

**ASX Release****Powerhouse Ventures Limited****(ASX Code: "PVL")****NZ Company No. 1854396 / ARBN 612 076 169****Full Year Financial Results****Christchurch, New Zealand, 30 August 2019****Executive Summary:**

The Board of Powerhouse Ventures Limited (PVL or the Company) believes that the release of the 2018/19 full year Financial Results will mark the closure of what has been a difficult period for PVL as a listed entity.

Much work has been done over the past 12 months in relation to the restructuring of the business and a range of hard decisions have been taken in relation of the viability of some of the portfolio investments held by PVL and the size and nature of the corporate structure that is appropriate to run a business of this scale.

The PVL Board believes the underlying PVL business model remains strong and the lessons learnt over the past few years will prove invaluable to its future prosperity; however the Board acknowledges that the business needs to seek new partners and build alliances that will enable PVL to be a true "end to end" IP commercialization business.

This process has started and the recent placement of shares to Jun Hong Shen (Aust) Ltd, the Australian subsidiary of Shanghai-based investment company Shanghai Junsheng Investment Fund, is the first step in this new direction.

The capital structure of PVL remains very tight (the top 3 shareholders hold approximately 44% of the shares on issue) and to ensure adequate liquidity this may need to be addressed, but in the meantime the Company is appropriately funded.

Whilst the PVL Board acknowledges that it will exit an investee company if deemed appropriate, the ongoing focus will be to work with PVL's core investment portfolio to help these organisations with their continued growth as well as to make new investments that meet the refined investment criteria that have been developed as a result of the past several years of operations – that have included both good and bad investment outcomes.

The Board expects to retire its ~ \$2.2m of Convertible Notes in the coming months, leaving the Company debt free and with an excellent portfolio of investment companies that will have the ability to provide significant upside to the current underlying share price.

Summary of Financial Results (Unaudited)

Note: all currency figures are expressed in NZD unless otherwise stated.

Statutory loss after tax of NZ\$(3.97) million is primarily due to fair value changes in the portfolio largely a result of lack of milestone achievement. This follows the first half (1H19) loss after tax of NZ\$(2.93) million. As such the second half (2H19) loss was (\$1.04) million.

Income including fair value changes of NZ\$(2.69) million improved by \$3.61 million to NZ\$(1.83) million compared with previous corresponding period (PCP), driven by lower revaluation losses from portfolio companies.

Post revaluations, Net Tangible Asset (NTA) backing equated to 19 cents per share which remains significantly above the current share price.

Results summary for the full year	FY19 (Unaudited)	FY18 (Restated)	Change
Fair value changes in portfolio (statutory) (\$m)	\$(2.69)	\$(6.71)	\$4.02
Total revenues (statutory) (\$m)	\$(1.83)	\$(5.44)	\$3.61
Net profit / (loss) after tax (statutory) (\$m)	\$(3.97)	\$(10.43)	\$6.46
Earnings per share (statutory) (cents)	(14)	(36)	22
Final dividend per share (\$m)	Nil	Nil	Nil
Net tangible asset backing per ordinary security (\$)	0.19	0.32	(0.13)

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Fair Value Changes in the Period (Unaudited)

The key portfolio value changes in the period were as follows:

Portfolio Company	Fair Value Change Recorded \$ million	Powerhouse Carrying Value at 30 June 2019 \$ million	Powerhouse Ownership Interest
Photonic Innovations	(0.76)	-	30.6%
Veritide	(0.50)	-	44.0%
Fluent Scientific	(0.45)	-	15.4%
Tiro Medical	(0.41)	-	29.6%
Modlar	(0.38)	-	9.9%
Invert Robotics	0.32	2.84	8.1%
Upstream Medical Technologies	(0.23)	-	0.0%
Other devaluations	(0.43)		
Other uplifts	0.15		
Total fair value changes	(2.69)		

As a result of these changes in value, the overall carrying value of the Powerhouse portfolio of technology companies stands at \$7.5 million as at 30 June 2019 (\$11.5 million as at 30 June 2018).

Dividend

No dividend was declared or paid by the Company in the period under review.

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About Powerhouse Ventures Limited

Powerhouse is a leading intellectual property commercialisation company which focuses on developing brilliant research from New Zealand and Australian universities into world changing businesses. It has developed a unique approach to develop these innovations and businesses by providing access to business building expertise, capital, networks, recruitment and ongoing business support. Powerhouse has a successful track record with an existing active portfolio of early stage to mature businesses across four main sectors: engineering and clean-tech, medical and healthcare, agritech and environmental, and digital and ICT.

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