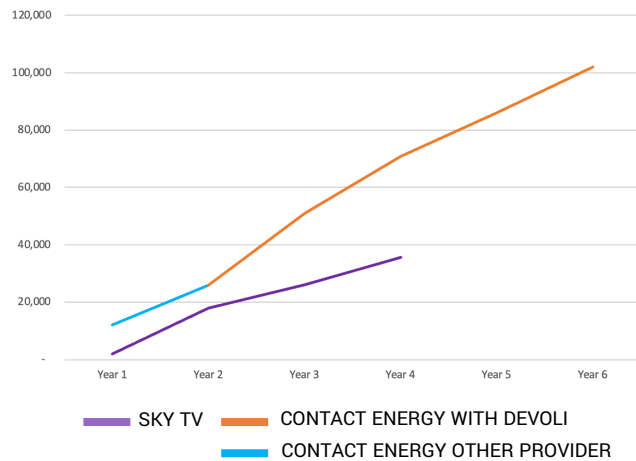
 +64 21 526 239

2040 Ventures Limited, Level 6, 2 Kitchener Street, Auckland 1010

THE DEVOLI IMPACT: CONTACT ENERGY VS SKY TV

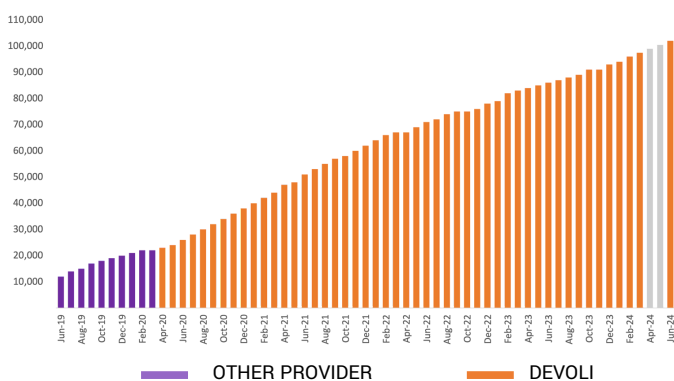
The Devoli impact¹ can be seen in the side-by-side comparison of broadband growth for Contact Energy (a Devoli customer) and Sky TV (who went with a competing provider) below.

BROADBAND ADOPTION: CONTACT ENERGY VS SKY TV



Contact Energy’s decision to switch to Devoli sparked transformation in their broadband offering. The first chart highlights this shift: while Contact’s growth was initially modest, the growth rate of broadband connections immediately shifted higher after the Devoli partnership began. Today, Contact has over 100,000 broadband connections, and telecommunications (now including mobile) now contribute more than \$82 million in revenue and \$10 million in gross margin to Contact’s business. Though small compared to their core electricity business, the margins generated by Contact’s telecommunications arm recently surpassed that of their residential gas business.

CONTACT ENERGY BROADBAND CONNECTIONS²



¹ See Sky 2024 Annual Report and Contact Energy Annual Reports
² Contact started reporting mobile and broadband connections as a combined figure from April 2024. Contact disclosed their broadband connections as at the end of June. We have interpolated broadband connection growth for April-May 2024, in grey.

Sky TV chose another provider. Despite having over double the number of non-broadband customers compared with Contact Energy, Sky TV has struggled to ramp up broadband adoption at scale. Sky TV finished FY2024 with 36,000 connections, with annual growth seemingly constrained to around 10,000 new connections per year. By comparison, if they had experienced the same growth rate as Contact Energy did with Devoli, they might have been able to reach 60,000 connections– and potentially rising to 76,000 next year.

To put this into perspective, that gap would represent an **additional \$21 million in annualised revenue** for Sky TV, rising to \$26 million in the forecast year.

And beyond the direct financial impact, Sky TV reported that offering broadband reduced churn of their Sky TV Boxes by 12%, a tremendous and lasting economic value. These numbers clearly show the missed opportunity, and should make CFO’s and investment analysts take notice.

