

## 1. Company details

Name of entity:	Powerhouse Ventures Limited
ABN:	64 612 076 169
Reporting period:	For the year ended 30 June 2024
Previous period:	For the year ended 30 June 2023

## 2. Results for announcement to the market

	Change on	previous period	\$
Revenue and fair value changes from ordinary activities	down	23.0% to	1,092,169
Profit from ordinary activities after tax	down	43.5% to	405,079
Profit for the year	down	43.5% to	405,079

	2024 Cents	2023 Cents
Basic earnings per share	0.34	0.59
Diluted earnings per share	0.34	0.59

### Dividends

There were no dividends paid, recommended or declared during the current financial period.

### Comments

For the profit commentary and any other significant information needed by an investor to make an informed assessment of Powerhouse's results please refer to the accompanying audited Financial Statements for the Year Ended 30 June 2024.

## 3. Net tangible assets

	Reporting period \$	Previous period \$
Net tangible assets per ordinary security	0.09	0.09

## 4. Control gained over entities

Not applicable.

## 5. Loss of control over entities

Not applicable.

## 6. Dividends

### Current period

There were no dividends paid, recommended or declared during the current financial period.

### Previous period

There were no dividends paid, recommended or declared during the previous financial period.

For personal use only

## 7. Dividend reinvestment plans

Not applicable.

---

## 8. Details of associates and joint venture entities

Profits and losses of portfolio companies are not consolidated into aggregate results as investee companies are measured at fair value through profit and loss in accordance with AASB 10.

---

## 9. Foreign entities

*Details of origin of accounting standards used in compiling the report:*

Not applicable.

---

## 10. Audit qualification or review

*Details of audit/review dispute or qualification (if any):*

The financial statements have been audited and an unmodified opinion has been issued.

---

## 11. Attachments

*Details of attachments (if any):*

The Annual Report of Powerhouse Ventures Limited for the year ended 30 June 2024 is attached.

---

## 12. Signed



Signed \_\_\_\_\_

Date: 30 August 2024

James Kruger  
Executive Chairman  
Brisbane, Australia

For personal use only

# Powerhouse Ventures Limited

ABN 64 612 076 169

Annual Report - 30 June 2024

For personal use only

Directors	James Kruger - Executive Chairman Joseph Demase - Non-Executive Director (resigned 26 March 2024) Joshua Baker - Non-Executive Director David McNamee - Non-Executive Director (appointed 26 March 2024)
Company secretary	Sally McDow
Registered office	Ground Floor 477 Boundary Street Spring Hill Brisbane QLD 4000
Principal place of business	Ground Floor 477 Boundary Street Spring Hill Brisbane QLD 4000
Share Registry	Xcend Investor Services Pty Ltd Level 1, 139 Macquarie Street Sydney NSW 2000
Independent Auditors	William Buck Audit (Vic) Pty Ltd Level 20, 181 William Street Melbourne VIC 3000
Solicitors	Cornwall Lawyers Level 4 380 Collins Street Melbourne VIC 3000
Shareholder Enquiries	+61 02 7208 8033 Shareholders requiring clarification of holdings or requesting changes of name or address should contact Xcend Investor Services Pty Ltd directly. A variety of requisite forms may be downloaded from <a href="http://investor.xcend.co">http://investor.xcend.co</a> .
Communications	Phone: +61 07 3085 7200 Email: <a href="mailto:info@phvl.com.au">info@phvl.com.au</a> Website: <a href="http://www.phvl.com.au">www.phvl.com.au</a>

For personal use only

## CHAIRMAN'S REVIEW

Dear Fellow Shareholders,

We are pleased to present the 2024 Annual Report for Powerhouse Ventures Limited (ASX:PVL). Business and market conditions for technology and start-up style companies has been strained for a prolonged period. We have been diligent in re-marking our portfolio carrying value and have worked closely with our external advisors and auditors in this process. We are proud that our portfolio reported results show that they are well placed to robustly withstand these external shocks.

Our financial results are solid - and very good in the context of the overall market - but what is even more pleasing for me is the building blocks to effect a change in our equity story:

- 1. Low Dilution:** In the 2.5 years as my tenor as chairman we have effected one dilution event, back in March 2022. We continue to focus on unnecessary cash burn by running a tight ship and we seek to recycle capital, where available.
- 2. High Quality Earning Base:** Our investing strategically focus has allowed us to skew the duration and quality of assets to shorter term prospects. We have improved the quality (and, to a marginal extent, the quantity) of our NTA.
- 3. Team:** We have been able to keep together a robust execution and financial control team, and recently we have been able to augment our team capability with new directors, David McNamee and Doron Eldar, who are experienced portfolio managers with solid track records and broad investor networks.

### High Quality Asset Base

We consider portfolio companies to be "high quality" if they have been able to close subsequent funding rounds and remain well capitalised and / or are in active M&A discussions. Over 98% of our portfolio falls within this category. Further, we have recently made a number of investments in shorter duration opportunities. A number of these investments have been in ASX-listed companies to further skew the portfolio with a higher degree of liquidity and shorter duration.

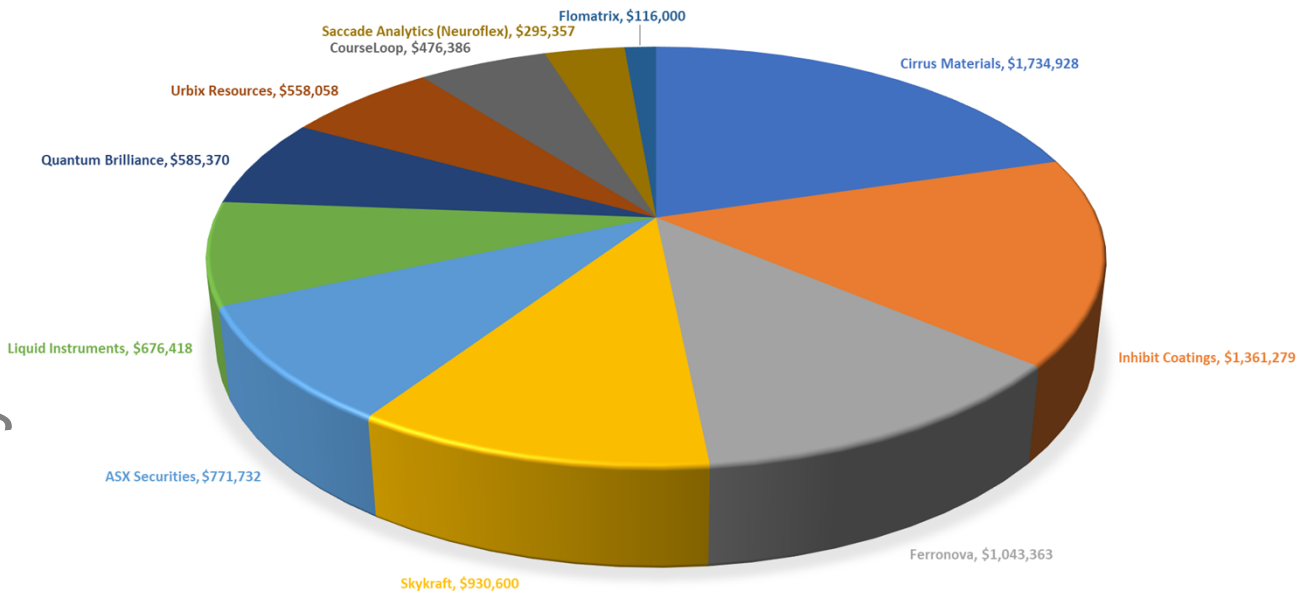
### Key Financial Highlights

- **12% increase in carrying value** of the Group's portfolio investments from A\$7,625,700 (FY2023) to A\$8,549,490 (FY 2024) which includes \$771,732 of ASX-listed securities (2023: \$12,945).
- **Cash reserves of \$2,440,264** as at 30 June 2024 (2023: \$3,038,695).
- **4.5% uplift in NTA per share** from \$0.088 (FY2023) to \$0.092 (FY2024).
- **98.6% of portfolio "high quality"** versus 89.1% in FY2023.

### Portfolio Summary

As stated above, our portfolio is well constructed with a spread of sub-sector and jurisdictional exposures and measurable high quality by virtue of their fund-raising activity or M&A discussions, or listed nature.

PVL INVESTEE COMPANY CARRYING VALUE AT 30/06/24



For personal use only

**Post Balance Date Activity**

On 9 July 2024, we announced our first active sponsorship investment in a carbon project developer business, which we will seek to actively assist in its scale up strategy and corporate financing, in return for additional equity participation. We were able to utilise our structuring expertise to facilitate this transaction with great partners. We will look for other opportunities of this nature.

**Summary**

I want to thank the Group's executive team for their valuable contributions to the continued growth in the Groups' performance and commitment to excellence.

James Kruger  
Executive Chairman  
Powerhouse Ventures Limited  
30 August 2024

The Directors present their annual report on Powerhouse Ventures Limited ("the Company") and its controlled entities ("the Group") for the year ended 30 June 2024.

## **BOARD OF DIRECTORS**

The Board of Directors ("the Board") is responsible for the overall corporate governance of the Group. The Board monitors the operational and financial position and performance of the Group and oversees its business strategy, including approving the strategic goals of the Group. The Board is committed to maximising performance, generating appropriate levels of Shareholder value and financial return, and sustaining the growth and success of the Group.

In conducting business, the Board's objective is to ensure that the Group is properly managed to protect and enhance Shareholder interests and that the Group, its Directors, officers, and employees operate in an appropriate environment of corporate governance. Accordingly, the Board has created a framework for managing the Group including adopting relevant internal controls, risk management processes and corporate governance policies and practices which it believes are appropriate for the Group's business and which are designed to promote the responsible management and conduct of the Group.

The names and details of the Group's directors in office during the financial year and until the date of this report are set out below. Directors were in office for this entire period unless otherwise stated.

### **Names, qualifications, experience and special responsibilities**

**James Kruger** (Executive Chairman, appointed 24 November 2021)

James is a global consultant and investor in deep tech and energy transition supply chains. He holds bachelor degrees in Commerce, Law, and Arts from Queensland University and a Masters of Applied Finance from Macquarie University. James has a passion for improving the sovereign capability of Australia through the commercialization of national-wide research and science capabilities and seeks to utilize his Asian network and global legal and investment banking skills from a 20+ year global career at Macquarie Group Limited.

**Joseph Demase** (Non-executive Director, appointed 24 November 2021 and resigned 26 March 2024)

Joe holds a Bachelor of Business (B.Bus Acct) from Deakin University and was Managing Director of ASX listed Webcentral Limited (WCG). He has held this position for the last 6 years. Webcentral is Australia's leading domain and hosting provider with 350,000 customers. WCG has completed over 13 acquisitions.

**Joshua Baker** (Non-executive Director, appointed 24 November 2021 and resigned 10 July 2024)

Joshua was a Portfolio Manager at Capital H Management, a boutique investment firm focused on small and microcap companies. He holds a Bachelor's degree in Economics and Finance from RMIT University and has over 10 years' experience across multiple sectors of the financial services industry from general wealth management through to hedge funds.

**David McNamee** (Non-executive Director, appointed 26 March 2024)

David is the founder and Portfolio Manager at Aliwa Funds Management, a boutique investment firm focused on finding, investing in, and helping Australia's best emerging companies. His role has naturally extended to taking an active role with board and management teams helping them deliver on execution, strategies and capital market initiatives. He has invested in a broad range of sectors and built strong relationships with industry experts and investment networks.

