

Annual General Meeting

24 November 2017



Chief Executive Officer's Presentation

Paul Viney



Disclaimer

The information in this presentation is not an offer, nor constitutes investment advice or any recommendation to subscribe or acquire securities or retain or sell any securities currently held in Powerhouse Ventures Limited or any of the portfolio companies represented.

The presentation has been prepared without taking into account any person's individual investment objectives, financial situation or particular needs. Before making an investment decision, investors should consider the appropriateness of the information having regard to their own investment objectives and seek independent professional advice.

Actual outcomes may vary materially from any forecasts, projections or implied forecasts. A number of important factors and risks may cause actual performance to differ materially.

The information in this presentation is current at the date of this presentation and is based on publicly available information, internally developed data and other sources.

The information was prepared with all due care and diligence however no warranties or representations are made to the accuracy, reliability or completeness of the information.



**Powerhouse provides unique
investor access to a new and
liquid asset class in
Australasia - university
sourced technology IP
ASX Code “PVL”**



Our strategic pathway

- 10 years of investment in NZ University sourced IP
- 2014-2016 capital-raising, roll-ups and A\$10.2 million ASX IPO October 2016
- Post IPO portfolio holdings review
- Appointment of Australian based Chairman – Mr Russell Yardley
- Appointment of Australia-based Investment Manager(s) imminent



Financial metrics FY17

\$17.5
m

Fair Value of portfolio at year end 30 June 2017 (2016: \$20.7m)

\$2.3
m

New investment by Powerhouse in year to 30 June 2017

\$11.6
m

Total amount invested in portfolio companies in year to 30 June 2017 of which Powerhouse invested \$2.3m

| Results summary for the full year | FY17 | FY16 | Change |
|---------------------------------------------------|------------|---------|-----------|
| Fair value changes in portfolio (statutory) (\$m) | \$(4.532) | \$5.492 | \$(10.02) |
| Total revenues (statutory) (\$m) | \$(0.908) | \$8.014 | \$(8.92) |
| Net profit / (loss) after tax (statutory) (\$m) | \$(11.220) | \$0.765 | \$(11.99) |
| Net profit / (loss) after tax (underlying) (\$m) | \$0.779 | \$1.321 | \$(0.54) |
| Earnings per share (statutory) (cents) | (43) | 5 | (48) |
| Earnings per share (underlying) (cents) | 3 | 7 | (4) |
| Interim dividend per share | Nil | Nil | Nil |
| Net tangible asset backing per ordinary security | 0.68 | 1.17 | \$(0.49) |

| Hydroworks - impact of impairments | 2017 |
|---------------------------------------------------------------------------------------------|------------------|
| | \$ |
| Total write down of the carrying value of equity in Hydroworks | 4,314,306 |
| Full impairment of short term loans and interest owed to the Company by Hydroworks | 2,256,460 |
| Full impairment of trade debtors owed by Hydroworks | 142,347 |
| Potential impact of lien held by the bankers of Hydroworks over the Company's term deposits | 1,000,000 |
| Total impairment of assets pertaining to Hydroworks Limited | 7,713,113 |

Our model: a 7-step approach to identifying breakthrough opportunities

We are determined to adhere to our proven processes

1

identify world-class technology with potentially disruptive applications

2

determine the job-to-be-done, what are customers trying to do?

3

establish how customers value solutions, what outcomes are important and unsatisfied?

4

assess freedom to operate and barriers to entry

5

determine key technical and market assumptions and assess cost to verify

6

Seek third party validation from world experts and local customers

7

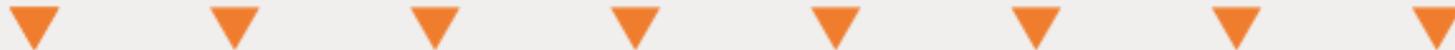
rank the opportunity against the investment pipeline and criteria

We make a difference

Powerhouse's proven methodology for assessing potentially disruptive innovation

Powerhouse Expertise Deployed:

IP / Legal / HR / Admin / Accounting / Finance / Sales / Marketing / Distribution / Governance / Corporate Advisory



