

ASX Release
Powerhouse Ventures Limited ("PVL" or the "Company")
Suite 201, 117-119 McLachlan Street, Fortitude Valley QLD 4006
(ASX Code: "PVL")
ABN: 64 612 076 169

Release Date: 23 January 2025

QUARTERLY UPDATE ON ACTIVITIES FOR THE 3 MONTH PERIOD ENDED 31 DECEMBER 2024

HIGHLIGHTS

- **NTA uplift during the quarter to 10.4 cents per share (subject to audit)**
- **Completion of established funds manager acquisition Aliwa Funds**
- **Integration of Australian Financial Services License (AFSL) and ramp up of advisory platform**
- **Sale of CourseLoop investment following takeover by Technology One (TNE.ASX) realising \$790k in cash**
- **Natural Capital portfolio company Revaia merger with Regenco creating preeminent independent Carbon Project Developer in Australia**
- **Active investment in Metal Powder Works (MPW) and facilitation fee. MPW to be acquired by K-TIG (KTG.ASX) in relisting.**

The Board of Powerhouse Ventures Limited (**PVL or the Company**) presents the following update on activities for the 3-month period ending 31 December 2024 (**the Quarter**). The PVL team have efficiently completed the key acquisitions and infrastructure build and are getting on with the critical task of delivering shareholder value beyond pure risk exposure to long-duration assets on balance sheet.

We believe we now have the right people and structure to be a speciality investment and advisory house that reliably and repeatedly delivers to shareholders both a predictable annuity revenue stream as well as market-based transactional profits.

PVL is focused on asset classes that are in short term market dislocation and are under-appreciated or opportunities that represent the next frontier of real growth. We see immense opportunity in the current market volatility and risk-off characteristics. We also have unique experience and continued access to exciting opportunities stemming from major global shifts and technological advancements in AI, advance compute, and materials science.

Trading division and underlying investments bolster NTA: Following the sale of \$531k in listed investments we delivered a net trading gain of \$173k. With the successful sponsorship of our carbon project development business via a M&A transaction, we have the basis to write up this investment by ~\$2.7m. Our investment activity in the quarter has improved our NTA (subject to our standard validation and audit processes) to \$14.5m, or 10.4 cents per share as at December 31.

Acquisition of Aliwa Funds Management complete: As announced on the 19th of December, the acquisition of Aliwa Funds Management has been completed, delivering to PVL a functioning and operating funds management business. When combined with existing PVL's assets currently on balance sheet, the funds management division will initiate management of in excess of \$30m separated into 2 distinct strategies, microcap and venture capital. This platform provides a solid foundation to grow funds under management in 2025.

Successful integration of AFSL: During the quarter the group finalised the acquisition of an Australian Financial Services Licence, giving the business greater flexibility and control in its activities as an investment and advisory house. The acquisition is accretive due to immediate costs savings by internalising the licensing for the funds management and advisory divisions. The entity is profitable and has other licensees and funds operating under the license allowing for broader ecosystem and community benefits.

Advisory division signs first contracts: Over the quarter the business signed its first advisory mandates with several companies ranging from capital raising execution, M&A advisory and investor relations mandates. Our strategy here is to use network effects (principally from our funds business networks and experience as well as key strategic shareholders) to maintain a lean and agile cost base. The activity of this division should therefore be incremental to a positive bottom line and repeatedly deliver opportunities for market-based transactional profits.