**Doron Eldar** (Non-executive Director, appointed 10 July 2024)

Doron has a BA in Business Economics and is a tech entrepreneur and venture capitalist with over a decade of senior leadership experience on both sides of the industry. He is a partner in SIBF, an Israeli Venture Capital firm and has expertise in corporate strategy, business development, M&A, and go-to-market strategies. He is deeply involved in the VC space and leverages his extensive background to identify and nurture high-potential startups.

Throughout his career, he has held various managing positions in both private and public companies, driving growth, spearheading strategic initiatives, and facilitating successful exits. His passion lies in fostering innovation and guiding businesses toward sustainable success.

**COMPANY SECRETARY**

**Sally McDow** (Appointed 1 December, 2022)

Sally McDow is an experienced corporate governance professional and company secretary. Holder of a Bachelor of Laws from the QLD University of Technology in 1995 and admitted as a solicitor in QLD in 1998, Sally has international experience working in the UK, Europe and North America for 15+ years in senior governance, company secretarial and compliance roles focused in the financial services sector.

Sally holds an MBA from Simon Fraser University in Canada and a Corporate Governance Diploma from the Chartered Secretaries Institute. Sally is a graduate of the Australian Institute of Company Directors course in 2019 and has experience as a company secretary for multiple ASX listed and unlisted companies across various sectors including funds management and technology.

The relevant interests of each director in the share capital of the Company shown in the Register of Directors' Shareholding as at the date of this report is:

<b>Director</b>	<b>Shares</b>	<b>Unlisted Options</b>	<b>Shares issued on exercise of options</b>
James Kruger	1,100,000	-	-
Joseph Demase (resigned 26 March 2024)	2,500,000	-	-
Joshua Baker (resigned 10 July 2024)	-	-	-
David McNamee (appointed 26 March 2024)	7,646,776	-	-
Doron Eldar (appointed 10 July 2024)	-	-	-
<b>Total</b>	<b>11,246,776</b>	-	-

The Directors named below have disclosed the following directorships held in ASX-listed or unlisted public entities in the last 3 years:

<b>Director</b>	<b>Company Name</b>	<b>Position Held</b>	<b>Period Position Held</b>
James Kruger	Lava Blue Limited	Director	June 2021 to current
James Kruger	Boomarra Minerals Ltd	Director	June 2021 to current
James Kruger	Quantum Brilliance Limited	Director	March 2021 to current
James Kruger	Greatcell Energy Limited	Chairman	January 2023 to current
Joseph Demase (resigned 26 March 2024)	Webcentral Limited	Managing Director	October 2022 to December 2023
Joseph Demase (resigned 26 March 2024)	5G Networks Limited	Managing Director	January 2017 to November 2021, and January 2024 to current
Joshua Baker (resigned 10 July 2024)	Nil	Nil	Nil
David McNamee (appointed 26 March 2024)	Regenco Limited	Non-Executive Director	July 2023 to current
Doron Eldar (appointed 10 July 2024)	Dotz Nano Limited	Non-Executive Director	January 2020 to current

**Board Committees**

Public company committees typically consist of at least three members, where the Board consists of four or more members. Where the Board has fewer than four members, as is the case with Powerhouse Ventures Limited, then the duties of the Committee are discharged by the full Board.

The number of Directors' meetings attended by each of the Directors of the Group during the year to 30 June 2024 was:



Board of Directors	Number Attended	Number Eligible
James Kruger	13	14
Jospeh Demase	11	11
Joshua Baker	14	14
David McNamee	4	4

#### Principal activities

Powerhouse Ventures Limited invests in deep-tech innovators solving global problems. PVL invests in and adds value to companies that produce sustainable IP moats in the electrification & decarbonization, next generation computing, space technologies and healthcare technologies sectors.

#### Operating results

The consolidated profit for the year after income tax was \$405,079 (2023: profit of \$717,346), lower by \$312,267. The main drivers behind this change included a lower net change of \$229,185 in the fair value of investments held at year end, the impact of foreign exchange losses year on year on investments and cash of \$231,916 and the difference in consulting fees year on year of \$212,105. Offsetting these to some degree was the gains generated on the sale of investments. Further details can be found in the attached Financial Statements and notes to the accounts.

#### Dividends

There were no dividends paid, recommended or declared during the current or previous financial year.

#### Review of Financial Condition

At the end of the 2024 financial year, cash resources were \$2,440,264 (2023: \$3,038,695). These accounts have been prepared on a going concern basis.

Assets increased to \$11,163,792 (2023: \$10,746,429) and equity increased to \$11,073,573 (2023: \$10,649,983).

Contributing to the \$417,363 increase in total assets was the net uplift in the carrying values of the Group's portfolio companies. In addition, the Group's cash flow management continue to support overall strength in working capital.

The \$423,590 increase in equity was largely due to the full year profit after tax of \$405,079.

## Operating review

### New Investments

The Board has shared its strategic vision of facilitating Australian innovation solving global problems. In particular, PVL is focusing on companies with sustainable IP capability in four sectors, namely Electrification & Decarbonisation, Next Generation Computing, Space technologies, and Healthcare Technologies. These are areas where (a) there is significant global-scale demand for problem solving via commercially ready and scalable IP (b) the PVL team has broad-based and global insights.

In April 2024 PVL made a pre-IPO investment of \$250,000 in Sun Silver Ltd (ASX:SS1). Sun Silver is underpinned by the Maverick Springs asset, a globally significant asset with an Inferred Mineral Resource of 292,000,000oz AgEq at 72.4gt Ag. Sun Silver aims to develop the Maverick Springs silver project in Elko County, Nevada, and undertake early-stage studies to assess the feasibility of silver paste and solar energy opportunities. Following a highly successful IPO, PVL sold down its holding realising a gain on sale of \$300,581.

In May 2024 PVL made a follow-on \$150,000 investment by way of convertible note in Liquid Instruments which is an innovative and market leading company that delivers software defined instrumentation. Liquid Instruments was spun out of the Australian National University in 2014 and is gaining traction in a \$20B market with customers across industries like Aerospace & Defence, Automotive, Connectivity and Semiconductor.

In June 2024 the Group invested strategically in 2 ASX-listed entities that met PVL's strict investment criteria with a shorter duration focus. EQ Resources Ltd (ASX:ERQ) which is a Queensland based tungsten (a critical mineral) metal producer and Pointerra Limited (ASX:3DP), a company with digital twin asset management technology solutions across sectors including mining and infrastructure enabling decarbonisation.

In FY25 the Group will continue to assess new investment opportunities but with an exceptionally high return hurdle and focus on more liquidity and shorter investment duration.

### Review of the Existing Investment Portfolio

The Board is pleased with the \$364,682 unrealized net increase in the collective valuations in the existing investments held at 1 July 2023. In particular, Inhibit Coatings re-rated very well following a very successful capital raise. Among the other investments, CourseLoop and Neuroflex recorded increases in their carrying values, whilst Certus Bio, Liquid Instruments, Urbix Resources and Flomatrix were written down to lower levels.

Overall, the 30 June 2024 the audited valuation of the portfolio stood at \$8,549,490 (2023: A\$7,625,700).

### 2024 Annual General Meeting

The 2024 AGM will be held virtually on 14 November 2024. A Notice of Meeting outlining business to be covered at the 2024 AGM will be sent to shareholders during October 2024, including details on how to attend online.

### Significant changes in the state of affairs

On 24 June 2024 the Group provided a strategy update to the market. The Board of Directors noted that notwithstanding efforts on cash burn, there were external factors putting added pressure on cost base. The Board noted that, given these regulatory obligations and market conditions, the strategy to "expand horizons" and pursue funds management opportunities remained essential and that there were plans underway to execute on this in the next financial year, ending 30 June 2025

There were no other significant changes in the state of affairs of the Group during the financial year.

### Matters subsequent to the end of the financial year

As previously advised to the ASX, on 9 July 2024, the Group has formed a syndicate of investors to establish and co-sponsor a new natural capital platform in the Australian carbon market. The Group's investment into that syndicate was a \$500,000 share subscription.

As previously advised to the ASX on 10 July 2024, Joshua Baker resigned as a director of the Company and was replaced by Doron Eldar.

The directors are unaware of any other matter that would impact recorded amounts or disclosures made in these financial statements.

No other matter or circumstance has arisen since 30 June 2024 that has significantly affected, or may significantly affect the Group's operations, the results of those operations, or the Group's state of affairs in future financial years.

#### **Likely developments and expected results of operations**

PVL is well positioned with A\$2,440,264 in cash and cash equivalents at 30 June 2024 to invest in selected companies that meet its elevated investment criteria. Specifically, PVL is pursuing investments that are aligned to and enabling our core investments segments, and importantly, duration horizons of 12-24 months through IPO or M&A.

#### **Risk Management**

The following exposures to business risks may affect the Group's ability to deliver expected returns:

Market risk – Investment returns are influenced by market factors such as economic conditions, investor sentiment, natural disasters, war and acts of terrorism. The investment portfolio has been structured so as to minimize market risks, but those risks cannot be eliminated.

Liquidity risk – although the Group has significant cash holdings, future capital raises could be impacted by potential investors not having access to funds.

Investee company risk – there are always inherent risk with early and growth stage companies such as business models or products becoming obsolete in fast changing markets, failing to reach milestones, failure to access funding and potentially failing to achieve timely exit strategies.

The Group uses a number of strategies to minimize these business risks, including contractual protections, regular touch points with investee companies and adherence to a clearly defined investment strategy.

#### **Indemnity and insurance of officers**

The Group has indemnified the directors and executives of the Group for costs incurred, in their capacity as a director or executive, for which they may be held personally liable, except where there is a lack of good faith.

During the financial year, the Group paid a premium in respect of a contract to insure the directors and executives of the Group against a liability to the extent permitted by the Corporations Act 2001. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

#### **Indemnity and insurance of auditors**

The Group has not, during or since the end of the financial year, indemnified or agreed to indemnify the auditor of the Group or any related entity against a liability incurred by the auditor.

During the financial year, the Group has not paid a premium in respect of a contract to insure the auditor of the Group or any related entity.

#### **Proceedings on behalf of the Group**

No person has applied to the Court under section 237 of the Corporations Act 2001 for leave to bring proceedings on behalf of the Group, or to intervene in any proceedings to which the Group is a party for the purpose of taking responsibility on behalf of the Group for all or part of those proceedings.

#### **Shares under option**

There were no unissued ordinary shares of Powerhouse Ventures Limited under option at the date of this report. The 12,227,631 listed options (ASX:PVLO) expired on 31 December 2023 and the 16,000,000 unlisted options lapsed due to market conditions not being met by the expiry date of 31 December 2023.

#### **Shares issued on the exercise of options**

There were no ordinary shares of the Company issued on the exercise of options during the year ended 30 June 2024 and up to the date of this report.

### **Non-audit services**

There were no non-audit services provided during the financial year by the auditor.

Details of the amounts paid or payable to the auditor for non-audit services provided during the financial year by the auditor are outlined in note 12 to the financial statements.

The directors are satisfied that the provision of non-audit services during the financial year, by the auditor (or by another person or firm on the auditor's behalf), is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001.

The directors are of the opinion that the services as disclosed in note 12 to the financial statements do not compromise the external auditor's independence requirements of the Corporations Act 2001 for the following reasons:

- all non-audit services have been reviewed and approved to ensure that they do not impact the integrity and objectivity of the auditor; and
- none of the services undermine the general principles relating to auditor independence as set out in APES 110 Code of Ethics for Professional Accountants issued by the Accounting Professional and Ethical Standards Board, including reviewing or auditing the auditor's own work, acting in a management or decision-making capacity for the Group, acting as advocate for the Group or jointly sharing economic risks and rewards.

