



Release Date: 29 April 2021

Powerhouse Ventures Limited ("PVL" or the "Company")

**QUARTERLY UPDATE ON ACTIVITIES FOR THE 3 MONTH PERIOD ENDED
31 MARCH 2021**

KEY POINTS:

- **PVL continues to advance and develop the business by both increasing and expanding its engagement with key research institutions in Australia as well as growing its deal pipeline with opportunities that the PVL Board believe are world class.**
- **During the Quarter, PVL received a notice (the Notice) pursuant to section 203D(2) of the Corporations Act 2001 (Cth) (Corporations Act) on behalf of Raven Investment Holdings Pty Ltd (in its own right and in its capacity as trustee of the Raven Super Fund), Amherst Developments Pty Ltd and the Ramsay Financial Group Pty Ltd as trustee for the Ramsay Super Fund (together, the Group).**
- **Under the Notice, the Group informed the Company of its intention to move resolutions for the removal of the three directors of the Company, being Mr Geoff Gander, Mr Nitesh Patel and Mr Russell Yardley.**
- **PVL subsequently received a notice under sections 121(b) and 109 of the Companies Act 1993 (NZ) (Act) requesting the Company call and arrange to hold a meeting of the members of the Company to consider resolutions calling for the appointment of Peter Joseph McGrath, Timothy Michael Hannon, Lachlan Shackell Armstrong and Andrew Howard Ramsay as directors of the Company and the removal of Messrs Russell Yardley, Geoffrey Anthony Gander and Nitesh Patel as directors of the Company.**
- **PVL has now issued a Notice of Meeting convening a General Meeting of shareholders, to be held using virtual technology and starting at 11am (AEST) on Wednesday 19 May 2021.**



The Board of Powerhouse Ventures Limited (**PVL or the Company**) presents the following update on activities for the 3 month period ending 31 March 2021 (**the Quarter**). Also included in this report are details of subsequent events that have occurred up to the date of this release.

UPCOMING GENERAL MEETING:

On 25 March 2021, Powerhouse Ventures Limited (the **Company or PVL**) advised that it had received a notice under sections 121(b) and 109 of the Companies Act 1993 (NZ) (**Act**) from 3 shareholders (**Requisitioning Shareholders**) requesting for the Company to call and arrange to hold a meeting of the members of the Company (**Notice**).

The Notice seeks:

- the appointment of Peter Joseph McGrath, Timothy Michael Hannon, Lachlan Shackell Armstrong and Andrew Howard Ramsay as directors of the Company;
- the removal of Messrs Russell Yardley, Geoffrey Anthony Gander and Nitesh Patel as directors of the Company; and
- a non-binding resolution be put to the Company's shareholders requesting that the strategy of the Company is changed to focus on later-stage investing.

On 13 April 2021, a Notice of Meeting and accompanying Explanatory Statement was dispatched to shareholders and in that document the Company has outlined its views in relation to the requests made by the Requisitioning Shareholders as well as the progress that has been made by PVL's early-stage team and your Board to cement important relationships and continue to collaborate with Australia's leading research institutions.

The PVL Board continues to drive shareholder value on several fronts, which include:

New Investments: Advancing a relationship with a national science agency in respect of a potential first investment with this organisation. This work has already identified many more exciting opportunities, many of which are commercially ready investment ideas backed up with quality science;



Follow on investments: Supporting follow on funding rounds for one of its existing investee companies, Ferronova;

Actively managed portfolio: The Company has clearly identified which investments require active involvement by PVL Board members to enhance shareholder value and remains focussed on playing an important leadership in these companies;

Increased deal pipeline: The Board continues to be focussed on transitioning PVL from a New Zealand centric organisation to one that is looking at opportunities in larger and wider markets, initially Australia. This process has already been successful in identifying a range of new investment opportunities with the University of Melbourne, Newcastle University and several other Australian universities;

Long term sustainable business model: The Board continues to build a long-term sustainable business for PVL shareholders where it has the capability of managing much larger pools of capital in a non-dilutive manner, through the formation of standalone funds with investment from institutional investors; and

Collaboration and partnerships: The Company continues to build deep relationships amongst Universities and research institutions as well as venture capital firms such as UniSeed and RFC Ambrian, to help identify, develop and translate well-formed research into businesses.