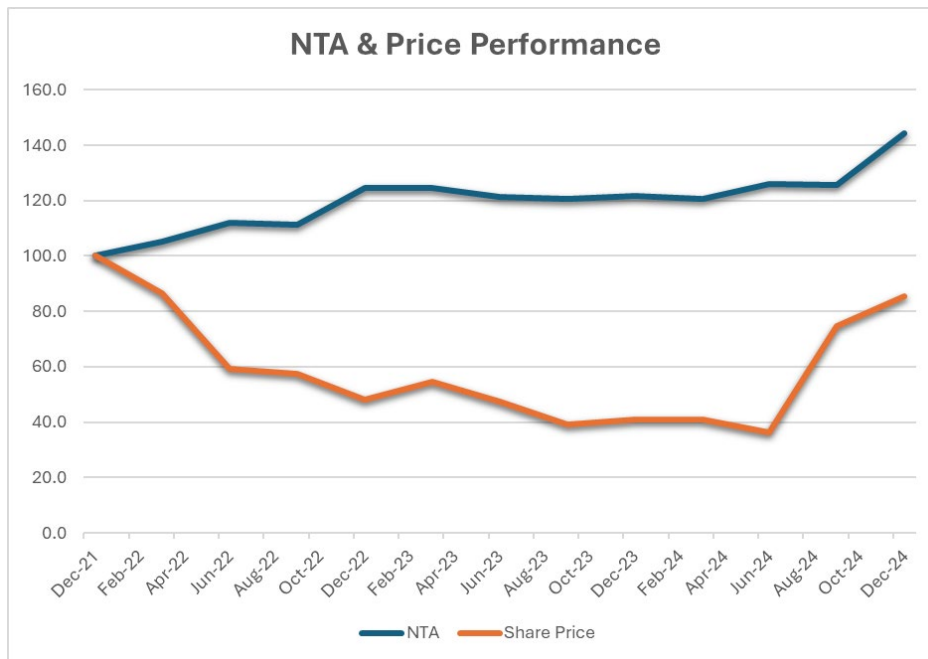
FINANCIAL POSITION:

The Company's cash position at 31 December 2024 was \$2.05m with no debt and \$0.9m (unaudited) of listed assets.

The business had net free cash generation of \$231k for the quarter from the combination of operating and investing activities. Net cash from **operating activities** for the quarter was (\$162k) compared to (\$163k) for the previous quarter. PVL generated net cash profits from **investing activity** of \$393k by tactically trading its Level 1 investments in the quarter.

In addition, the company holds \$11.4m in unlisted assets after a \$2.7m increase in the valuation of our unlisted carbon developer Revia, following a successful capital raise and merger with RegenCo. The group NTA during the quarter grew from \$11.4m at 3Q25 to \$14.5m, implying a growth of 10.4 cents per share.

PVL notes that any commentary on our investment activity and changes to NTA remain subject to confirmation through PVL's valuation and auditing process. Formal valuations will be provided with the release of the upcoming half year results. With that caveat, we continue to demonstrate solid performance:



In addition to the Quarterly numbers, the duration mix and cogency of carrying values of the investment assets continues to improve. The Board remains confident in the carrying value of all our assets. During the quarter PVL received \$790k for its equity investment in CourseLoop realising a gain of \$355k on the 30 June 2024 carrying value of the investment.

STRATEGIC UPDATES:

In December, we announced a successful merger of our active investment in an Australian Carbon Project Developer Revaia. We believe that the merged enterprise, called RegenCo Group Ltd, is now well placed to be the pre-eminent independent Carbon Project Developer in Australia, a thematic on which we have high conviction. As part of the merger transactions, PVL added to its initial \$500,000 investment with an additional \$250,000. In aggregate PVL's position will, subject to completion and audit of our valuation marking processes, have a justifiable new carrying value in excess of \$3m.

In December, we also indicated the Australian Government backed National Reconstruction Fund Corporation corner-stoned funding round into Quantum Brilliance, which crystallised the conversion of our note position into equity at a discount to the fund raise price. This triggered a small re-rate of our carrying value but more importantly we re-confirm our investment thesis around Quantum Brilliance's emerging capabilities in quantum technologies and diamond materials for advanced chip fabrication.