### **Officers of the Group who are former partners of William Buck Audit (Vic) Pty Ltd**

There are no officers of the Group who are former partners of William Buck Audit (Vic) Pty Ltd.

### **Environmental regulation**

The operations of the Group are not subject to any significant environmental regulation under Australian Commonwealth, State or Territory law.

### **REMUNERATION REPORT (AUDITED)**

The remuneration report details the key management personnel remuneration arrangements for the Group, in accordance with the requirements of the Corporations Act 2001 and its Regulations.

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including all directors.

The remuneration report is set out under the following main headings:

- Principles used to determine the nature and amount of remuneration
- Details of remuneration
- Service agreements
- Share-based compensation
- Additional disclosures relating to key management personnel

### ***Principles used to determine the nature and amount of remuneration***

The objective of the Group's executive reward framework is to ensure reward for performance is competitive and appropriate for the results delivered. The framework aligns executive reward with the achievement of strategic objectives and the creation of value for shareholders, and it is considered to conform to the market best practice for the delivery of reward. The Board of Directors ("the Board") ensures that executive reward satisfies the following key criteria for good reward governance practices:

- competitiveness and reasonableness
- acceptability to shareholders
- performance linkage / alignment of executive compensation
- transparency

Given the Group has fewer than four Directors, the Board fulfils the role of the Nomination and Remuneration Committee. In this capacity the Board is responsible for determining and reviewing remuneration arrangements for its directors and executives. The performance of the Group depends on the quality of its directors and executives. The remuneration philosophy is to attract, motivate and retain high performance and high-quality personnel.

In the year ended 30 June 2024 the Group did not formally engage a remuneration consultant; however the Board has structured an executive remuneration framework that is market competitive and complementary to the reward strategy of the Group.

The reward framework is designed to align executive reward to shareholders' interests. The Board have considered that it should seek to enhance shareholders' interests by:

- having economic profit as a core component of plan design
- focusing on sustained growth in shareholder wealth, consisting of dividends and growth in share price, and delivering constant or increasing return on assets as well as focusing the executive on key non-financial drivers of value
- attracting and retaining high calibre executives

Additionally, the reward framework should seek to enhance executives' interests by:

- rewarding capability and experience
- reflecting competitive reward for contribution to growth in shareholder wealth
- providing a clear structure for earning rewards

In accordance with best practice corporate governance, the structure of non-executive director and executive director remuneration is separate.

#### *Non-executive directors remuneration*

Fees and payments to non-executive directors reflect the demands and responsibilities of their role. Non-executive directors' fees and payments are reviewed annually by the Board. The chairman's fees are determined independently to the fees of other non-executive directors based on comparative roles in the external market.

During the financial year ended 30 June 2024 the Board considered the appropriate levels of Directors fees to be paid as cash. Management undertook a review of similar size (market capitalisation) ASX-listed companies in June 2023 and concluded that the proposed level of directors' fees at the time was within the benchmark of those similar-sized ASX-listed companies. Given the demands and responsibilities remained similar in the financial year 2024 Management considered that maintaining the same level of directors' fees was appropriate.

ASX listing rules require the aggregate non-executive directors' remuneration be determined periodically by a general meeting. The most recent determination was at the Extraordinary General Meeting held on 17 May 2023, where the shareholders approved the adoption of a new Constitution which included a maximum annual aggregate remuneration in respect of their services as non-executive directors of \$300,000.

#### *Executive remuneration*

The Group aims to reward executives based on their position and responsibility, with a level and mix of remuneration which may have both fixed and variable components.

The executive remuneration and reward framework has four components:

- base pay and non-monetary benefits
- short-term performance incentives
- share-based payments
- other remuneration such as superannuation and long service leave

The combination of these comprises the executive's total remuneration.

Where appropriate, contractor service agreements, fixed remuneration, consisting of base salary, superannuation and non-monetary benefits, are reviewed annually by the Board based on individual and business unit performance, the overall performance of the Group and comparable market remunerations.

Executives may receive their fixed remuneration in the form of cash or other fringe benefits (for example motor vehicle benefits) where it does not create any additional costs to the Group and provides additional value to the executive.

The short-term incentives ('STI') program is designed to align the performance hurdles of executives with the best interests of shareholders. In the period ended 30 June 2024, the STI was limited to the unlisted options issued during the financial year ended 20 June 2022 which lapsed on 31 December 2023 (refer to in the Financial Statements).

The long-term incentives ('LTI') include equity-based payments. There were no LTI payments during the year ended 30 June 2024.

*The Group performance and link to remuneration*

For the financial year ended 30 June 2024, the share-based incentive payments were dependent on market conditions, namely, defined volume weighted average share price targets being met by 31 December 2023. These unlisted options lapsed due to the market conditions not being met. There are no performance hurdles applicable to incentive payments for the financial year ended 30 June 2024

The Board is of the opinion that the continued improved results can be attributed in part to the adoption of performance-based compensation and is satisfied that this improvement will continue to increase shareholder wealth if maintained over the coming years.

The table below shows the performance for the Group as measured by its share price, market capitalisation, distributions via dividends and capital returns and profit from all operations (discontinued or ongoing) over the last five financial years.

	<b>30 June 2020</b>	<b>30 June 2021</b>	<b>30 June 2022</b>	<b>30 June 2023</b>	<b>30 June 2024</b>
	\$	\$	\$	\$	\$
Share price	0.050	0.100	0.065	0.052	0.04
Market Capitalisation	1,606,345	9,274,318	7,848,306	6,278,645	4,829,727
Dividends paid	-	-	-	-	-
Capital returns	-	-	-	-	-
Profit/(loss) for the year before income tax	(47,177)	(1,464,762)	(286,337)	717,346	405,079

At the 14 November 2023 AGM, 86.07% of the votes received supported the adoption of the remuneration report for the year ended 30 June 2023. The Company did not receive any specific feedback at the AGM regarding its remuneration practices.

**Details of remuneration**

**(A) Key Management Personnel**

The names and positions of key management personnel of the Group who have held office during the financial year are:

**Directors:**

- James Kruger - Executive Chairman
- Joseph Demase - Non-executive Director (resigned 26 March 2024)
- Joshua Baker - Non-executive Director (resigned 10 July 2024)
- David McNamee - Non-executive Director (appointed 26 March 2024)

**Executives:**

- Geoffrey Nicholas - Chief Financial Officer
- Ben Hodge - Chief Investment Officer

**(B) Key Management Personnel Remuneration**

*Amounts of remuneration*

Details of the remuneration of key management personnel of the Group are set out in the following tables.

	Short-term Benefits	Share-based Payments	Total
	\$	\$	\$
<b>2024</b>			
<i>Non-Executive Directors:</i>			
Joseph Demase (resigned 26 March 2024)	27,000	2,975	29,975
Joshua Baker (resigned 10 July 2024)	36,000	2,975	38,975
David McNamee (appointed 26 March 2024)	9,000	-	9,000
<i>Executive Director:</i>			
James Kruger (Executive Chairman)	50,400	2,975	53,375
<i>Other Key Management Personnel:</i>			
Geoffrey Nicholas	120,000	1,596	121,596
Ben Hodge	90,000	-	90,000
	<b>332,400</b>	<b>10,521</b>	<b>342,921</b>
	Short-term Benefits	Share-based Payments	Total
	\$	\$	\$
<b>2023</b>			
<i>Non-Executive Directors:</i>			
Joseph Demase	6,000	28,073	34,073
Joshua Baker	6,000	28,073	34,073
<i>Executive Director:</i>			
James Kruger (Executive Chairman)	8,400	28,073	36,473
<i>Other Key Management Personnel:</i>			
Geoffrey Nicholas	105,600	13,983	119,583
Ben Hodge	107,500	-	107,500
Campbell Hedley (resigned 1 December 2022)	-	(6,108)	(6,108)
	<b>233,500</b>	<b>92,094</b>	<b>325,594</b>

During the year ended 30 June 2024 a total of \$397,491 previously accrued into Remuneration Reports of the Company for granted and issued options in both this and prior financial years was derecognised from the share-based payments reserve in the financial statements and recorded directly as a credit to the Company's accumulated losses.

The proportion of remuneration linked to performance and the fixed proportion are as follows:

Name	Fixed remuneration		At risk - STI	
	2024	2023	2024	2023
<i>Non-Executive Directors:</i>				
Joseph Demase (resigned 26 March 2024)	90%	18%	10%	82%
Joshua Baker (resigned 10 July 2024)	92%	18%	8%	82%
David McNamee (appointed 26 March 2024)	100%	-	-	-
<i>Executive Directors:</i>				
James Kruger	94%	23%	6%	77%
<i>Other Key Management Personnel:</i>				
Geoffrey Nicholas	99%	88%	1%	12%
Ben Hodge	100%	100%	-	-
Campbell Hedley (resigned 1 December 2022)	-	-	-	100%

### **Service agreements**

Remuneration and other terms of employment for key management personnel are formalised in service agreements. Details of these agreements are as follows:

Name: James Kruger  
Title: Executive Chairman  
Agreement commenced: 24 November 2021  
Term of agreement: 3 years  
Details: Directors' fees for the year ending 30 June 2024 of \$50,400 to be reviewed annually. 4 weeks termination notice by either party, 4,000,000 unlisted options which lapsed on 31 December 2023, non-solicitation and non-compete clauses. There are no superannuation or leave entitlements payable nor accrued.

Name: Joseph Demase (resigned 26 March 2024)  
Title: Non-executive Director  
Agreement commenced: 24 November 2021  
Term of agreement: 3 years  
Details: Directors' fees for the year ending 30 June 2024 of \$36,000 to be reviewed annually. 4 weeks termination notice by either party, 4,000,000 unlisted options which lapsed on 31 December 2023, non-solicitation and non-compete clauses. There are no superannuation or leave entitlements payable nor accrued.

Name: Joshua Baker (resigned 10 July 2024)  
Title: Non-executive Director  
Agreement commenced: 24 November 2021  
Term of agreement: 3 years  
Details: Directors' fees for the year ending 30 June 2024 of \$36,000 to be reviewed annually. 4 weeks termination notice by either party, 4,000,000 unlisted options which lapsed on 31 December 2023, non-solicitation and non-compete clauses. There are no superannuation or leave entitlements payable nor accrued.

Name: David McNamee (appointed 26 March 2024)  
Title: Non-executive Director  
Agreement commenced: 26 March 2024  
Term of agreement: 3 years  
Details: Directors' fees for the year ending 30 June 2024 of \$9,000 (\$36,000 annually) to be reviewed annually. 4 weeks termination notice by either party, non-solicitation and non-compete clauses. There are no superannuation or leave entitlements payable nor accrued.

Name: Geoffrey Nicholas  
Title: Chief Financial Officer  
Agreement commenced: 1 January 2024  
Term of agreement: 1 year  
Details: Consulting fees for the calendar year ending 31 December 2024 of \$120,000 to be reviewed annually. 4 weeks termination notice by either party, non-solicitation and non-compete clauses. There are no superannuation or leave entitlements payable nor accrued.

Name: Ben Hodge  
Title: Chief Investment Officer  
Agreement commenced: 1 January 2024  
Term of agreement: 1 year  
Details: Consulting fees for the calendar year ending 31 December 2024 of \$105,000 to be reviewed annually. 30 days termination notice by either party, non-solicitation and non-compete clauses. There are no superannuation or leave entitlements payable nor accrued.

Key management personnel have no entitlement to termination payments in the event of removal for misconduct.



