

**PRIVATE AND CONFIDENTIAL  
FOR THE PARTNERS OF  
KOWHAI PRIVATE EQUITY IV LP**



**Kowhai PE Management Limited**  
PO Box 13155, Tauranga 3141  
P: +64 7 927 7927  
E: [enquiries@kowhaipe.co.nz](mailto:enquiries@kowhaipe.co.nz)  
[www.kowhaipe.co.nz](http://www.kowhaipe.co.nz)

**August 2024**

Dear Partner

**Kowhai Private Equity IV LP – Partner Update  
For the quarter ended 30 June 2024**

We are pleased to provide investors in Kowhai Private Equity IV LP (Kowhai) with the June 2024 quarter update.

Kowhai invests as a limited partner in Pioneer Capital Partners IV LP (PCPIV). PCPIV reached its 'hard cap' of \$300 million in aggregate capital commitments from 122 limited partners at its (initial and final) close on 1 May 2021. Kowhai's capital commitment to PCPIV is \$30m, currently paid to \$21m. This represents a 10% interest in PCPIV. The New Zealand Superannuation Fund is the principal cornerstone investor.

**Kowhai IV Contributed Capital & Net Asset Value**

Kowhai IV shares are currently paid to \$0.70 per share of a total capital commitment of \$1.

The current estimated Kowhai IV net asset value is \$0.5542 per share based on our net equity interest in PCPIV and cash held by Kowhai IV.

Kowhai IV has cash of \$284,950 as at 20 August 2024.

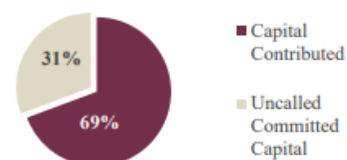
**Kowhai IV Call Programme**

The last call was for \$0.01 per share paid on 28 June 2024. Kowhai will provide you with the usual 10-day call notice when we receive a drawdown notice from the PCPIV manager.

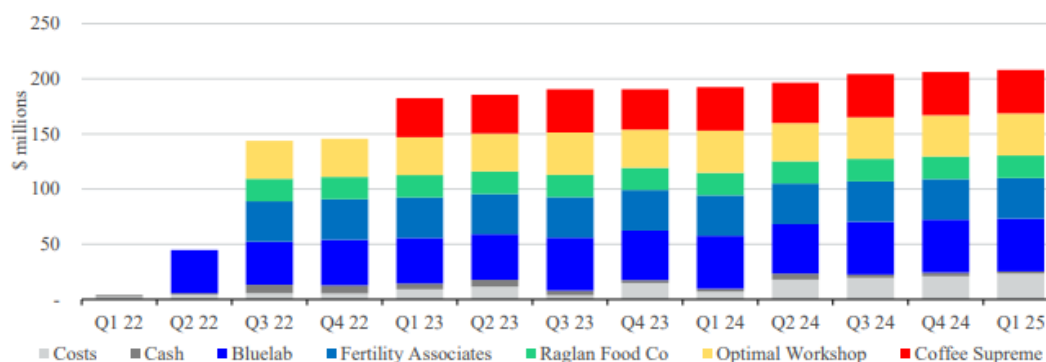
The following, on pages 2-6, is an extract from Pioneer's Quarterly Report

## PCPIV at a Glance

	Jul-Sep Q2 24	Oct-Dec Q3 24	Jan-Mar Q4 24	Apr-Jun Q1 25
Capital Contributed	196,574	204,299	206,274	207,999
Uncalled Committed Capital	103,426	95,701	93,726	92,001
<b>Committed Capital</b>	<b>300,000</b>	<b>300,000</b>	<b>300,000</b>	<b>300,000</b>



## Use of Capital Contributed:



## Schedule of Investments (\$000s):

Company	% Stake	Initial Investment Date	Total Invested Capital <sup>1</sup>	Residual Value	Distributed Value	Total Value	Gross IRR	Gross RVPI <sup>2</sup>	Gross DPI <sup>3</sup>	Gross TVPI <sup>4</sup>
Bluelab	53.4%	12 Oct 21	48,042	19,217	-	19,217	n/a	0.4x	0.0x	0.4x
Fertility Associates	24.9%	17 Dec 21	36,643	47,813	-	47,813	n/a	1.3x	0.0x	1.3x
Raglan Food Co	72.3%	17 Dec 21	20,364	17,795	-	17,795	n/a	0.9x	0.0x	0.9x
Optimal Workshop	62.4%	17 Dec 21	38,366	38,366	-	38,366	n/a	1.0x	0.0x	1.0x
Coffee Supreme	96.3%	31 May 22	39,259	39,259	-	39,259	n/a	1.0x	0.0x	1.0x
<b>Total investments</b>			<b>182,674</b>	<b>162,449</b>	<b>-</b>	<b>162,449</b>	<b>n/a</b>	<b>0.9x</b>	<b>0.0x</b>	<b>0.9x</b>