■ Invest a little, learn a lot

■ Validate / Shape / Adapt / Focus

We target growth

Powerhouse Expertise Deployed:

IP / Legal / HR / Admin / Accounting / Finance / Sales / Marketing / Distribution / Governance / Corporate Advisory

■ Structure / Management / Governance / Expertise

■ Leverage / Growth / Corporate Advisory / International Expansion / Commercial Enterprise

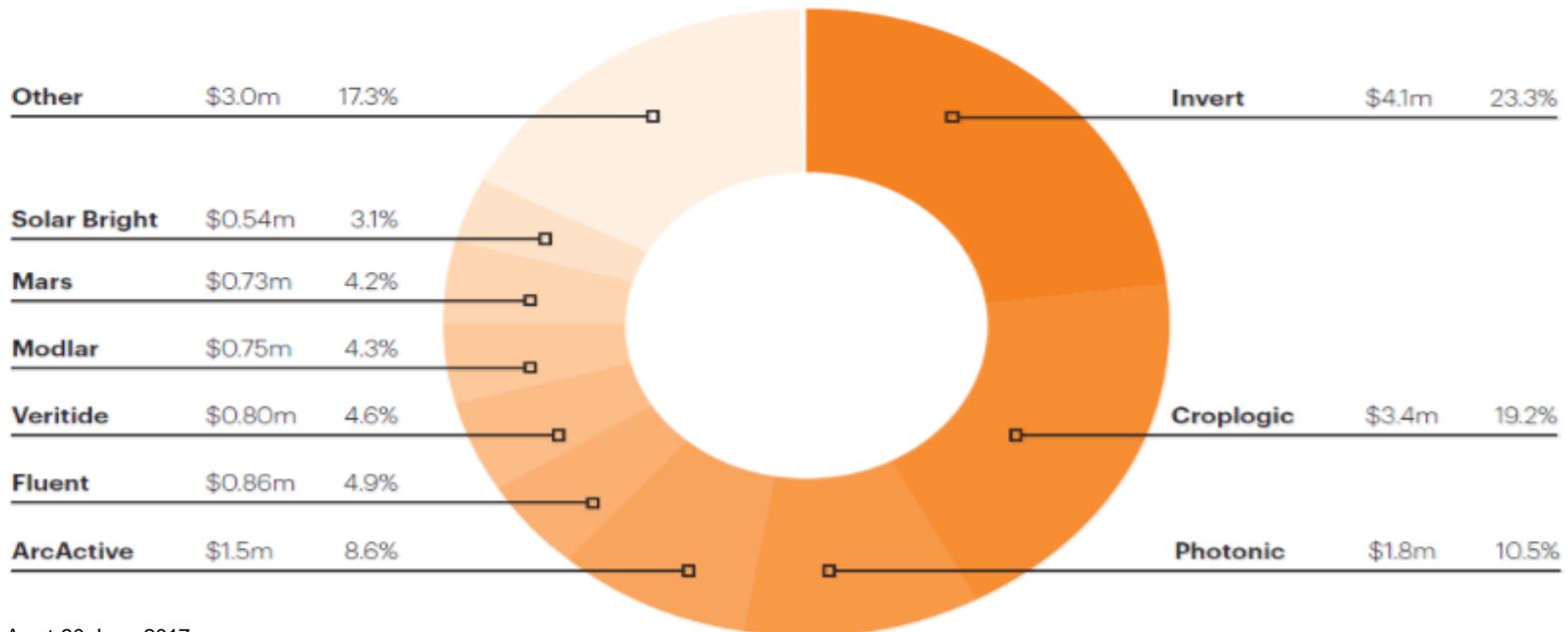
| Portfolio Company | Fair Value Uplift Recorded \$ million | Powerhouse Carrying Value at 30 June 2017 \$ million | Powerhouse Ownership Interest |
|----------------------|------------------------------------------|------------------------------------------------------------|-------------------------------|
| Photonic Innovations | 1.196 | 1.626 | 33.3% |
| Fluent Scientific | 0.440 | 0.860 | 20.5% |
| Syft Technologies | 0.397 | - | 0.0% |
| Other uplifts | 0.463 | na | na |
| Total uplifts | 2.496 | na | na |