### **Share-based compensation**

#### *Issue of shares*

There were no shares issued to directors or other key management personnel as part of compensation during the year ended 30 June 2024.

#### *Issue of options*

The terms and conditions of each grant of options over ordinary shares affecting remuneration of directors and other key management personnel in this financial year or future reporting years are as follows:

Name	Number of options granted	Grant date	Vesting conditions	Expiry date	Exercise price	Fair value per option at grant date
James Kruger	4,000,000	24 Nov 2021	Market conditions	31 Dec 2023	\$0.11	\$0.050
Joseph Demase	4,000,000	24 Nov 2021	Market conditions	31 Dec 2023	\$0.11	\$0.050
Joshua Baker	4,000,000	24 Nov 2021	Market conditions	31 Dec 2023	\$0.11	\$0.050
Geoffrey Nicholas	2,000,000	3 Dec 2021	Market conditions	31 Dec 2023	\$0.11	\$0.050

Options granted carry no dividend or voting rights.

All options were granted over unissued fully paid ordinary shares in the Company. The number of options granted was determined having regard to the satisfaction of performance measures and weightings as described above in the section 'Consolidated entity performance and link to remuneration'. Options vest based on the provision of service over the vesting period whereby the executive becomes beneficially entitled to the option on vesting date. Options are exercisable by the holder as from the vesting date. There has not been any alteration to the terms or conditions of the grant since the grant date. There are no amounts paid or payable by the recipient in relation to the granting of such options other than on their potential exercise.

Values of options over ordinary shares granted, exercised and lapsed for directors and other key management personnel as part of compensation during the year ended 30 June 2024 are set out below:

Name	Value of options granted during the year	Value of options exercised during the year	Value of options lapsed during the year	Remuneration consisting of options for the year
	\$	\$	\$	%
James Kruger	-	-	2,975	6%
Joseph Demase (resigned 26 March 2024)	-	-	2,975	10%
Joshua Baker	-	-	2,975	8%
Geoffrey Nicholas	-	-	1,596	1%

### **Additional disclosures relating to key management personnel**

#### *Shareholding:*

The number of shares in the Company held during the financial year by each director and other members of key management personnel of the Company, including their personally related parties, is set out below:

	Balance at the start of the year	Received as part of remuneration	Additions shares acquired on-market	Disposals/ other	Balance at the end of the year
<i>Ordinary shares</i>					
James Kruger	1,100,000	-	-	-	1,100,000
Joseph Demase (resigned 26 March 2024)	2,500,000	-	-	(250,438)	2,249,562
Joshua Baker <sup>1</sup> (resigned 10 July 2024)	-	-	-	-	-
David McNamee (appointed 26 March 2024)	-	-	7,646,776	-	7,646,776
Geoffrey Nicholas	1,882,180	-	933,391	-	2,815,571
Ben Hodge	750,000	-	-	-	750,000
	<b>6,232,180</b>	<b>-</b>	<b>8,580,167</b>	<b>(250,438)</b>	<b>14,561,909</b>

<sup>1</sup> Joshua Baker has no direct or controlling interest in shares of the Company, however during the year and up until 31 August 2023 he was employed by Capital H Management, which had a shareholding of 20,757,809 shares (2023: 20,757,809 shares).

*Unlisted options holding:*

The number of unlisted options over ordinary shares in the Company held during the financial year by each director and other members of key management personnel of the Company, including their personally related parties, is set out below:

	<b>Balance at the start of the year</b>	<b>Granted</b>	<b>Exercised</b>	<b>Expired/ forfeited/ lapsed</b>	<b>Balance at the end of the year</b>
<i>Unlisted options over ordinary shares</i>					
James Kruger	4,000,000	-	-	(4,000,000)	-
Joseph Demase	4,000,000	-	-	(4,000,000)	-
Joshua Baker	4,000,000	-	-	(4,000,000)	-
Geoffrey Nicholas	2,000,000	-	-	(2,000,000)	-
	<b>14,000,000</b>	-	-	<b>(14,000,000)</b>	-

On 31 December 2023 the 14,000,000 unlisted options lapsed due to market conditions not being met by the expiry date of 31 December 2023.

*Other transactions with key management personnel and their related parties*

During the financial year the following payments were made:

- \$1,989 (FY23 \$12,265) to Lumo Partners Pty Ltd (director-related entity of James Kruger) for reimbursement of travel expenses incurred on behalf of the Group. The current trade payable balance as at 30 June 2024 was \$nil. All transactions were made on normal commercial terms and conditions and at market rates.

- \$Nil (FY23 \$4,933) to Studio Incorporate Pty Ltd (director-related entity of Joseph Demase(resigned 26 March 2024)) for website design services. The current trade payable balance as at 30 June 2024 was \$nil. All transactions were made on normal commercial terms and conditions and at market rates.

- \$507 (FY23 \$659) to Webcentral Limited (director-related entity of Joseph Demase(resigned 26 March 2024)) for website hosting services. The current trade payable balance as at 30 June 2024 was \$nil. All transactions were made on normal commercial terms and conditions and at market rates.

**This concludes the remuneration report, which has been audited.**

**Changes since the end of the reporting period:**

Nil 2024

**Auditor's independence declaration**

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out immediately after this directors' report.

**Auditor**

William Buck Audit (Vic) Pty Ltd continues in office in accordance with section 327 of the Corporations Act 2001.

This report is made in accordance with a resolution of directors, pursuant to section 298(2)(a) of the Corporations Act 2001.

On behalf of the directors



---

James Kruger  
Executive Chairman



---

David McNamee  
Non-Executive Director

30 August 2024

For personal use only

## Lead Auditor's Independence Declaration under Section 307C of the Corporations Act 2001

### To the directors of Powerhouse Ventures Limited

As lead auditor for the audit of Powerhouse Ventures Limited for the year ended 30 June 2024, I declare that, to the best of my knowledge and belief, there have been:

- no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and
- no contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Powerhouse Ventures Limited and the entities it controlled during the year.

William Buck  
**William Buck Audit (Vic) Pty Ltd**  
ABN 59 116 151 136



**N. S. Benbow**  
Director  
Melbourne, 30 August 2024

For personal use only

**Powerhouse Ventures Limited**  
**Consolidated Statement of Profit or Loss and Other Comprehensive Income**  
**For the year ended 30 June 2024**



	Note	2024 \$	2023 \$
<b>Revenue</b>			
Revenue from contracts with customers		-	212,105
Net unrealised changes in the fair value of investments	4	626,312	855,497
Realised gain / (loss) on investments at fair value through profit or loss	5	302,370	-
Foreign currency gains		-	182,448
Interest revenue		161,038	167,613
Other sundry income		2,449	-
		<u>1,092,169</u>	<u>1,417,663</u>
<b>Expenses</b>			
Directors' fees		(140,911)	(118,981)
Other expenses	6	(158,900)	(147,296)
Contractors		(198,851)	(281,495)
Legal and professional costs		(138,960)	(152,545)
Foreign currency losses		(49,468)	-
		<u>(687,090)</u>	<u>(700,317)</u>
<b>Profit before income tax expense</b>		<b>405,079</b>	<b>717,346</b>
Income tax expense	2	-	-
<b>Profit after income tax expense for the year</b>		<b>405,079</b>	<b>717,346</b>
Other comprehensive income for the year, net of tax		-	-
<b>Total comprehensive income for the year</b>		<b><u>405,079</u></b>	<b><u>717,346</u></b>
		<b>Cents</b>	<b>Cents</b>
Basic earnings per share	18	0.34	0.59
Diluted earnings per share	18	0.34	0.59

*The above consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes*

For personal use only

**Powerhouse Ventures Limited**  
**Consolidated Statement of Financial Position**  
**As at 30 June 2024**



	Note	2024 \$	2023 \$
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents		2,440,264	3,038,695
Trade and other receivables	7	115,739	29,991
Prepayments & security deposits		58,299	52,043
<b>Total current assets</b>		<u>2,614,302</u>	<u>3,120,729</u>
<b>Non-current assets</b>			
Investments in portfolio assets held at fair value through profit or loss	8	8,549,490	7,625,700
<b>Total non-current assets</b>		<u>8,549,490</u>	<u>7,625,700</u>
<b>Total assets</b>		<u><b>11,163,792</b></u>	<u><b>10,746,429</b></u>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables		90,219	96,446
<b>Total current liabilities</b>		<u>90,219</u>	<u>96,446</u>
<b>Total liabilities</b>		<u>90,219</u>	<u>96,446</u>
<b>Net assets</b>		<u><b>11,073,573</b></u>	<u><b>10,649,983</b></u>
<b>Equity</b>			
Issued capital	9	34,139,689	34,139,689
Reserves		-	378,980
Accumulated losses		(23,066,116)	(23,868,686)
<b>Total equity</b>		<u><b>11,073,573</b></u>	<u><b>10,649,983</b></u>

For personal use only

*The above consolidated statement of financial position should be read in conjunction with the accompanying notes*

**Powerhouse Ventures Limited**  
**Consolidated Statement of Changes in Equity**  
**For the year ended 30 June 2024**



	Issued capital \$	Reserves \$	Accumulated losses \$	Total equity \$
<b>Balance at 1 July 2022</b>	<b>34,139,689</b>	<b>280,399</b>	<b>(24,586,032)</b>	<b>9,834,056</b>
Profit after income tax expense for the year	-	-	717,346	717,346
Other comprehensive income for the year, net of tax	-	-	-	-
Total comprehensive income for the year	-	-	717,346	717,346
<i>Transactions with owners in their capacity as owners:</i>				
Vesting charge for share-based payments	-	104,689	-	104,689
Forfeit of options ( )	-	(6,108)	-	(6,108)
<b>Balance at 30 June 2023</b>	<b>34,139,689</b>	<b>378,980</b>	<b>(23,868,686)</b>	<b>10,649,983</b>

	Issued capital \$	Reserves \$	Accumulated losses \$	Total equity \$
<b>Balance at 1 July 2023</b>	<b>34,139,689</b>	<b>378,980</b>	<b>(23,868,686)</b>	<b>10,649,983</b>
Profit after income tax expense for the year	-	-	405,079	405,079
Other comprehensive income for the year, net of tax	-	-	-	-
Total comprehensive income for the year	-	-	405,079	405,079
<i>Transactions with owners in their capacity as owners:</i>				
Vesting charge of share-based payments ( )	-	18,511	-	18,511
Expiry of options ( )	-	(397,491)	397,491	-
<b>Balance at 30 June 2024</b>	<b>34,139,689</b>	<b>-</b>	<b>(23,066,116)</b>	<b>11,073,573</b>

For personal use only

*The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes*

**Powerhouse Ventures Limited**  
**Consolidated Statement of Cash Flows**  
**For the year ended 30 June 2024**



	Note	2024 \$	2023 \$
<b>Cash flows from operating activities</b>			
Receipts from customers (inclusive of GST)		-	481,174
Payments to suppliers and employees (inclusive of GST)		(659,399)	(949,559)
		(659,399)	(468,385)
Interest received		113,550	80,991
Other revenue		2,449	-
<b>Net cash used in operating activities</b>	<b>19</b>	<b>(543,400)</b>	<b>(387,394)</b>
<b>Cash flows from investing activities</b>			
Payments for investments		(794,250)	(596,021)
Payments for short-term loans		(60,000)	-
Proceeds from disposal of investments		799,219	-
<b>Net cash used in investing activities</b>		<b>(55,031)</b>	<b>(596,021)</b>
<b>Cash flows from financing activities</b>			
<b>Net cash from financing activities</b>		-	-
<b>Net decrease in cash and cash equivalents</b>		<b>(598,431)</b>	<b>(983,415)</b>
Cash and cash equivalents at the beginning of the financial year		3,038,695	4,022,110
<b>Cash and cash equivalents at the end of the financial year</b>		<b>2,440,264</b>	<b>3,038,695</b>

For personal use only

*The above consolidated statement of cash flows should be read in conjunction with the accompanying notes*



## Note 1. Material accounting policy information

The accounting policies that are material to the Group are set out either in the respective notes or below. The accounting policies adopted are consistent with those of the previous financial year, unless otherwise stated.

