



ASX Release

Powerhouse Ventures Limited

(ASX Code: "PVL")

NZ Company No. 1854396 / ARBN 612 076 169

Powerhouse announces results for half year to 31 December 2018

Christchurch, New Zealand, 28 February 2019

Powerhouse Ventures Limited (PVL or the Company) releases its half year report (the Report) for the six months ending 31 December 2018.

The release of the Report comes at a time when the PVL Board has completed a strategic review of its core business model and its existing investment portfolio companies and thus provides an opportunity to give shareholders a detailed insight into the Company, its underlying performance, its 12 month outlook and its core focus for the second half of the 2019 financial year.

The Chairman's presentation at the annual general meeting on 29 November 2018 confirmed that PVL's underlying mission is to transform pre seed stage companies, based on technology developed within the university sector, into global leaders through providing investment and corporate infrastructure. While this remains the Company's focus, the existing portfolio has required rigorous re-evaluation, driven by both changing accounting standards and a more pragmatic approach from the PVL Board to the underlying viability of some of the recent investments.

The Report outlines an updated portfolio valuation, reflecting the current position of the various investments including several companies that have taken significant write-downs. PVL is currently divesting its holdings in several portfolio companies.

As a result, the Company is now focussing on the following investments:

- 2.2GForce
- Avalia Immunotherapies
- AuramerBio
- Cirrus Materials Science
- CertusBio
- Ferronova
- Hapai Transfer Systems
- Hot Lime Labs
- Objective Acuity
- Inhibit Coatings

The portfolio of investments shown in the 2018 annual report is in the process of being reduced from 26 companies to 10. PVL is using any cash proceeds derived from this rationalisation not only to fund the ongoing business but also to extinguish the 10,500,000 Convertible Notes (valued at AU\$2,100,000) which are due for repayment on 31 March 2019.

The underlying loss of NZ\$2.9m for the 6 months to 31 December 2018 reflects the new rigorous approach to portfolio valuation. However, the sale process leaves PVL debt free and able to fund ongoing operations. After the portfolio rationalisation, PVL should be in a stable financial position to act as the commercialisation catalyst between university research and the corporate sector.

While the second half of the 2019 financial year will continue to present challenges, the Board is confident that PVL is in a stronger position for the future.

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About Powerhouse Ventures Limited

Powerhouse is a leading intellectual property commercialisation company which focuses on developing brilliant research from New Zealand and Australian universities into world changing businesses. It has developed a unique approach to develop these innovations and businesses by providing access to business building expertise, capital, networks, recruitment and ongoing business support. Powerhouse has a successful track record with an existing active portfolio of early stage to mature businesses across four main sectors: engineering and clean-tech, medical and healthcare, agritech and environmental and digital and ICT.