



Release Date: 26 April 2022

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

QUARTERLY UPDATE ON ACTIVITIES FOR THE 3 MONTH PERIOD ENDED 31 March 2022

HIGHLIGHTS:

- Strong support from sophisticated and institutional investors for a NZ\$2.67m (AUD\$2.47m) capital raise after costs
- A number of unique and diverse investments identified with due diligence now completed
- Executed a SAFE note for A\$200k to Flomatrix, a developer of novel catheters intended to reduce the current high PIVC failure rates.
- Significant investment capacity, finishing the quarter with unaudited cash reserves of \$NZ6.5m (\$AUD6.02m)

The Board of Powerhouse Ventures Limited (**PVL or the Company**) presents the following update on activities for the 3 month period ending 31 March 2022 (**the Quarter**). Also included in this report are details of subsequent events that have occurred up to the date of this release.

BOARD STRATEGY:

The Board has continued to focus on its three pillar strategy:

1. Reduce cash burn
2. Prudent Investments
3. Expand Horizons

Having executed on the first limb (reducing cash burn to ensure alignment), we have worked hard during the last quarter on the **investing prudently** and **expanding horizons** strategies. There is more to the Board's approach than just bootstrapping cash flow and extending duration to hope we will succeed. We remain confident we will succeed. While markets sentiment may appear to be risk-off for unlisted technology plays, we have global expert networks in next frontier technologies that will be a real marker of, and key differentiator for, our medium to long term success.



We expect to be executing on a number of investments in April-May and to demonstrate our **prudent investment** approach and to establish a few more building blocks on our **expanded horizons**. Following those announcements, we expect (i.e. in late May) to be able to provide a specific investor presentation and webinar to our network of shareholders.

By way of general comment we reiterate our remarks in the February 2022 EGM. We are not exposed to domestic consumer-based technologies without core IP moats and with simple business models relying on momentum, consumer sentiment, and a single domestic market. There is a difference in our discipline and approach that we will expect to be able to prove up - and to continue to validate - over the medium term.

What we are about is looking around the corner: to companies that will produce sustainable IP moats solving global problems. When you solve for that – worries about duration, risk-off markets, and so forth are so called momentum signals that can be really just noise. When you have high conviction to back companies that solve next frontier global problems, when you invest in companies that are able to sustain their IP moats and commercialise them and generate and sustain high-margined free cash flows, the venture investors are rewarded with significant value uplifts and more certain market exits.

We are after companies that produce sustainable IP moats solving global problems in these next frontier technologies:

- (1) Electrification & Decarbonisation
- (2) Next Generation Computing
- (3) Space technologies
- (4) Health & Wellness

Our pipeline is very strong across all these sectors due to our experience and networks and ability to help such technologies commercialise.

Consistent with this approach, the Board undertook the following investment in the March quarter as outlined below.

INVESTMENT IN FLOMATRIX:

As announced on February 11, PVL executed a subscription agreement for \$A200k of SAFE notes in Australian medical device company, Flomatrix Pty Ltd. Flomatrix has developed novel peripheral IV cannula (PIVC) solutions designed to overcome issues and challenges of existing products in the global health system which have high failure rates and resultant increased costs. Early trial studies have indicated that Flomatrix's



PIVCs have dramatically lower failure rates with less internal vein damage when compared against market leading PIVC.

Please see the prior announcement for a more detailed description of Flomatrix

PRIVATE PLACEMENT:

As announced on February 4, PVL completed a private placement to institutional and sophisticated investors, made up of numerous new and existing shareholders, including all three recently appointed directors of the Company.

The Placement was conducted at an issue price of \$0.10 per Share and raised NZ\$2.67m before costs.

The funds raised in the Placement will be used as working capital to continue the execution of the Company's corporate strategy.

Please see the prior announcement for a more detailed description of Firmus Grid.

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

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: engineering and clean-tech, information communication technology and digital; medical and healthcare, agritech and environmental.

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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NZ Company number: 1854396
ARBN: 612 076 169
Date of release: 26 April 2022

Quarterly Cashflow Report (Appendix 4C)
Quarter Ended 31 March 2022

Statement of cash flows

1 Cash flows from operating activities	Current quarter \$NZD'000	Year to date \$NZD'000
1.1 Receipts from customers	1	4
1.2 Payments for		
(a) research and development	-	-
(b) product manufacturing and operating costs	-	-
(c) advertising and marketing	-	-
(d) leased assets	-	-
(e) staff costs	-	(13)
(f) administration and corporate costs	(52)	(640)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	3	4
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	(48)	(645)

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	(491)	(1,203)
(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	-	713
(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	(491)	(489)



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)	2,810	2,810
3.2 Proceeds from issue of convertible debt securities	-	-
3.3 Proceeds from exercise of options	-	149
3.4 Transaction costs related to issues of equity securities or convertible debt securities	(139)	(139)
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	2,672	2,820

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	4,367	4,813
4.2 Net cash from / (used in) operating activities (item 1.9 above)	(48)	(645)
4.3 Net cash from / (used in) investing activities (item 2.6 above)	(491)	(489)
4.4 Net cash from / (used in) financing activities (item 3.10 above)	2,672	2,820
4.5 Effect of movement in exchange rates on cash held	-	-
4.6 Cash and cash equivalents at end of period	6,500	6,500

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	6,500	4,367
5.2 Call deposits	-	-
5.3 Bank overdrafts	-	-
5.4 Other (provide details)	-	-
5.5 Cash and cash equivalents at end of quarter	6,500	4,367

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	2
6.2 Aggregated amount of payments to related parties and their associates included in item 2	-

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



7 Financing facilities available Note: the term 'facility' includes all forms of financing arrangements available to the entity.	Total facility at quarter end	Amount drawn at quarter end
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)	(48)
8.2 Cash and cash equivalents at quarter end (Item 4.6)	6,500
8.3 Unused finance facilities available at quarter end (Item 7.5)	-
8.4 Total available funding (Item 8.2 + Item 8.3)	6,500
8.5 Estimated quarters of funding available (Item 8.4 dividend by Item 8.1)	135
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 April 2022

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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