### New or amended Accounting Standards and Interpretations adopted

The Group has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

There was no material impact on these financial statements arising from the adoption of these Standards and Interpretations, nor of any Standards and Interpretations that are due to become mandatory in future reporting periods. Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

### Basis of preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') and the Corporations Act 2001, as appropriate for for-profit oriented entities. These financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board ('IASB').

#### *Historical cost convention*

These financial statements have been prepared applying the historical cost convention, except for the fair valuation of its investments in portfolio assets, as disclosed in note 4.

#### *Critical accounting estimates*

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the consolidated entity's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 2.

### Accounting for investments and basis for consolidation

#### *Investments in subsidiaries where the primary purpose of the subsidiary is to provide services relating to investment activities*

Powerhouse Ventures Limited (the Company or the parent entity) holds 100% investment in Powerhouse Ventures Australia Pty Ltd, which is incorporated and domiciled in Australia. During the year ended 30 June 2024, Powerhouse Venture Managers Limited which was incorporated and domiciled in New Zealand, and was 100% owned by the Company, was wound up. The entities assist the Company in rendering its investment activities. As these investments are 100% controlled (economically and through voting interest) by the Company, they are fully consolidated in these financial statements, with any intercompany transactions or period-end balances between any of these entities eliminated on consolidation. There was no change in the ownership of the subsidiaries for the year, other than Powerhouse Venture Managers Limited being wound up. Collectively the Company and its subsidiaries are referred to as the Group in these financial statements.

#### *Investments in portfolio assets*

Investments in portfolio assets, where the purpose of holding that portfolio assets is for capital appreciation, investment income or both are initially and thereafter recognised at fair value through profit or loss.

### Parent entity information

In accordance with the Corporations Act 2001, these financial statements present the results of the consolidated entity only. Supplementary information about the parent entity is disclosed in note 15.

## Note 2. Critical accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

**Note 2. Critical accounting judgements, estimates and assumptions (continued)**

*Fair value measurement hierarchy*

As set out in note 8, the Group's investment portfolio consists primarily of unquoted equity and hybrid debt securities that are either Level 2 or Level 3 fair valuations.

The directors consider Level 2 valuations relate to investments for which recent pricing transaction is available from a substantial capital raising transaction on arms-length terms. In determining the applicability of this measurement basis, the directors consider that "recent" relates to an observable equity transaction in that investment not greater than 12 months, "substantial capital raising transaction" applies to at least a 5% change in the overall capital structure of the investment and that there is no further information publicly available that would otherwise materially alter the value priced into the observable transaction as at reporting date.

For Level 2 investments the Directors may also consider that "recent" equity transactions would include pricing data where shares in investment companies have been bought and sold off-market in the previous 12 months.

The directors consider Level 3 valuations to be those for investments where no recent pricing information is available. In such situations alternative valuation bases are applied.

In Level 3 equity securities that have historical revenues and are loss-making, the directors may apply a valuation basis premised upon observable multiples supporting valuations of like-for-like enterprises in observable market data (adjusted for the leverage of the entity). The directors may also consider applying a probability weighted expected return method where there is a lack of market observable data available from like-for-like enterprises.

For pre-revenue enterprises, this valuation would alternatively be reflected on a Milestone Adjusted Scorecard basis.

For hybrid debt securities this typically incorporates an assessment of the likelihood of a conversion to an equity investment (and then, by analogy, applying a valuation appropriate to an equity security) or if to be carried as a debt-bearing instrument an assessment of a discount rate appropriate to the security that takes into account both market interest rates and an assessment of credit risk of the investee.

Periodically the directors externally source an independent expert to review the Group's Investment Policy and Valuation Policy. On at least an annual basis, a qualified expert is engaged to provide a valuation report on the Group's individually material Level 3 investments.

*Income tax*

As at 30 June 2024 the Group has accrued \$64,507 in accumulated tax losses. The directors have considered these reported tax losses and have determined that any potential tax credits that may arise for use in potential future tax returns do not, at this stage, represent deferred tax assets, primarily as there is doubt as to whether or not assessable income will be derived in future reporting periods to utilize such credits.

**Note 3. Segment Information**

*Identification of reportable operating segments*

Under AASB 8 operating segments, as at 30 June 2024, the Group has operated one operating segment: investment in early-stage companies using IP developed in emerging technologies such as electrification & decarbonisation, next generation computing, space technologies, and healthcare and wellness. The geographic segment is Australia. The chief operating decision maker is the Executive Chairman.

**Note 4. Net changes in fair value of investments at fair value through profit or loss**

	2024	2023
	\$	\$
Revaluation gains on investments at fair value through profit or loss	745,481	1,103,592
Revaluation losses on investments at fair value through profit or loss	(421,526)	(248,095)
Unrealised gain / (loss) on Level 1 investments	302,357	-
<b>Net gain/(loss) on investments at fair value through profit or loss</b>	<b>626,312</b>	<b>855,497</b>

**Note 4. Net changes in fair value of investments at fair value through profit or loss (continued)**

Revaluation gains in the current year include Inhibit Coatings of \$581,632, CourseLoop of \$108,735 and Neuroflex of \$48,800 (2023: Skykraft of \$680,600, Ferronova of \$278,230, Inhibit Coatings of \$135,032, Firmus Grid of \$4,029).

Revaluation losses in the current year include Urbix Resources of \$187,419, Certus Bio of \$95,689, Liquid Instruments of \$73,104, Flomatrix of \$59,000 (2023: Certus Bio of \$128,826, CourseLoop of \$94,269 and Flomatrix of \$25,000).

Revaluation gains in the fair value of Level 1 investments include Sun Silver of \$128,000, Pointerra of \$43,680, Intelicare of \$23,438 and EQ Resource of \$11,000 (2023: Nil). Additionally, Level 1 gains included \$107,101 of unlisted options in ASX listed entities.

Revaluation losses in the fair value of Level 1 investments include Olympio Metals of 10,862 (2023: Olympio Metals of \$5,701).

**Note 5. Realised gain / (loss) on investments at fair value through profit or loss**

On 16 August 2023, the Group sold its investment in Firmus Grid for \$305,000 which represented the initial sum invested plus accrued interest to that date. The realised loss on investments at fair value through profit or loss of \$4,029 represents the write back of the unrealised revaluation gain on investment at fair value through profit or loss at 30 June 2023 for the investment in Firmus Grid. (2023: nil)

In the year ended 30 June 2024 the Group invested a total of \$644,250 into ASX-listed investments, subsequently selling down \$170,000 for a profit of \$306,399. At 30 June 2024 the carrying value of the remaining ASX-listed shares acquired in the year ended 30 June 2024 was \$662,548. This equates to a multiple on invested capital of 1.8.

**Note 6. Other expenses**

Other expenses in the Consolidated Statement of Profit of Loss and Other Comprehensive Income include the following:

	<b>2024</b>	<b>2023</b>
	<b>\$</b>	<b>\$</b>
Accounting, assurance and tax advisory	94,889	102,776
Office costs and short-term rent	18,270	20,958
Vendor warranties	-	(102,145)
GST recovered	-	(22,179)
Other expenses	162	7,161
Insurance	46,253	80,342
Travel	(674)	60,383
	<u>158,900</u>	<u>147,296</u>

**Note 7. Current assets - trade and other receivables**

	<b>2024</b>	<b>2023</b>
	<b>\$</b>	<b>\$</b>
GST Receivable	9,648	10,796
Proceeds receivable from the sale of portfolio assets	30,839	-
Short-term loans to investee companies	60,000	-
Interest receivable	15,252	19,195
<b>Total trade and other receivables</b>	<u><b>115,739</b></u>	<u><b>29,991</b></u>

The Company has reviewed the likelihood of expected credit losses for the period ended 30 June 2023 and determined that no impairment is required for the year ended 30 June 2024 (2023: Nil). The \$60,000 short-term loan to investee companies was converted to equity early July 2024, and the bulk of the other amounts due were received in July 2024.

**Note 8. Non-current assets - investments in portfolio assets held at fair value through profit or loss**

**(i) Investments in equity instruments**

The Group has investments in a portfolio of early, pre-revenue or expansion stage unlisted and listed companies recognised at \$8,549,490 (2023: \$7,625,700). These investments are accounted for as financial assets at fair value through profit or loss. During the period, a net gain of \$626,312 (2023: net gain of \$855,497) was recognised through profit or loss for these assets. The following tables give information about the Group's holdings and how the fair values of these investments are determined (in particular, the valuation technique(s) and inputs used).

The following table comprises the Level 1 investments the Group held at 30 June 2023. Level 1 investments have an observable market price and are valued at that prevailing market price.

Level 1 (listed) Ownership Summary	30 June 2024			30 June 2023		
	Shares held	Total Shares <sup>1</sup>	% Ownership	Shares Held	Total Shares <sup>1</sup>	% Ownership
Olympio Metals Limited (ex-Croplogic)	63,146	54,425,434	0.1%	63,143	54,425,434	0.1%
Sun Silver Limited <sup>2</sup>	400,000	124,975,000	0.3%	-	-	-
		2,065,288,46				
EQ Resources Limited <sup>2</sup>	3,666,670	5	0.2%	-	-	-
Pointerra Limited <sup>2</sup>	5,460,000	805,076,797	0.7%	-	-	-
Intelicare Holding Limited <sup>2</sup>	3,906,250	290,999,670	1.3%	-	-	-

Total Shares and shareholding percentages are based on issued shares. Effective shareholdings may be lower due to the dilutionary impact of any employee options of financial instruments such as convertible notes.

The Group acquired shares with attaching unlisted options in a number of ASX-listed entities during the current period, and subsequently sold down some of those holdings realising gains of \$306,399.

The following investments are Level 2 or Level 3 in the fair value hierarchy. This means the valuation techniques include inputs for which market observable data is not available (unobservable inputs).

