

Dear Powerhouse shareholders and supporters

Since the last time I wrote to you (24 August), we have successfully completed our IPO on the Australian Securities Exchange, raising in excess of A\$10m of new capital. I would like to welcome all new shareholders and extend my thanks to those pre-IPO shareholders that have supported us through this journey.

On listing date, we released our Annual results to 30 June 2016, which showed a significant increase in revenues and net profit. We will be holding our Annual General Meeting in Christchurch on 16 December and if you are a shareholder you will have received further information regarding this.

Since balance date the number of Powerhouse portfolio companies has increased from 19 to 22 including our first Australian investment, Ferronova from the University of South Australia (announced to the ASX on October 17th 2016). We have also completed investments into Objective Acuity (Auckland) and EdPotential, (Wellington). All look to be exciting opportunities.

In addition to these three new investments, three of our portfolio companies were recently recognised by the NZ TIN100 – an independent analysis of New Zealand technology sector companies. CropLogic, Invert Robotics and MARS Bioimaging were named three of the 10 most promising early stage New Zealand companies at these annual awards. This is encouraging recognition of the quality of our portfolio.

Capital Market Briefings – Melbourne 28th of November, Sydney 29th of November

We anticipate profiling these three companies at our first ‘Capital Market Briefings’, which will be held on 28th and 29th November 2016 in Melbourne and Sydney respectively. These events focus on communicating our strategy and plans to capital market participants and as part of this update, we invite shareholders, supporters and potential investors to meet with these portfolio companies to hear about their progress. More details will be announced shortly. It would be great to see you there.

To receive the Capital Market Briefings materials and generally remain informed of Powerhouse and portfolio company progress, I encourage you to register for email alerts at our website:

<http://www.powerhouse-ventures.co.nz/newsletter-signup>

If you are a new investor to Powerhouse interested in the background story of the Company and our philosophy behind commercialising university generated research, then perhaps you could connect with me on LinkedIn to see my ongoing commentary on these topics.

<https://nz.linkedin.com/in/stephen-hampson-5870701>

Following our listing on the ASX, we now have the capital and university sourced deal flow to support our objectives for the coming years.

We will identify and invest in ground-breaking intellectual property developed at New Zealand and Australian universities, create new ventures and grow those companies into globally competitive businesses.

Our existing portfolio holds much promise and I expect a couple of our more advanced companies to seek their own stock market listings next calendar year, which will greatly improve market visibility of the value we have created to date.

We are looking forward to the opportunities and responsibilities of being a publicly listed company and delivering attractive returns for our shareholders. Going forward, Powerhouse intends to maintain regular communication with all shareholders and other interested parties.

I thank you for your support to date.

Yours sincerely,

A handwritten signature in black ink, appearing to be 'S. Hampson', written over a horizontal line.

Dr Stephen Hampson
Managing Director