WHY DEVOLI MAKES THE DIFFERENCE

While there are plenty of unknown factors at play, we’ve long maintained that Devoli’s independence, size and laser-focus will always deliver better results for their enterprise clients and customers. Devoli enables their partners to deliver rapid growth and lower their total cost to serve, giving them a real competitive advantage.

THE GROWTH STORY CONTINUES

With over 125,000 broadband connections, Devoli is the large New Zealand internet service provider that nobody has heard of. They are happy to operate behind the scenes, remaining focused on providing exceptional service while allowing their clients to take centre stage, a strategy that continues to pay off in high-quality products and superior customer experience.

Devoli’s continued growth is a story that’s still being written, and we’re delighted to support them on this journey.

In recent Devoli news, we are delighted to announce that John Wiggs, Lance Wiggs’ brother, has joined the Devoli Board of Directors. John is a long-standing shareholder in Devoli, was CEO of Devoli for a time, and is based in Australia where he is Sales Director for a large SaaS company.

WHOLESALE OFFER WITH LONG-DATED OPTIONS

Our flagship offer for 2024 remains open. The offer is priced at \$30 per share and includes a free \$30 Option, exercisable until June 2027, attached to each share you purchase.

[Invest now via Catalyst.](#)

ANNUAL SHAREHOLDERS' MEETING

The FY2024 Annual Shareholders' Meeting will take place via Zoom at 4:30 pm, Thursday 19 September 2024. Register for the online ASM [here](#).

The main contact associated with each shareholder account should have received an email containing the official Notice of Meeting, along with voting instructions.

If you are the main contact and did not receive the email, please contact: info@punakaikifund.co.nz

Portfolio Highlights

UPLIFT IN VALUATION

This month we performed valuations of our shares in Onceit and Couchdrop. We marked Onceit's valuation down and increased Couchdrop's, with a net change of \$1.45 million.

Overall, the Asset Value per Share rose from \$31.22 as at 31 July 2024 to \$31.63 as at 31 August 2024.

During September, we are scheduled to revalue Conq.



Projectworks continues to perform, [placing 557th](#) on the prestigious [Inc. 5000 list](#), an annual ranking of the fastest-growing private companies in the U.S. Based on three years of revenue growth, this recognition is a testament to Projectworks' success and credibility in a competitive market. Notably, none of their key competitors made the 2024 list, and they appear to be the only New Zealand-founded company to do so.

We're delighted to be the only NZ-based venture fund backing Projectworks (and many of our other companies).



One of our smaller investments, Astute Access, recently [reported](#) impressive product use growth. Over the past few years, their digital unlocks have increased by 315%, while issued lock permissions (digital keys issues) rose by 682%, with usage tripling in the last year alone.

SNAPSHOT: ASTUTE ACCESS SMART LOCK CUSTOMERS












Devoli has helped [Contact Energy](#) surpass 100,000 broadband connections. This is excellent growth in a category historically dominated by the 'big three' telcos.

As discussed in our commentary on pages 1-2, Devoli's impact in powering Contact's broadband growth appears significant when compared with Sky TV's broadband play over a similar timeframe.



We don't generally disclose revenue figures for our portfolio companies, but it is worth pointing out that Couchdrop was quietly moved up from the Sustainable to the Emerging category last month. Emerging category companies typically have revenues of between \$5 and \$20 million.

Portfolio Net Asset Value - 31 August 2024

	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	\$26.2m TTM Revenue \$119m
	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.	12.7%	3.5x	Jun-24	▲ Jan-25	\$41.3m TTM Revenue \$58m
	 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%	1.0x	Dec-23	▼ Sep-24	
	 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	47.8%	7.9x	Feb-24	▼ Oct-24	\$17.0m 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	Total Holding Value for top 10 investments						\$84.5m
	Holding Value for other active investments				July-24	►	\$6.3m
	Investments Held For Exit (Escrow cash & companies)				July-24	►	\$1.7m
	Cash (net)						\$2.3m
Portfolio Net Asset Value**							\$94.8m

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.

*HHM Global shareholding includes shares recently acquired 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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