For personal use only

**Note 8. Non-current assets - investments in portfolio assets held at fair value through profit or loss (continued)**

Level 2 and 3 (Unlisted securities) Ownership Summary	30 June 2024			30 June 2023		
	Securities held	Total Securities <sup>1</sup>	% Ownership	Securities Held	Total Securities <sup>1</sup>	% Ownership
<b>Investments with a positive carrying value:</b>						
Ferronova Pty Limited	139,115	2,495,735	5.6%	139,115	2,495,735	5.6%
Inhibit Coatings Limited	150,000	1,001,372	15.0%	150,000	1,001,372	15.0%
Cirrus Materials Science Limited	190,000	2,887,180	6.6%	190,000	2,816,180	6.7%
Skykraft	282	23,121	1.2%	282	23,121	1.2%
Saccade Analytics (Neuroflex)	192,588	19,532,693	1.0%	192,588	19,532,693	1.0%
Urbix Resources	5,556	2,281,525	0.2%	5,556	2,281,525	0.2%
Liquid Instruments	68,073	22,195,305	0.3%	68,073	22,195,305	0.3%
CourseLoop	46,192	2,531,098	1.8%	46,192	2,531,098	1.8%
EQ Resources Limited unlisted options <sup>2</sup>	1,222,223	-	-	-	-	-
Pointerra Limited unlisted options <sup>2</sup>	3,000,000	-	-	-	-	-
Intelicare Holding Limited unlisted options <sup>2</sup>	1,222,223	-	-	-	-	-
<b>Investments with a carrying value of \$nil:</b>						
Veritide Limited	266,900	3,411,831	7.8%	266,900	3,411,831	7.8%
CertusBio Limited	366,010	1,931,703	18.9%	366,010	1,931,703	18.9%
Deliveon Health Limited	17,500	155,001	11.3%	17,500	155,001	11.3%
Hi-Aspect Limited	150,000	1,677,087	8.9%	150,000	1,677,087	8.9%
Photonic Innovations Limited <sup>3</sup>	-	-	-	1,498,246	4,903,375	30.6%
Fluent Scientific Limited <sup>3</sup>	-	-	-	1,060,094	6,886,252	15.4%
Avalia Immunotherapies Limited <sup>3</sup>	-	-	-	417,906	4,395,759	9.5%
Modlar Limited <sup>3</sup>	-	-	-	261,728	2,631,079	9.9%

<sup>1</sup> Total Shares and shareholding percentages are based on issued shares. Effective shareholdings may be lower due to the dilutionary impact of any employee options of financial instruments such as convertible notes.

<sup>2</sup> The Group acquired shares and unlisted options in a number of ASX-listed entities during the current period. The unlisted options have been valued using the Black Scholes methodology.

<sup>3</sup> During the current period Photonic Innovations Limited, Fluent Scientific Limited, Avalia Immunotherapies Limited and Modlar Limited were de-registered from the New Zealand Companies Register. Each of these investments had been fully written down in prior years resulting in no impact on the Group's profit. The Group has reflected the de-registration of these investee companies by no longer including the shareholding in these financial statements.

The following tables summarise the Group's investments in portfolio assets by type and level:

Nature of investment	2024 \$	2023 \$
ASX-listed equity securities	664,631	12,945
ASX-attaching unlisted options	107,101	-
Unlisted equity securities	6,925,387	6,589,843
Convertible notes	736,371	847,912
SAFE notes	116,000	175,000
<b>Total</b>	<b>8,549,490</b>	<b>7,625,700</b>

**Note 8. Non-current assets - investments in portfolio assets held at fair value through profit or loss (continued)**

	2024 \$	2023 \$
Level 1 Investments	\$664,631	\$12,945
Level 2 Investments	\$6,767,055	\$5,879,344
Sub-total Level 1 and 2 investments	\$7,431,686	\$5,892,289
<b>% of total investments</b>	<b>86.9%</b>	<b>77.3%</b>
Level 3 investments with more than 12 months of cash runway or currently in M&A discussions	\$1,001,803	\$906,898
<b>Total Level 1 and 2 investments, plus Level 3 investments with more than 12 months of cash runway or currently in M&amp;A discussions</b>	<b>\$8,433,489</b>	<b>\$6,799,187</b>
<b>% of total investments</b>	<b>98.6%</b>	<b>89.1%</b>

	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
<b>Balance at 1 July 2023</b>	<b>12,945</b>	<b>5,879,344</b>	<b>1,733,411</b>	<b>7,625,700</b>
Transfers between hierarchy levels - L2 to L3	-	(604,356)	604,356	-
Transfers between hierarchy levels - L3 to L2	-	792,373	(792,373)	-
Additions	644,250	150,000	-	794,250
Fair value gain / (loss)	195,256	550,114	(123,087)	622,283
Foreign currency gain / (loss)	-	(41,421)	(5,990)	(47,411)
Interest income capitalized	-	41,001	6,487	47,488
Disposals	(187,820)	-	(305,000)	(492,820)
<b>Balance at 30 June 2024</b>	<b>664,631</b>	<b>6,767,055</b>	<b>1,117,804</b>	<b>8,549,490</b>

	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
<b>Balance at 1 July 2022</b>	<b>7,244</b>	<b>-</b>	<b>5,934,602</b>	<b>5,941,846</b>
Transfers between hierarchy levels - L3 to L2	-	4,185,142	(4,185,142)	-
Additions	-	596,021	-	596,021
Fair value gain / (loss)	5,701	958,830	(109,034)	855,497
Foreign currency gain / (loss)	-	99,351	46,362	145,713
Interest income capitalized	-	40,000	46,623	86,623
<b>Balance at 30 June 2023</b>	<b>12,945</b>	<b>5,879,344</b>	<b>1,733,411</b>	<b>7,625,700</b>

In the 12 months to 30 June 2024 a number of investee companies undertook substantial capital raising transactions that justified the transfer between hierarchies. The observable equity transactions qualified as recent, substantial in terms of representing more than 5% change in the companies' overall capital structure and in each case there is no further information publicly available that would materially alter the fair value.

The investee company that constituted the transfer to Level 2 is Inhibit Coatings. Liquid Instruments was the only investee company to transfer to Level 3 in the period, but pleasingly, it has raised further funds to secure 24 months of cash runway.

**Note 8. Non-current assets - investments in portfolio assets held at fair value through profit or loss (continued)**

**(ii) Fair value, valuation technique(s) and unobservable inputs used in measuring investments**

<b>Fair Value as at 30 June 2024</b>		
<b>Investment Type</b>	<b>Valuation technique(s) and unobservable input(s)</b>	<b>Fair Value \$</b>
<b>1) Level 1</b> - Olympio Metals - Sunsilver Limited - EQ Resources Limited - Pointerra Limited - Intelicare Holdings Limited	Quoted market price	664,631
<b>2) Level 2</b> - Inhibit Coatings - Cirrus Materials - Ferronova - Skykraft - Neuroflex - Quantum Brilliance - Urbix Resources - Liquid Instruments (convertible note) - EQ Resources Limited Unlisted Options - Pointerra Limited Unlisted Options - Intelicare Holdings Limited Unlisted Options	Priced on substantial pricing event (capital raise or arms-length transaction) together with milestone analysis subsequent to that date of transaction and Black Scholes options valuation methodology	6,767,055
<b>3) Level 3</b> - Veritide - Deliveon Health - Hi-Aspect - Certus Bio - CourseLoop - Flomatrix - Liquid Instruments (equity)	Milestone adjusted scorecard, revenue multiple, probability weighted expected return method	1,117,804
<b>Total investment at fair value</b>		<b>8,549,490</b>

For personal use only

**Note 8. Non-current assets - investments in portfolio assets held at fair value through profit or loss (continued)**

Fair Value as at 30 June 2023		
Investment Type	Valuation technique(s) and unobservable input(s)	Fair Value \$
<b>1) Level 1</b> - Olympio Metals	Quoted market price	12,945
<b>2) Level 2</b> - Cirrus Materials - Ferronova - Skykraft - Neuroflex - Quantum Brilliance - Urbix Resources - Liquid Instruments	Priced on substantial pricing event (capital raise or arms-length transaction) together with milestone analysis subsequent to that date of transaction	5,879,344
<b>3) Level 3</b> - Deliveon Health - Fluent Scientific - Avalia Immunotherapies - Hi-Aspect - Photonic Innovations - Modlar Limited - Veritide - Certus Bio - Inhibit Coatings - Cirrus Materials - Ferronova - Skykraft - Quantum Brilliance - Urbix Resources - Liquid Instruments - CourseLoop - Neuroflex - Firmus Grid - Flomatrix	Milestone adjusted scorecard, discounted cash flow, probability weighted expected return method	1,733,411
<b>Total investment at fair value</b>		<b>7,625,700</b>

**(iii) Sensitivity of fair value measurement to changes in unobservable inputs**

The relationships between the significant unobservable inputs and the fair value are as follows:

Unobservable Inputs	Impact on fair value from increase in input	Impact on fair value from decrease in input
Weighted average cost of capital	A 15% increase in the discount rate resulted in a decrease in the fair value of impacted investments of \$42,315.	A 15% decrease in the discount rate resulted in an increase in the fair value of impacted investments of \$47,794.
Probability-weighted expected return (PWERM)	A 15% increase in the PWERM rates resulted in an increase in the fair value of impacted investments of \$45,000	A 15% decrease in the PWERM rates resulted in an increase in the fair value of impacted investments of \$4,000.
Revenue Multiple	A 15% increase in the revenue multiple resulted in an increase in the fair value of impacted investments of \$136,151.	A 15% decrease in the revenue multiple resulted in a decrease in the fair value of impacted investments of \$136,152.

There were no significant interrelationships between unobservable inputs except as indicated above.



**Note 9. Equity - issued capital**

**Share capital**

*Number of ordinary shares authorised, issued and fully paid*

	<b>2024</b>	<b>2023</b>
	<b>Shares</b>	<b>Shares</b>
Opening balance	120,743,176	120,743,176
Closing Balance	<u>120,743,176</u>	<u>120,743,176</u>

*Ordinary shares*

Ordinary shares entitle the holder to participate in dividends and the proceeds on the winding up of the Company in proportion to the number of and amounts paid on the shares held. The fully paid ordinary shares have no par value and the Company does not have a limited amount of authorised capital.

On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

*Capital risk management*

The Group's objectives when managing capital is to safeguard its ability to continue as a going concern, so that it can provide returns for shareholders and benefits for other stakeholders and to maintain an optimum capital structure to reduce the cost of capital.

Capital is regarded as total equity, as recognised in the consolidated statement of financial position, plus net debt. Net debt is calculated as total borrowings less cash and cash equivalents.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The capital risk management policy remains unchanged from the date of this Annual Report.

**Note 10. Financial instruments**

**(a) Financial risk management objectives**

The Group has approved detailed capital and liquidity management policies. In accordance with the policies, when capital and liquidity balances dictate, the orderly and efficient management of working capital and cash will enable the Group to:

- meet its operating expenses;
- invest in existing portfolio companies and new investment opportunities as they arise and are recommended for approval;
- avoid forced asset sale situations;
- avoid stressed negotiations for debt limits and pricing;
- take full advantage of favourable market conditions for equity capital raising; and
- avoid the need to raise capital under subdued market conditions.

The Group's working capital management includes equity capital management, as this is the primary means for funding the Group's operations during the investment cycle of balance sheet utilisation. The Group has altered its business model to include the recycling of capital from liquidity events.

**Note 10. Financial instruments (continued)**

As the Group is unlikely to be able to fund its operations to a significant degree through borrowings, access to recycled capital from liquidity events and strict operational cost control are central to the Group's capital and liquidity management policy. The Group has adopted an integrated planning capability to ensure that the routine finance tasks come together to establish a strategic view. This integrated approach to capital and liquidity management includes processes that seek to address:

- alignment of strategy and risk (understand risk versus returns);
- considered and strategic allocation of capital;
- increased stakeholder confidence;
- management and board collaboration;
- strategic analysis of new opportunities;
- alignment of management actions and rewards; and
- timely reporting.

The Group has set the following balance sheet composition limits which are designed to maximise the financial returns whilst preserving investment flexibility and the ability to meet business critical objectives. The limits apply where cash balances exceed those required to prudently meet the ongoing operations of the business. The limits are as follows:

Asset pool type	Financial asset type	Percentage holding
A1	Cash & Cash equivalents <sup>1</sup>	At least a minimum of an average quarter's net cash burn rate from operations
A2	Term deposits > 90 days	Any excess funds not required to fund ongoing operations or near-term investment commitments
B1	Investments in other non-bank investment products	Any excess funds not required to meet commitments under A1 or A2.

