



Release Date: 26 October 2023

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

## **QUARTERLY UPDATE ON ACTIVITIES FOR THE 3 MONTH PERIOD ENDED 30 SEPTEMBER 2023**

The Board of Powerhouse Ventures Limited (**PVL or the Company**) presents the following update on activities for the 3-month period ending 30 September 2023 (**the Quarter**). Also included in this report are details of any subsequent events that have occurred up to the date of this release.

### **MARKET OVERVIEW:**

Despite solid fundamental performance in our investment and capital strategy, the prolonged period of "risk-off" in technology stocks<sup>1</sup> and adverse market conditions continue to impact our share price and ability to provide buy signals to potential new PVL investors. Further, the market conditions have provided significant headwinds against our ability to advance our "Expand Horizons" strategy, being the 3rd pillar of our published corporate strategy.

The positive news that we think will emerge when this adverse market cycle lifts is as follows: 1. Our portfolio companies are, on the whole, doing well, and this is a testimony to our ability to filter and assess the quality of intellectual property and go-to-market strategies in the next frontier of global trends; and 2. we have been disciplined against investing for the sake of investing and turning noise into news flow, and 3. We have been disciplined in capital preservation, including the exploring of any possible secondary sell downs and capital recycling opportunities.

### **PORTFOLIO HIGHLIGHTS:**

The PVL Board and executive team continue to engage closely with the investee companies and are pleased to advise that a number of the investee companies are currently undertaking capital raisings.

**Skykraft:** Shareholders would have observed some recent positive news flow from this company in the mainstream media. There is no specific event at the moment to form a basis to revise up our carrying value, but the Board considers the company's corporate finance strategy and capital support now to be first rate and considerably de-risked.

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<sup>1</sup> Outside the "Magnificent Seven" in the US: Apple, Microsoft, Alphabet, Amazon.com, Nvidia, Tesla and Meta Platforms

**Inhibit Coatings:** During October 2023, Inhibit Coatings successfully raised a further NZ\$1.5m at NZ\$9.99 per share. This equates to a significant premium over the carrying value of PVL's investment in Inhibit Coatings at 30 June 2023. The net effect on net tangible assets (NTA) is an indicative uplift of +0.5c per share. PVL does note that this figure is unaudited and remains subject to confirmation through PVL's valuation and auditing process.

**Firmus:** As previously advised on 16 August 2023 PVL sold its investment in Firmus Grid for \$305,000 which represented the value of the original investment (\$250,000) plus the accrued interest. The PVL Board was pleased with the profitable sale of the investment in Firmus and looks forward to recycling the capital in due course.

**Acanthus PE:** As announced, PVL sought to recycle capital and appointed Acanthus PE to run a process during the quarter. The process has concluded without PVL selling any holdings.

### **FINANCIAL POSIITON:**

PVL's NTA was at 8.76 cents per share for the quarter ended 30 September 2023 (8.82 cents in the previous quarter).

The Company's cash position at 30 September 2023 was \$3.14m with no debt. The company has continued to maximise the interest return on cash whilst retaining sufficient liquidity to fund suitable investments.

Net cash from operating activities for the quarter was (\$207k) compared to (\$146k) for the previous quarter.

If there are any questions regarding this quarterly report, shareholders are welcome to contact the Company at [info@phvl.com.au](mailto:info@phvl.com.au). As always, we are grateful for our shareholder support.

**James Kruger**  
**Executive Chairman**

**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 is an investment company seeking to advance emerging intellectual property (principally originating from Australian scientists, engineers and institutions) into globally impactful businesses. The focus sectors are Electrification & Decarbonisation, Next Generation Computing, Space technologies, and Healthcare and Wellness.

Powerhouse has an existing active portfolio and strong pipeline of early stage to mature businesses across its focus segments. It has developed a unique network and broad base of skillsets to help its portfolio businesses expand and commercialise.



Powerhouse Ventures Limited  
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Date of release: 26/10/2023

Quarterly Cashflow Report (Appendix 4C)  
Quarter Ended 30 September 2023

#### Statement of cash flows

| <b>1 Cash flows from operating activities</b>             | <b>Current quarter<br/>\$AUD'000</b> | <b>Year to date<br/>\$AUD'000</b> |
|-----------------------------------------------------------|--------------------------------------|-----------------------------------|
| 1.1 Receipts from customers                               | -                                    | -                                 |
| 1.2 Payments for                                          |                                      |                                   |
| (a) research and development                              | -                                    | -                                 |
| (b) product manufacturing and operating costs             | -                                    | -                                 |
| (c) advertising and marketing                             | -                                    | -                                 |
| (d) leased assets                                         | -                                    | -                                 |
| (e) staff costs                                           | -                                    | -                                 |
| (f) administration and corporate costs                    | (237)                                | (237)                             |
| 1.3 Dividends received (see note 3)                       | -                                    | -                                 |
| 1.4 Interest received                                     | 30                                   | 30                                |
| 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)                   | -                                    | -                                 |
| <b>1.9 Net cash from / (used in) operating activities</b> | <b>(207)</b>                         | <b>(207)</b>                      |