Portfolio management

- We know what we do well – and not so well
- We have conducted a full review of our portfolio holdings
- We have identified “off model” investments and will pursue liquidity events and then recycle the capital
- Our model includes investee “IP to IPO”, IP licensing and royalty revenue flows, as well as pursuing trade interest
- We will stick to our stated model and with active portfolio management, we will create value for shareholders going forward

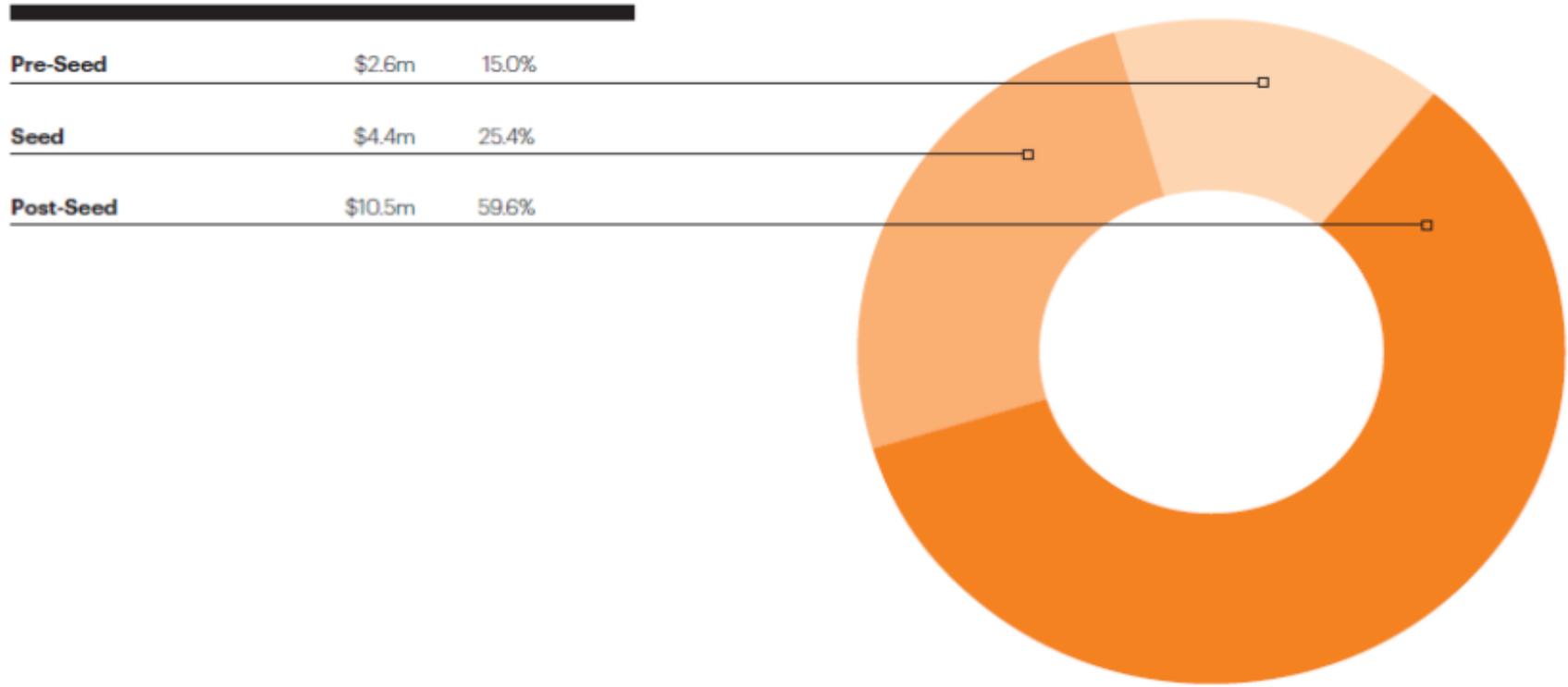
High growth, deep IP based, technology rich portfolio