In accordance with AASB 107 Statement of Cash Flows, Cash & Cash Equivalents are held for the purpose of meeting short-term cash commitments rather than for investment or other purposes. For an investment to qualify as a cash equivalent it must be readily convertible to a known amount of cash and be subject to an insignificant risk of changes in capital value. Therefore, an investment normally qualifies as a cash equivalent only when it has a short maturity of three months or less from the date of acquisition.

The Group ensures that whenever possible (whilst preserving scale efficiencies), staggered maturity/roll-over dates are employed within the liquid asset portfolio.

To minimise counterparty risk where practicable, and allowing for efficiencies of scale, the Board / Executive shall periodically review the composition of the liquid asset pool with a view to minimizing exposure to any one institution.

**Market risk**

**Foreign currency risk**

The Group undertakes certain transactions denominated in foreign currency and is exposed to foreign currency risk through foreign exchange rate fluctuations.

Foreign exchange risk arises from future commercial transactions and recognised financial assets denominated in a currency that is not the entity's functional currency. The risk is measured using sensitivity analysis and cash flow forecasting.

As at 30 June 2024, the Group held the following investments in foreign currencies other than the Australian dollar:

	2024	2023
	\$	\$
New Zealand dollars	3,096,207	2,632,000
US dollars	1,378,832	1,359,865
Canadian dollars	-	256,365
	<b>4,475,039</b>	<b>4,248,230</b>

**Note 10. Financial instruments (continued)**

During the period ended 30 June 2023 one of the investee companies raised funds in US dollars. Given the scale of the raise, the Company revalued its holding in the investee company in US dollars.

**Foreign currency sensitivity analysis**

The below tables show the Group's sensitivity to a 10% increase or decrease in the foreign currency rate on the fair value of the foreign investment. As the Group does not use any derivative financial instruments to hedge its foreign currency risk, this has been determined based on translating the foreign investment at rate 10% higher/lower than actual rates used for the translation of the foreign investment. A positive number below represents an increase in profit and equity and a negative number represents a decrease in profit and equity.

	2024 \$	2023 \$
<b>10% movement in the AUD / foreign currency rates</b>		
New Zealand dollars	(309,621)	(263,200)
US dollars	(137,883)	(135,987)
Canadian dollars	-	(25,636)

**Interest rate risk**

Interest rate risk is the risk that the Group could suffer either a capital loss or additional exposure to liquidity risk through adverse movements in interest rates. The objective of the Group's interest rate risk management is to ensure that the Group is not exposed to a level of interest rate risk, outside those limits anticipated through the structured approach envisaged within the Group's risk management policy.

The Group manages interest rate risk by ensuring tactical asset allocation which provides for the effective management of interest rate and associated liquidity risk. The approach to managing the investment of funds ensures that there is adequate matching of the duration of assets with the likely cash needs of the business. The Group monitors the effect upon yield and liquidity of probable movements in interest rates and manages its liquid asset holdings accordingly.

Given the Group's convertible and SAFE notes have maturity dates of less than 12 months, management has determined that there is no material exposure to interest rate risk in the financial statements.

**Credit risk**

Credit risk is the risk that a counter party will default on its contractual obligations, resulting in financial loss to the Group. The Group has material investments in convertible and SAFE notes which comprise both debt and equity. The maximum credit exposure is represented in the carrying value of the convertible and SAFE notes which at 30 June 2024 were \$852,371 (2023: \$1,022,912).

The table below compares the face value of each note to its fair value at 30 June 2024.

	2024 \$	2024 \$	2023 \$	2023 \$
	<b>Face value</b>	<b>Fair value</b>	<b>Face value</b>	<b>Fair value</b>
Convertible notes <sup>1</sup>	736,371	736,371	843,883	847,912
SAFE notes	200,000	116,000	200,000	175,000

<sup>1</sup> The face value comprises the initial convertible note face value plus the capitalised interest earned to the end of the financial year.

## Note 10. Financial instruments (continued)

### Liquidity risk

Liquidity risk arises from the possibility that the Group might encounter difficulty in settling its debts or otherwise meeting its obligations related to financial liabilities. As the Group's major cash outflows are the purchase of investments, the level of this is managed by the Board. The Group also manages this risk through the following mechanisms:

- preparing forward-looking cash flow analyses in relation to operating, investing and financing activities;
- managing credit risk related to financial assets;
- maintaining a clear exit strategy on financial assets; and
- investing surplus cash only with major financial institutions.

At 30 June 2024 the Group's liabilities were \$90,219 (2023: \$96,446) and as such management deemed that the liquidity risk was immaterial.

### Equity price risk

Equity price risk is the risk that the Group's investments in both listed unlisted equities are exposed to movements that are not correlated to the general or targeted market. The pricing of these unlisted equities is based primarily on information provided by the investee companies and not the market. Accordingly, the Group manages this equity price risk by monitoring these investments regularly and applying its own discount factors to inputs provided by the investee company.

Price risk associated with listed equities hinges on a number of factors, including earnings volatility, poor management, industry risk, and price changes. The Group manages this risk by closely monitoring the performance of these investments and maintaining diversification in the portfolio.

A 15% change in the carrying value of the Group's investments in unlisted equities would result in a change of \$1,166,664 (2023: \$1,141,913) to the fair value of those securities, with a corresponding credit or charge to the profit or loss.

A 15% change in the carrying value of the Group's investments in listed equities would result in a change of \$115,760 (2023: \$1,942) to the fair value of those securities, with a corresponding credit or charge to the profit or loss.

### Market liquidity risk

Market liquidity risk is the risk that insufficient liquidity in the market for a security will limit the ability of the security to be sold, resulting in the Group suffering a financial loss. The Group is subject to market liquidity risk if investments are made in relatively illiquid securities. This exposure to market liquidity risk is an unavoidable feature of the Group's operating model. The objective of the Group's market liquidity risk management is to ensure that other assets can be readily liquidated without incurring excessive cost, to enable asset allocation decisions to be implemented or to meet cash flow requirements.

## Note 11. Key management personnel disclosures

The key management personnel of the Group consists of the executive and non-executive management team.

### Directors

The following people were directors of Powerhouse Ventures Limited during the financial year ended 30 June 2024:

James Kruger	Executive Chairman
Joseph Demase (resigned 26 March 2024)	Non-executive Director
Joshua Baker (resigned 10 July 2024)	Non-executive Director
David McNamee (appointed 26 March 2024)	Non-executive Director

### Other key management personnel

The following executives also had the authority and responsibility for planning, directing and controlling the major activities of the Company, directly or indirectly, during the financial year ended 30 June 2024:

Geoffrey Nicholas	Chief Financial Officer
Ben Hodge	Chief Investment Officer

**Note 11. Key management personnel disclosures (continued)**

**Key management personnel compensation**

The aggregate compensation made to the directors and other members of key management personnel of the Company is set out below:

	<b>2024</b>	<b>2023</b>
	\$	\$
Short-term employee benefits	332,400	233,500
Equity-settled share based payments	10,521	92,094
<b>Total key management personnel compensation</b>	<b>342,921</b>	<b>325,594</b>

	<b>2024</b>	<b>2023</b>
	\$	\$
Transactions with related parties		
The following transactions occurred with related parties during the year:		
Lumo Partners Pty Ltd	1,989	12,265
Studio Incorporate Pty Ltd	-	4,933
Webcentral Limited	508	659
<b>Total transactions with related parties</b>	<b>2,497</b>	<b>17,857</b>

The Group paid \$1,989 (FY23 \$12,265) to Lumo Partners Pty Ltd (director-related entity of James Kruger) for reimbursement of travel expenses incurred on behalf of the Group. All transactions were made on normal commercial terms and conditions and at market rates.

The Group paid \$0 (FY23 \$4,933) to Studio Incorporate Pty Ltd (director-related entity of Joseph Demase) for website design services. All transactions were made on normal commercial terms and conditions and at market rates.

The Group paid \$508 (FY23 \$659) to Webcentral Limited (director-related entity of Joseph Demase) for website hosting services. All transactions were made on normal commercial terms and conditions and at market rates.

There were no outstanding payments due to related parties as at 30 June 2024.

**Note 12. Remuneration of auditors**

During the financial year the following fees were paid or payable for services provided by William Buck Audit (Vic) Pty Ltd, the auditor of the Company:

	<b>2024</b>	<b>2023</b>
	\$	\$
<i>Audit services - William Buck Audit (Vic) Pty Ltd</i>		
Audit of the financial statements	73,323	36,000
<i>Audit services - William Buck Audit (NZ) (2023: )</i>		
Review of the financial statements	-	34,831
<i>Other non-assurance services</i>		
William Buck Audit (NZ)*	-	22,883
	-	57,714
<b>Total remuneration paid to auditors</b>	<b>73,323</b>	<b>93,714</b>

For personal use only

**Note 12. Remuneration of auditors (continued)**

As previously advised to the ASX on 10 November 2022, the Group changed its auditors from Grant Thornton New Zealand Audit, Christchurch to William Buck Audit (NZ) and William Buck Audit (Vic).

\*Subsequent to the change of auditors in November 2022, the Group engaged the incoming auditor, William Buck Audit (NZ) to undertake a detailed review of the Group's Valuation methodology and processes.

**Note 13. Contingent liabilities**

There were no contingent liabilities as at 30 June 2024 (30 June 2023: nil).

**Note 14. Commitments**

From time to time, the Group may make investments that mandatorily require future calls of capital. As at 30 June 2024 there were no capital calls payable in future periods (30 June 2023: nil).

**Note 15. Parent entity information**

	<b>Parent 2024</b>	<b>Parent 2023</b>
	\$	\$
Statement of profit or loss and other comprehensive income		
Profit or loss after income tax	389,781	612,510
<b>Total Comprehensive Income</b>	<b>389,781</b>	<b>612,510</b>
	<b>Parent 2024</b>	<b>Parent 2023</b>
	\$	\$
Statement of financial position		
Total current assets	3,259,237	4,114,690
Total assets	4,644,096	6,217,478
Total current liabilities	90,218	71,981
Total liabilities	90,218	71,981
<b>Equity</b>		
Issued capital	34,139,689	34,139,689
Share-based payment reserve	-	378,980
Accumulated losses	(29,585,811)	(28,373,173)
<b>Total equity</b>	<b>4,553,878</b>	<b>6,145,496</b>

**Note 16. Interests in subsidiaries**

The consolidated financial statements incorporate the assets, liabilities and results of the following wholly-owned subsidiaries in accordance with the accounting policy described in note 1:

Interests in associates are accounted for using the equity method of accounting. Information relating to associates that are material to the Group are set out below:

<b>Name</b>	<b>Principal place of business / Country of incorporation</b>	<b>Ownership interest</b>	
		<b>2024</b>	<b>2023</b>
		%	%
Powerhouse Ventures Australia Pty Ltd	Australia	100%	100%
Powerhouse Venture Managers Pty Ltd <sup>1</sup>	New Zealand	-	100%

**Note 16. Interests in subsidiaries (continued)**

<sup>1</sup> On 2 November 2023 the Company resolved that Powerhouse Venture Managers Pty Ltd be wound up and removed from the New Zealand Companies register which took effect on 7 November 2023.

**Note 17. Matters subsequent to the end of the financial year**

As previously advised to the ASX, on 9 July 2024, the Group has formed a syndicate of investors to establish and co-sponsor a new natural capital platform in the Australian carbon market. The Group's investment into that syndicate was a \$500,000 share subscription.

As previously advised to the ASX on 10 July 2024, Joshua Baker resigned as a director of the Company and was replaced by Doron Eldar.