The PVL would urge shareholders to read the Notice of Meeting and accompanying Explanatory Statement in full, as well as the Corporate Presentation lodged with the ASX on 22 April 2021, and vote against all the binding Resolutions that have been put forward by the Requisitioning Shareholders.

CAPITAL STRUCTURE AND FINANCES:

As at 31 March 2021, the Company had 65,000,197 Fully Paid Ordinary Shares (ASX ticker "PVL") on issue and 41,681,482 Listed Options (ASX ticker "PVLO") on issue.

These figures reflect the additional PVL and PVLO issued in late March 2021 under the Equity for Fee Plan, approved at the 21 December 2020 Annual General Meeting and that was effective from 1 January 2021.

All PVLO have an exercise price of \$A0.07 and all expire on 31 December 2023.

100,000 PVLO options were converted during April 2021 and as at the date of this Report, the Company has 65,100,197 Ordinary Shares (ASX ticker "PVL") on issue and 41,581,482 Listed Options (ASX ticker "PVLO") on issue.

As at 31 March 2021, PVL had unaudited cash reserves of \$NZ3.03m. During April 2021, an additional \$A7,000 was generated through the exercising of the 100,000 PVLO options.



The Company remains debt free. The attached Appendix 4C provides more detail on the Quarterly Cashflow.

SUMMARY:

The past Quarter was another busy one for the Executive Directors with a level of unwanted distraction created by the call for a General Meeting to remove the current Board.

That said, good progress has been made with the core business and the Company remains focussed on the commercialisation of Intellectual Property that has been developed within leading universities in Australia and New Zealand.

The Board remains focussed on developing strong relationships with world renowned research institutions in the Australian market and is working to advance pipeline opportunities to the next stage of commercialisation as well as continue to expand the pipeline of future transactions in the coming months.

A reduction in Board numbers and the adoption of an Equity for Fee Plan from 1 January 2021 as well as the departure of the Latter Stage Investment Team has meant that the monthly cash burn rate has been significantly reduced.

The Company will continue to make regular announcements, updating shareholders on all meaningful progress being made in relation to investments in early stage and latter stage commercialisation opportunities, the signing of any additional Collaboration Agreements and the forming of any material new funding partnerships.

If there are any questions regarding this Quarterly report, shareholders are welcome to contact the Company.

Russell Yardley

Executive Chairman

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ENDS

Authorised by the Board of Powerhouse Ventures Limited



Forward Looking Statements:

All statements other than statements of historical fact including, without limitation, statements regarding projections, future plans and objectives of PVL, are forward-looking statements. When used in this announcement, forward-looking statements can be identified by words such as 'anticipate', 'believe', 'could', 'estimate', 'expect', 'future', 'intend', 'may', 'opportunity', 'plan', 'in principle', 'potential', 'project', 'seek', 'will' and other similar words that involve risks and uncertainties.

These statements are based on an assessment of present economic and operating conditions and assumptions regarding future events. Such forward-looking statements are not guarantees of future performance. They involve risks, uncertainties, assumptions and other important factors, many of which are beyond the control of the Company, its Directors and Management of PVL that could cause PVL's actual results to differ materially from the results expressed or anticipated in these statements.

The Company cannot and does not give any assurance that the results, performance or achievements expressed or implied by these forward-looking statements will actually occur and investors are cautioned not to place any reliance on these forward-looking statements. PVL does not undertake to update or revise forward-looking statements, or to publish prospective financial information in the future, regardless of whether new information, future events or any other factors affect the information contained above, except where required by applicable law and securities exchange listing requirements.

About Powerhouse Ventures Limited:

Powerhouse Ventures Limited (PVL) is an ASX listed company that invests in ground-breaking intellectual property generated through scientific and technological research. PVL works closely with universities in Australasia to form, or assist in the formation of, spin-out companies based on world-leading innovation. Powerhouse successfully manages the process of identifying intellectual property with commercial potential, the establishment of commercialisation vehicles and subsequent generation of shareholder value. For more information go to: www.powerhouse-ventures.co.nz



Powerhouse Ventures Limited

ASX Code: PVL

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NZ Company number: 1854396

ARBN: 612 076 169

Date of release: 29 April 2021

Quarterly Cashflow Report (Appendix 4C)