## Pioneer update

- PCP IV's Limited Partners' Advisory Committee (LPAC) held its Q4 FY24 meeting on 21 May 2024.
- During the quarter, we reviewed 16 investment opportunities, engaged with founders/principals on ten, with one follow-on investment made during the quarter. By sector, approximately 38% of proposals were fast moving consumer goods, 25% were information and communication technologies, and 13% were specialised manufacturing and design. A term sheet for a new investment opportunity was signed subsequent to quarter end. PCP IV has room for another one or two portfolio companies before its portfolio is fully built, and we are confident that there are high-quality opportunities within the investment mandate for these remaining spots.
- During the quarter we completed the following revisions of carrying value (further detail portfolio valuations can be found in the portfolio company reports section)
  - We revised up the carrying value of Bluelab (\$2.7 million) based on improved last twelve months Revenue and EBITDA numbers.
  - We revised up the carrying value of Fertility Associates (\$3.5 million) based on comparable transaction multiples, particularly in Asia.

## Portfolio Update

### Bluelab Group Holdings Ltd



Website: [www.bluelab.com](http://www.bluelab.com)

<b>Investment Date:</b>	<b>October 2021</b>
<b>Investment cost:</b>	<b>\$48m</b>
<b>PCPIV Ownership:</b>	<b>53.5%</b>
<b>Managed Ownership (incl. NZ Super)</b>	<b>74.8%</b>

#### Business Overview

Bluelab is a manufacturer and supplier of pH, electrical connectivity/nutrient and moisture meters to the Controlled Environment Agriculture (CEA) market. CEA is the production of plants and their products inside controlled environment structures such as greenhouses, vertical farms, and growth chambers.

#### Performance Update

- Bluelab continues to make progress in their strategic focus areas, particularly with EBITDA and cashflow improvement. Positive EBITDA has been delivered for the second consecutive quarter and 6th consecutive month.
- While core end markets remaining challenged, Bluelab has found growth in emerging markets and overall trading has tracked broadly to expectation. The sales and marketing team remain focussed on revenue delivery and executing on new revenue-generating initiatives, while exploring new markets in Europe, particularly Germany and Spain.
- Continued growth in direct-to-retail, Amazon, and online channels, has resulted in a significant Year-over-Year (YoY) margin improvement, and has enabled better and more consistent price management. Year to date gross margins are tracking materially ahead of prior year.

---

### Fertility Associates Holdings Ltd



Website: [www.fertilityassociates.co.nz](http://www.fertilityassociates.co.nz)

<b>Investment Date:</b>	<b>December 2021</b>
<b>Investment cost:</b>	<b>\$36.6m</b>
<b>PCPIV Ownership:</b>	<b>24.9%</b>
<b>Managed Ownership (incl. NZ Super)</b>	<b>52.9%</b>

#### Business Overview

Fertility Associates is a leading provider of Assisted Reproductive Technology (ART) services in New Zealand and Malaysia. In New Zealand, it has five full-service fertility clinics and 17 consulting clinics under the Fertility Associates brand and in Malaysia it has four full-service fertility clinics and two consulting clinics under the Sunfert, Sophea and IVFKasih brands.

## Performance Update

- The year has started positively with the majority of clinics exceeding expectation and prior year comparable numbers.
- E-Witnessing and E-consenting systems have been successfully implemented in NZ clinics and the focus is now on achieving the related salary and wage savings.
- The Tauranga Clinic, which officially opened last quarter, has reported its first successful pregnancies.
- Dr Leigh Searle has joined as the new Director of Medical Training. The business is actively recruiting internationally with Dr Searle's appointment aimed at creating a growing pipeline of new doctors.
- The new Sophea clinic in Bangi has continued to exceed expectation since opening in late 2023, and while patient numbers are marginally down across the other Malaysian clinics, the Malaysian business is exceeding EBITDA expectations.
- Sures Muniandy started as the new Malaysian CEO in June 2025, reporting to Alex Price (Fertility Associates CEO). Sures brings over two decades of experience in medical devices, pharmaceuticals, hospitals, and clinical laboratories. His appointment allows Dr Wong to step down from operational duties and shift his focus back to the patients.

---

## Optimal Workshop Ltd



Website: [www.optimalworkshop.com](http://www.optimalworkshop.com)

<b>Investment Date:</b>	<b>December 2021</b>
<b>Investment cost:</b>	<b>\$38.4m</b>
<b>PCPIV Ownership:</b>	<b>62.4%</b>
<b>Managed Ownership</b>	<b>62.4%</b>

## Business Overview

Optimal Workshop is a Software as a Service (SaaS) company operating in the User Experience (UX) industry. Its digital tools help businesses, including some of the world's largest organisations, make data-driven product development decisions to create better user experiences, significantly improving their products, services, reputation, and revenue.