The directors are unaware of any other matter that would impact recorded amounts or disclosures made in these financial statements.

**Note 18. Earnings per share calculation**

Basic loss per share (refer to Consolidated Statement of Profit or Loss and Other Comprehensive Income and **Note 8**)

	<b>2024</b>	<b>2023</b>
	<b>\$</b>	<b>\$</b>
Profit after income tax	405,079	717,346
	<b>Cents</b>	<b>Cents</b>
Basic earnings per share	0.34	0.59
Diluted earnings per share	0.34	0.59
	<b>Number</b>	<b>Number</b>
Weighted average number of ordinary shares used in calculating basic earnings per share	120,743,176	120,743,176
Weighted average number of ordinary shares used in calculating diluted earnings per share	120,743,176	120,743,176

**Note 19. Reconciliation of profit after income tax to net cash used in operating activities**

	<b>2024</b>	<b>2023</b>
	<b>\$</b>	<b>\$</b>
Profit after income tax for the year	405,079	717,346
<b>(Less)/plus non cash items:</b>		
Net changes in fair value of investments at fair value through profit or loss	(928,682)	(855,497)
Interest income capitalized in the value of investments	(47,488)	(86,622)
Equity-settled payment expense	18,511	98,581
FX impact on the value of investments	47,411	(145,713)
<b>(Less)/plus changes in working capital:</b>		
(Decrease)/increase in provisions	-	(106,270)
Decrease/(increase) in trade and other receivables	(32,003)	5,159
(Decrease)/increase in trade and other payables	(6,228)	(14,378)
<b>Net cash inflow/(outflow) from operating activities</b>	<b>(543,400)</b>	<b>(387,394)</b>

The consolidated financial statements incorporate the assets, liabilities and results of the following wholly-owned subsidiaries in accordance with the accounting policy described in note 1:

<b>Entity name</b>	<b>Entity type</b>	<b>Place formed / country of incorporation</b>	<b>Ownership interest %</b>	<b>Country of tax residency</b>
Powerhouse Ventures Limited	Body Corporate	Australia	N/A	Australia
Powerhouse Ventures Australia Pty Ltd	Body Corporate	Australia	100%	Australia

**Basis of preparation**

This Consolidated entity disclosure statement (CEDS) has been prepared in accordance with the Corporations Act 2001 and includes information for each entity that was part of the Group as at the end of the financial year in accordance with AASB 10 Consolidated Financial Statements.

*Determination of tax residency*

Section 295 (3A)(vi) of the Corporation Act 2001 defines tax residency as having the meaning in the Income Tax Assessment Act 1997. The determination of tax residency involves judgement as there are different interpretations that could be adopted, and which could give rise to a different conclusion on residency.

In determining tax residency, the Group has applied the following interpretations:

*Australian tax residency*

The Group has applied current legislation and judicial precedent, including having regard to the Tax Commissioner's public guidance in Tax Ruling TR 2018/5.

*Foreign tax residency*

Where necessary, the Group has used independent tax advisers in foreign jurisdictions to assist in its determination of tax residency to ensure applicable foreign tax legislation has been complied with (see section 295(3A)(vii) of the Corporations Act 2001).

*Partnerships and Trusts*

None of the entities noted above were trustees of trusts within the Group, partners in a partnership within the Group or participants in a joint venture within the Group.

For personal use only



In the Directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, the Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes comply with International Financial Reporting Standards as issued by the International Accounting Standards Board as described in note 1 to the financial statements;
- the attached financial statements and notes give a true and fair view of the Economic Entity's financial position as at 30 June 2024 and of its performance for the financial year ended on that date;
- there are reasonable grounds to believe that the Economic Entity will be able to pay its debts as and when they become due and payable; and
- the information disclosed in the attached consolidated entity disclosure statement is true and correct.

The directors have been given the declarations required by section 295A of the Corporations Act 2001.

Signed in accordance with a resolution of directors made pursuant to section 295(5)(a) of the Corporations Act 2001.

On behalf of the directors



---

James Kruger  
Executive Chairman



---

David McNamee  
Non-Executive Director

30 August 2024

For personal use only

## Independent auditor's report to the members of Powerhouse Ventures Limited

### Report on the audit of the financial report

#### Our opinion on the financial report

In our opinion, the accompanying financial report of Powerhouse Ventures Limited (the Company) and its controlled entities (together, the Group) is in accordance with the *Corporations Act 2001*, including:

- giving a true and fair view of the Group's financial position as at 30 June 2024 and of its financial performance for the year then ended; and
- complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

#### What was audited?

We have audited the financial report of the Group, which comprises:

- the consolidated statement of financial position as at 30 June 2024,
- the consolidated statement of profit or loss and other comprehensive income for the year then ended,
- the consolidated statement of changes in equity for the year then ended,
- the consolidated statement of cash flows for the year then ended,
- notes to the financial statements, including material accounting policy information,
- the consolidated entity disclosure statement, and
- the directors' declaration.

#### Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional & Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

1. Valuation of Level 3 Hierarchy Investments	Area of focus (refer also to notes 2 & 8)	How our audit addressed the key audit matter
	<p>As at 30 June 2024, the Group reported \$1,117,804 in level 3 hierarchy investments. As stated in the note disclosures, Level 3 hierarchy valuations are non-market observable, and therefore involve an element of uncertainty and judgment supporting valuations for those investments and hence are a key audit matter.</p> <p>As disclosed in the notes, the directors commissioned an external, independent expert to appraise these fair valuations as at 30 June 2024.</p>	<p>Our audit procedures included:</p> <ul style="list-style-type: none"> <li>— Reviewing the appropriateness of the control framework established by directors to fair value Level 3 hierarchy investments;</li> <li>— Examining the bona fides of the external expert commissioned by the directors to appraise fair values of Level 3 hierarchy valuations, including the degree of objectivity and independence of those experts;</li> <li>— Inspecting and reperforming work rendered by those experts in making their fair valuation assessments;</li> <li>— Reconciling those fair valuation assessments to results and disclosures reflected in the financial statements, including key sensitivities to its valuation inputs.</li> </ul>

## Other information

The directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 30 June 2024 but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report, or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

For personal use only

## Responsibilities of the directors for the financial report

The directors of the Company are responsible for the preparation of:

- the financial report (other than the consolidated entity disclosure statement) that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001*; and
- the consolidated entity disclosure statement that is true and correct in accordance with the *Corporations Act 2001*, and

for such internal control as the directors determine is necessary to enable the preparation of:

- the financial report (other than the consolidated entity disclosure statement) that gives a true and fair view and is free from material misstatement, whether due to fraud or error; and
- the consolidated entity disclosure statement that is true and correct and is free of misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

## Auditor's responsibilities for the audit of the financial report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at:

[https://www.auasb.gov.au/admin/file/content102/c3/ar1\\_2020.pdf](https://www.auasb.gov.au/admin/file/content102/c3/ar1_2020.pdf)

This description forms part of our auditor's report.

## Report on the Remuneration Report

### Our opinion on the Remuneration Report

In our opinion, the Remuneration Report of Powerhouse Ventures Limited, for the year ended 30 June 2024, complies with section 300A of the *Corporations Act 2001*.

### What was audited?

We have audited the Remuneration Report included in the directors' report for the year ended 30 June 2024.

### Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

William Buck

**William Buck Audit (Vic) Pty Ltd**  
ABN 59 116 151 136



**N. S. Benbow**

Director

Melbourne, 30 August 2024

For personal use only

## OTHER ASX REQUIRED INFORMATION

The shareholder information set out below was applicable as at 16 August 2024.

### Distribution of equitable securities as 16 August 2024

As at 16 August 2024 there were 120,743,176 ordinary shares held by 571 shareholders, all of which were quoted on the ASX.

	Ordinary shares Number of holders	Ordinary shares Number of shares	Ordinary shares % of total shares issued
1 to 1,000	20	7,099	0.01
1,001 to 5,000	129	446,196	0.37
5,001 to 10,000	97	778,879	0.64
10,001 to 100,000	220	8,837,657	7.32
100,001 and over	105	110,673,345	91.66
<b>Total</b>	<b>571</b>	<b>120,743,176</b>	<b>100.00</b>
Holding less than a marketable parcel	254	1,314,638	1.09

### Twenty largest quoted equity security holders as at 16 August 2024

The names of the twenty largest security holders of quoted equity securities are listed below:

Rank	Name	Units	%
1	ECLIPSE WHITE NOISE PTY LTD<DM A/C>	7,646,776	6.33%
2	CITICORP NOMINEES PTY LIMITED	7,572,852	6.27%
3	PARMELIA PTY LTD<REILLY FAMILY SUPER FUND A/C>	6,636,484	5.50%
4	UNITED WORLD GROUP PTY LTD<UNITED WORLD GROUP PTY LTD>	5,858,576	4.85%
5	YARDLEY FAMILY SUPER FUND P/L<YARDLEY FAMILY S/F A/C>	4,849,913	4.02%
6	J P MORGAN NOMINEES AUSTRALIA PTY LIMITED	4,715,741	3.91%
7	KYRIACO BARBER PTY LTD	4,226,035	3.50%
8	MR TOM ERNST PERFREMENT	3,636,666	3.01%
9	BAYESIAN HOLDINGS PTY LTD<M&IL A/C>	3,500,000	2.90%
10	JACANA GLEN PTY LTD<LARKING SUPER FUND NO 2 A/C>	3,288,055	2.72%
11	NICHOLAS MANAGEMENT SERVICES PTY LTD<NICHOLAS SUPER FUND A/C>	3,229,462	2.67%
12	BB CAPITAL PTY LTD	3,000,000	2.48%
13	SAMADA STREET NOMINEES PTY LTD<GILES FAMILY NO 2 A/C>	3,000,000	2.48%
14	MR PAUL COHN	2,665,000	2.21%
15	MLCCMM PTY LTD	2,500,000	2.07%
16	SAGE CAPITAL GROUP PTY LTD	2,000,000	1.66%
17	BRINDABELLA PENSION MANAGEMENT PTY LTD<THE BRINDABELLA SUPERFUND>	2,000,000	1.66%
18	BOND STREET CUSTODIANS LIMITED<TRYLAN - D83486 A/C>	2,000,000	1.66%
19	BRINDABELLA PENSION MANAGEMENT PTY LTD<THE BRINDABELLA A/C>	2,000,000	1.66%
20	SVOBODA SUPERANNUATION PTY LTD<THE GANDER SUPER FUND A/C>	2,000,000	1.66%

### Substantial holders

Substantial holders in the Company are set out below:

#### Substantial Shareholder

	Ordinary shares	
	Number held	% of total shares issued
ECLIPSE WHITE NOISE PTY LTD<DM A/C>	7,646,776	6.33
CITICORP NOMINEES PTY LIMITED	7,572,852	6.27
PARMELIA PTY LTD<REILLY FAMILY SUPER FUND A/C>	6,636,484	5.50

### Voting rights

The voting rights attached to ordinary shares are set out below:

#### Ordinary shares

All ordinary shares carry one vote per share. Each Shareholder is entitled to receive notice of and attend and vote at general meetings of the Group. At a general meeting, every Shareholder present in person or by proxy, will have one vote on a show of hands and on a poll, one vote for each share held.

There are no other classes of equity securities.

### Corporate Governance Statement

The Board is committed to a high standard of corporate governance, and is responsible for establishing, maintaining and monitoring the Group's corporate governance framework. The Corporate Governance Statement and further details about corporate governance policies, Board and Committee charters may be accessed via the Company's website: <https://www.phvl.com.au/investors>.

For personal use only