Quarter Ended 31 March 2021

Statement of cash flows

1 Cash flows from operating activities	Current quarter \$NZD'000	Year to date \$NZD'000
1.1 Receipts from customers	6	17
1.2 Payments for		
(a) research and development	-	-
(b) product manufacturing and operating costs	-	-
(c) advertising and marketing	-	-
(d) leased assets	-	-
(e) staff costs	(33)	(98)
(f) administration and corporate costs	(159)	(559)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	-	-
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	-
1.8 Other (provide details if material)	-	-
1.9 Net cash from / (used in) operating activities	(186)	(639)

2 Cash flows from investing activities	Current quarter \$NZD'000	Year to date \$NZD'000
2.1 Payments to acquire:		
(a) entities	-	-
(b) businesses	-	-
(c) property, plant and equipment	-	-
(d) investments	(131)	(131)
(e) intellectual property	-	-
(f) other non-current assets	-	-
2.2 Proceeds from disposal of:		
(a) entities	-	-
(b) businesses	-	-
(c) property, plant and equipment	-	-
(d) investments	-	789
(e) intellectual property	-	-
(f) other non-current assets	-	-
2.3 Cash flows from loans to other entities	-	-
2.4 Dividends received (see note 3)	-	-
2.5 Other (provide details if material)	-	-
2.6 Net cash from / (used in) investing activities	(131)	658

3 Cash flows from financing activities	Current quarter \$NZD'000	Year to date \$NZD'000
3.1 Proceeds from issues of equity securities (excluding convertible debt securities)	-	1,766
3.2 Proceeds from issue of convertible debt securities	-	-
3.3 Proceeds from exercise of options	-	-
3.4 Transaction costs related to issues of equity securities or convertible debt securities	-	(124)
3.5 Proceeds from borrowings	-	-
3.6 Repayment of borrowings	-	-
3.7 Transaction costs related to loans and borrowings	-	-
3.8 Dividends paid	-	-
3.9 Other (provide details if material) (i)	-	-
3.10 Net cash from / (used in) financing activities	0	1,642

4 Net increase / (decrease) in cash and cash equivalents for the period	Current quarter \$NZD'000	Year to date \$NZD'000
4.1 Cash and cash equivalents at beginning of period	3,347	1,370
4.2 Net cash from / (used in) operating activities (item 1.9 above)	(186)	(639)
4.3 Net cash from / (used in) investing activities (item 2.6 above)	(131)	658
4.4 Net cash from / (used in) financing activities (item 3.10 above)	0	1,642
4.5 Effect of movement in exchange rates on cash held		
4.6 Cash and cash equivalents at end of period	3,030	3,030

5 Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$NZD'000	Previous Quarter \$NZD'000
5.1 Bank balances	3,030	3,347
5.2 Call deposits	-	
5.3 Bank overdrafts	-	
5.4 Other (provide details)	-	
5.5 Cash and cash equivalents at end of quarter	3,030	3,347

6 Payments to related parties of the entity and their associates	Current quarter \$NZD'000
6.1 Aggregated amount of payments to related parties and their associates included in item 1	60
6.2 Aggregated amount of payments to related parties and their associates included in item 2	-

Includes all Directors fees and contractor costs paid to four Executive Directors and Directors fees to one Non-Executive Director

Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.

7 Financing facilities available Note: the term 'facility' includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the	Total facility at quarter end	Amount drawn at quarter end
	\$NZD'000	\$NZD'000
7.1 Loan facilities	-	-
7.2 Credit standby arrangements	-	-
7.3 Other (please specify)	-	-
7.4 Total financing facilities	-	-
7.5 Unused financing facilities available at quarter end	-	-
7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.		

8 Estimated cash available for future operating activities	\$NZD'000
8.1 Net cash from / (used in) operating activities (Item 1.9)	(186)
8.2 Cash and cash equivalents at quarter end (Item 4.6)	3,030
8.3 Unused finance facilities available at quarter end (Item 7.5)	-
8.4 Total available funding (Item 8.2 + Item 8.3)	3,030
8.5 Estimated quarters of funding available (Item 8.4 dividend by Item 8.1)	16
8.6 If Item 8.5 is less than 2 quarters, please provide answers to the following questions: N/A	
1. Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not? Answer:	
2. Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful? Answer:	
3. Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis? Answer:	

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies that comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date: 29 April 2021

Authorised by: The Board of Powerhouse Ventures Limited

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.

2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, AASB 107: Statement of Cash Flows apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standard applies to this report.

3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.

4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the name of board committee – e.g. Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".

5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's Corporate Governance Principles and recommendations, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.