## Performance Update

- Q1 FY2025 revenue was ahead of expectation with the team continuing to see positive momentum with increased customer engagement and pipeline improvement.
- "Project Clean-Up" is well underway with the campaign to close 'Freemium' accounts commenced in July and progress continues on eliminating account sharing.
- New branding was launched in July with the accompanying new website going live in August. These initiatives help position Optimal Workshop as a best-in-class software provider to enterprises, the new platform feature "prototype-testing", and Education and Consultancy/Agency go-to-market strategies, which were launched in July.
- Investment in the enterprise channel continues with a new VP Customer Success (Melbourne-based) starting in May and a new VP Sales (US-based) in June. Both roles will be instrumental to the business achieving its revenue ambitions.
- Optimal Workshop had been intentionally investing in growth which meant the EBITDA has been negative in recent years. The goal is for the business to return to breakeven and cash generative during this financial year, with the strategic cost and revenue initiatives set to achieve this goal. The board is actively involved in monitoring cash flows and revenue growth to ensure cash is being appropriately used to generate long term value.

Raglan Food Co Ltd



Website: [www.raglanfoodco.com](http://www.raglanfoodco.com)

<b>Investment Date:</b>	<b>December 2021</b>
<b>Investment cost:</b>	<b>\$20.4m</b>
<b>PCPIV Ownership:</b>	<b>72.3%</b>
<b>Managed Ownership</b>	<b>72.3%</b>

### **Business Overview**

Raglan Food Co. is a plant-based food manufacturer that has grown to become New Zealand's largest plant-based yoghurt business. Raglan Food Co.'s products span two brands, Raglan and Plant Culture, and multiple categories including plant-based yoghurt, mayonnaise, and aioli.

### **Performance Update**

- Revenue momentum continues to build in New Zealand with significant Quarterly YoY growth, driven by a sustained lift in Raglan's market share (hitting 66%, up from 51% in prior year), continued growth in plant-based adoption, and in the overall yoghurt category.
  - Significant investment in brand, limited time offers, new pack sizes and price optimisation have contributed to the momentum and distribution with the two NZ major grocery retailers has increased by c.20% YoY.
  - Key gross margin drivers are beginning to see improvements, with gross margins in Q1 FY2025 up YoY, despite decreasing price.
  - We remain optimistic that the recent revenue growth and margin improvement trends will continue throughout FY2025 as the focus on driving plant-based yoghurt adoption, market share, gross margin, and operational efficiency continue to be a priority of the business.
  - Co-founder of Raglan NZ, Tesh Hearth (nee Randall), has spent the last two months in the US to help build the team, drive sales, and execute the marketing/PR strategies. Valuable insights have been gathered during her time in the US and will be a focus of the next board meeting in August.
-

## Coffee Supreme Ltd



Website: [www.coffeesupreme.com](http://www.coffeesupreme.com)

<b>Investment Date:</b>	<b>May 2022</b>
<b>Investment cost:</b>	<b>\$39.3m</b>
<b>PCPIV Ownership:</b>	<b>96.3%</b>
<b>Managed Ownership (incl. NZ Super)</b>	<b>96.3%</b>

### Business Overview

Coffee Supreme is a premium specialty coffee company that has grown into an international, multi-channel brand with a strong presence in New Zealand and Australia, and growing presence in Japan. Coffee Supreme's products are sold across wholesale (cafes), fast moving consumer goods and direct to customer online channels, along with some owned hospitality venues. The coffee is primarily roasted in its Wellington and Australian roasteries, using beans that are ethically sourced from over ten coffee-growing regions globally.

### Performance Update

- Revenue performance remains strong, despite the headwinds facing wholesale cafe/hospitality customers. Softness in sales per cafe has been more than offset by new wholesale/cafe accounts, strong growth in the grocery channel with both channels delivering YoY growth.
  - Initiatives to improve operational efficiency, including green bean tendering, blend optimisation, process automation, and supply chain efficiency are progressing with margins improving on prior year. Encouragingly, 2025 green bean prices are tracking downward despite ongoing market-wide challenges in the green bean market.
  - Various initiatives are progressing to further improve the customer brand interaction, including a packaging redesign, and an updated approach to brand marketing.
  - The Australian strategic M&A initiative continues with several potential targets identified and in active discussions.
-

**Reporting**

We will keep you informed on PCPIV investment activity through media releases, via the Kowhai website [kowhaipe.co.nz](http://kowhaipe.co.nz) or by contacting you directly.

If you have any queries regarding your investment in Kowhai IV, please discuss with your Investment Adviser or you may call the Manager, Brenden Merrill on 07 987 2026, or email [enquiries@kowhaipe.co.nz](mailto:enquiries@kowhaipe.co.nz).

Yours sincerely

A handwritten signature in blue ink, appearing to read 'Neil Craig', with a stylized flourish at the end.

**NEIL CRAIG**

**Kowhai PE Management Limited**

General Partner for Kowhai Private Equity IV LP