| <b>2 Cash flows from investing activities</b>             | <b>Current quarter<br/>\$AUD'000</b> | <b>Year to date<br/>\$AUD'000</b> |
|-----------------------------------------------------------|--------------------------------------|-----------------------------------|
| 2.1 Payments to acquire:                                  |                                      |                                   |
| (a) entities                                              | -                                    | -                                 |
| (b) businesses                                            | -                                    | -                                 |
| (c) property, plant and equipment                         | -                                    | -                                 |
| (d) investments                                           | -                                    | -                                 |
| (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                                           | 305                                  | 305                               |
| (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)                   | -                                    | -                                 |
| <b>2.6 Net cash from / (used in) investing activities</b> | <b>305</b>                           | <b>305</b>                        |



| <b>3 Cash flows from financing activities</b>                                               | <b>Current quarter<br/>\$AUD'000</b> | <b>Year to date<br/>\$AUD'000</b> |
|---------------------------------------------------------------------------------------------|--------------------------------------|-----------------------------------|
| 3.1 Proceeds from issues of equity securities (excluding convertible debt securities)       | -                                    | -                                 |
| 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 | -                                    | -                                 |
| 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)                                                 | -                                    | -                                 |
| <b>3.10 Net cash from / (used in) financing activities</b>                                  | <b>0</b>                             | <b>0</b>                          |

| <b>4 Net increase / (decrease) in cash and cash equivalents for the period</b> | <b>Current quarter<br/>\$AUD'000</b> | <b>Year to date<br/>\$AUD'000</b> |
|--------------------------------------------------------------------------------|--------------------------------------|-----------------------------------|
| 4.1 Cash and cash equivalents at beginning of period                           | 3,039                                | 3,039                             |
| 4.2 Net cash from / (used in) operating activities (item 1.9 above)            | (207)                                | (207)                             |
| 4.3 Net cash from / (used in) investing activities (item 2.6 above)            | 305                                  | 305                               |
| 4.4 Net cash from / (used in) financing activities (item 3.10 above)           | -                                    | -                                 |
| 4.5 Effect of movement in exchange rates on cash held                          | -                                    | -                                 |
| <b>4.6 Cash and cash equivalents at end of period</b>                          | <b>3,136</b>                         | <b>3,136</b>                      |

| <b>5 Reconciliation of cash and cash equivalents<br/>at the end of the quarter (as shown in the consolidated statement of<br/>cash flows) to the related items in the accounts</b> | <b>Current quarter<br/>\$AUD'000</b> | <b>Previous Quarter<br/>\$AUD'000</b> |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------|---------------------------------------|
| 5.1 Bank balances                                                                                                                                                                  | 3,136                                | 3,039                                 |
| 5.2 Call deposits                                                                                                                                                                  | -                                    | -                                     |
| 5.3 Bank overdrafts                                                                                                                                                                | -                                    | -                                     |
| 5.4 Other (provide details)                                                                                                                                                        | -                                    | -                                     |
| <b>5.5 Cash and cash equivalents at end of quarter</b>                                                                                                                             | <b>3,136</b>                         | <b>3,039</b>                          |

| <b>6 Payments to related parties of the entity and their associates</b>                      | <b>Current quarter<br/>\$AUD'000</b> |
|----------------------------------------------------------------------------------------------|--------------------------------------|
| 6.1 Aggregated amount of payments to related parties and their associates included in item 1 | 35                                   |
| 6.2 Aggregated amount of payments to related parties and their associates included in item 2 | -                                    |

Includes contractor costs and Director Fees paid to Executive and Non-Executive directors or their associates



| <b>7 Financing facilities available</b><br>Note: the term 'facility' includes all forms of financing arrangements available to the entity.                                                                                                                                                                                                      | <b>Total facility at quarter end</b> | <b>Amount drawn at quarter end</b> |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------|------------------------------------|
| 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. |                                      |                                    |

| <b>8 Estimated cash available for future operating activities</b>                                                                                                                                                   | <b>\$AUD'000</b> |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------|
| 8.1 Net cash from / (used in) operating activities (Item 1.9)                                                                                                                                                       | (207)            |
| 8.2 Cash and cash equivalents at quarter end (Item 4.6)                                                                                                                                                             | 3,136            |
| 8.3 Unused finance facilities available at quarter end (Item 7.5)                                                                                                                                                   | -                |
| 8.4 Total available funding (Item 8.2 + Item 8.3)                                                                                                                                                                   | 3,136            |
| 8.5 <b>Estimated quarters of funding available (Item 8.4 dividend by Item 8.1)</b>                                                                                                                                  | 15               |
| 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: 26/10/2023

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.

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