PVL made a \$200,000 active investment in Metal Powder Works based in Pittsburgh, Pennsylvania, USA and specialises in the production of high-quality metal powders for additive manufacturing and other advanced applications. PVL helped originate and facilitate the acquisition of Metal Powder Works for K-TIG Ltd (ASX:KTG) for which PVL anticipates receiving an additional \$110,000 fee in scrip value into KTG following the acquisition and shareholder approval. The acquisition and ASX trading is expected to commence in the March 2025 quarter. Morgans Corporate is the Lead Manager to KTG for this transaction.

The Aliwa funds management business transaction has been completed, and we are now in execution mode of our strategy, as set out in the AGM presentation dated 24 November 2024 and lodged with ASX on that date. With a combination of the PVL assets with the Aliwa Funds unlisted portfolio, we expect the funds management division to have AUM in excess of \$30m with a view to raising further capital in 2H FY25. The acquisition finalises the transition of Powerhouse Ventures from an investment company to a broader inclusion of funds management and advisory business in line with strategy 2.0 outlined at the AGM.

Towards the end of the quarter, we made an opportunistic investment in ASX-listed Percheron Technologies Ltd (PER.ASX) and subsequent to the quarter end, increasing our position to be a substantial holder. PVL views this as an exciting opportunity in line with our strategic objectives.

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 a high conviction, speciality investment house with an expanding range of funds management products, advisory and capital syndication services, and investor relations support. We focus on asset classes that are in short term market dislocation and under-appreciated and / or represent the next frontier of growth opportunity. We have high

conviction on listed small caps, Australian carbon projects, Materials Science, Next Generation AI.

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Quarterly Cashflow Report (Appendix 4C)
Quarter Ended: 31 December 2024

Statement of cash flows

1 Cash flows from operating activities	Current quarter \$AUD'000	Year to date \$AUD'000
1.1 Receipts from customers	53	53
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	(245)	(426)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	29	48
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	(162)	(325)

2 Cash flows from investing activities	Current quarter \$AUD'000	Year to date \$AUD'000
2.1 Payments to acquire:		
(a) entities	-	-
(b) businesses	-	-
(c) property, plant and equipment	-	-
(d) investments	(1,101)	(2,281)
(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	1,495	2,154
(e) intellectual property	-	-
(f) other non-current assets	-	-
2.3 Cash flows from loans to other entities	-	60
2.4 Dividends received (see note 3)	-	-
2.5 Other (provide details if material)	-	-
2.6 Net cash from / (used in) investing activities	393	(67)

3 Cash flows from financing activities	Current quarter \$AUD'000	Year to date \$AUD'000
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)	-	-
3.10 Net cash from / (used in) financing activities	-	-

4 Net increase / (decrease) in cash and cash equivalents for the period	Current quarter \$AUD'000	Year to date \$AUD'000
4.1 Cash and cash equivalents at beginning of period	1,817	2,440
4.2 Net cash from / (used in) operating activities (item 1.9 above)	(162)	(325)
4.3 Net cash from / (used in) investing activities (item 2.6 above)	393	(67)
4.4 Net cash from / (used in) financing activities (item 3.10 above)	-	-
4.5 Effect of movement in exchange rates on cash held	-	-
4.6 Cash and cash equivalents at end of period	2,048	2,048

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 \$AUD'000	Previous Quarter \$AUD'000
5.1 Bank balances	2,048	1,817
5.2 Call deposits	-	-
5.3 Bank overdrafts	-	-
5.4 Other (provide details)	-	-
5.5 Cash and cash equivalents at end of quarter	2,048	1,817

6 Payments to related parties of the entity and their associates	Current quarter \$AUD'000
6.1 Aggregated amount of payments to related parties and their associates included in item 1	64
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

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	\$AUD'000
8.1 Net cash from / (used in) operating activities (Item 1.9)	(162)
8.2 Cash and cash equivalents at quarter end (Item 4.6)	2,048
8.3 Unused finance facilities available at quarter end (Item 7.5)	-
8.4 Total available funding (Item 8.2 + Item 8.3)	2,048
8.5 Estimated quarters of funding available (Item 8.4 dividend by Item 8.1)	13
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: 23/01/2025

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.