Investment Portfolio Total Value \$17.5 million



Investment Portfolio

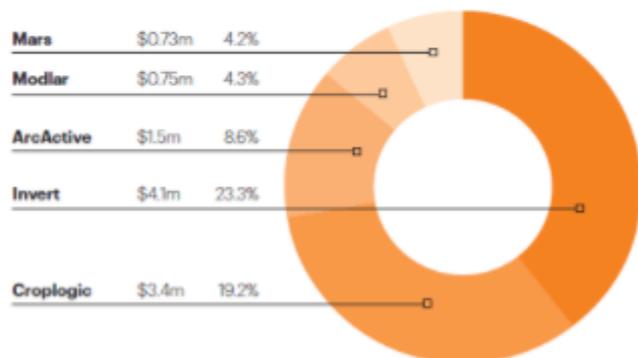
By Stage of Growth



Investment Portfolio - by stage

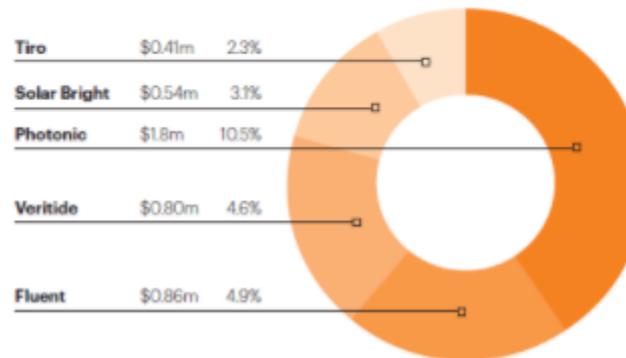
Post-Seed Stage

5 companies; \$10.5 million



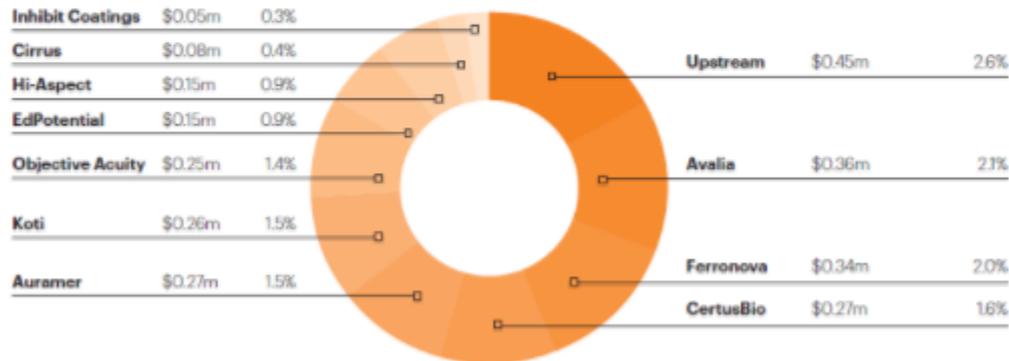
Seed Stage

5 companies; \$4.4 million



Pre-Seed Stage

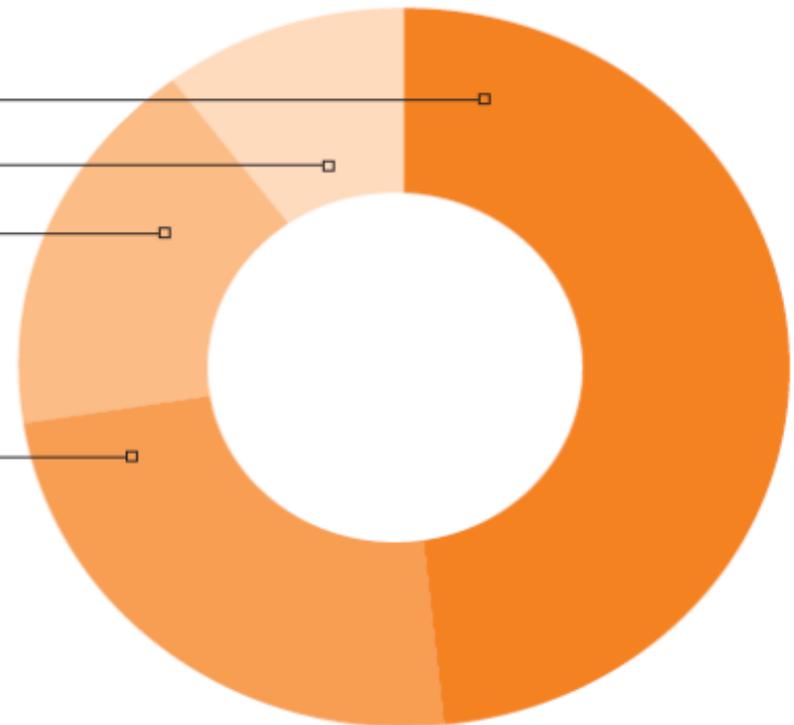
11 companies; \$2.6 million



Investment Portfolio

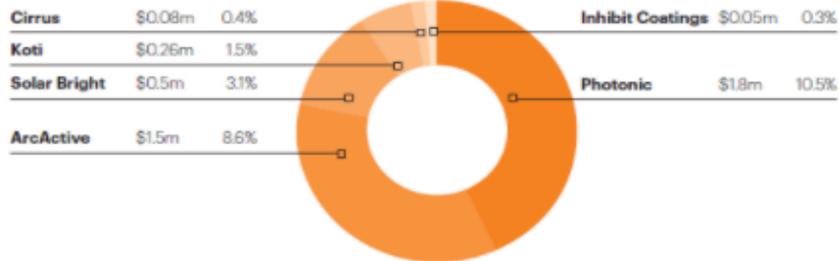
By Sector

| | | |
|-------------------------------------|--------|-------|
| Agritech & Environmental | \$8.5m | 48.7% |
| IT & Communications | \$1.8m | 10.1% |
| Medical & Healthcare | \$3.0m | 16.9% |
| Cleantech & Engineering | \$4.2m | 24.3% |

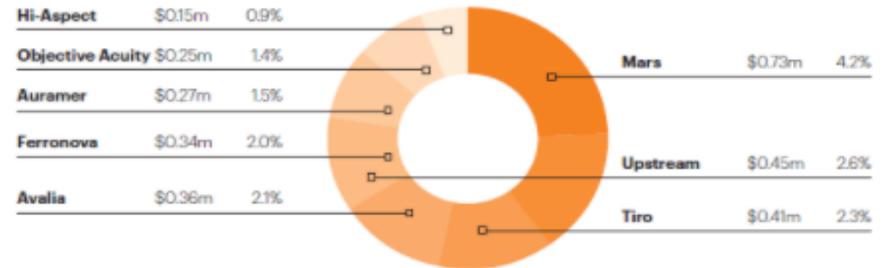


Investment Portfolio - by sector

Cleantech and Engineering 6 COMPANIES; \$4.2 MILLION



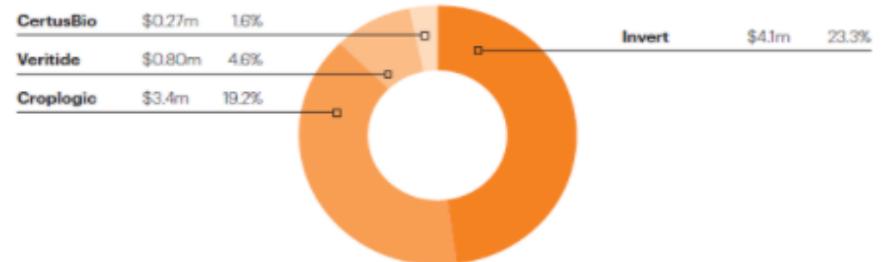
Medical and Healthcare 8 companies; \$3.0 million



Information and Communication Technologies 3 companies; \$1.8 million



Agritech and Environmental 4 companies; \$8.5 million



Re-focusing the portfolio

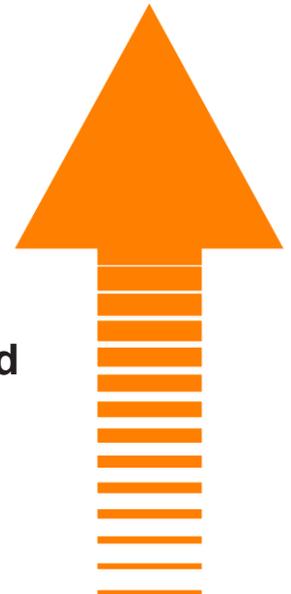
| Investee liquidity event | Event date | Purchase price | Sale proceeds | Return factor | IRR% |
|---------------------------|-------------|----------------|---------------|---------------|------|
| Syft (minor holding) | May 17 | \$100,000 | \$1,000,000 | 10X | 76% |
| ArcActive (minor holding) | Nov 17 | \$468,000 | \$1,870,000 | 4X | 26% |
| SolarBright (founder led) | In progress | | | | |
| Motim (M&A ready) | In progress | | | | |

Pathway to restoring shareholder value

- Executive Team restructured and reduced
- Operating costs reduced
- Board reduced in size from 7 Directors to 5
- Further refinement in operating model underway
- We will vigorously pursue value creating events – for on and off-model companies

General outlook

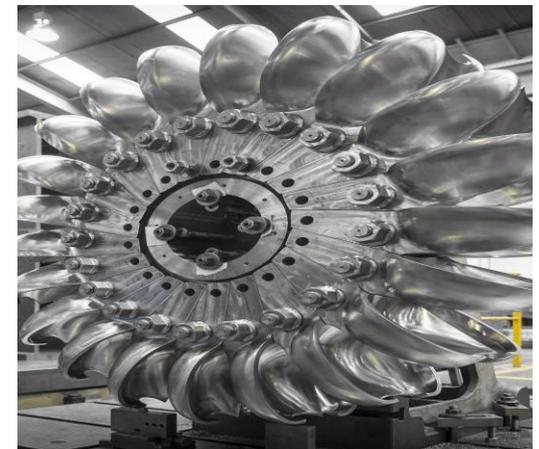
- Powerhouse funding position has improved post recent investment realisations
- No intention to raise additional ordinary equity capital at current depressed share price
- Focus on NZ operational strengths and expand in Australia
- Expect strong revenues in 2H18 from liquidity events and fair value uplifts producing NTA uplift
- Significant news flow which should close the 45% gap between NTA and current share price
- Striving for NTA growth of 20% + p.a. going forward



Major portfolio events



-
- **Powerhouse's first major loss of an investee in 2017 due largely to HydroWorks' failure to control risks during its expansion phase**
 - **Powerhouse has agonised over this outcome**
 - **We have documented key learnings to ensure lessons are embedded in everything we do**
 - **Powerhouse acknowledges the efforts put into growing this Company by its staff and Directors. We also fully acknowledge investor losses**



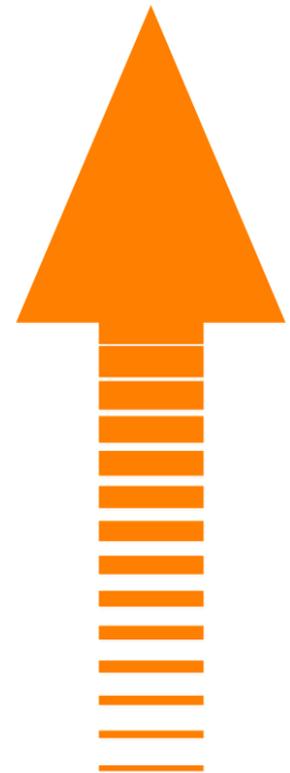


**INVERT
ROBOTICS**

powerHouse



- **Invert Robotics is ideally placed to capture global dairy, petro-chemical tank and aircraft inspection services**
- **Major European footprint – winning sales contracts**
- **Exploring fully funded M&A expansion**
- **Invert will be a well-capitalized expansion with >\$6 million raised in November 2017**



- **CropLogic provides growers and processors with crop growth forecasts for optimal productivity, using crop models and high-quality soil, climate and crop imaging input data**
- **“CLI” achieves ASX listing in September 2017 – proving the IP to IPO pathway - \$8 million raised**
- **CLI share price weakness post listing is being worked on by CLI management and advisors. We have confidence in the medium to long term prospects for CropLogic**



Annual General Meeting

24 November 2017

