

VENTURE UPDATE OCTOBER 2022

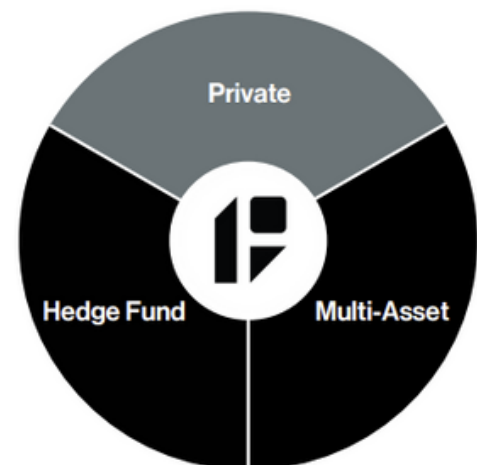
PAC PRIVATE 1



Depressed market conditions created a favourable investment environment for private ventures in the tech sector.

Clayton Larcombe
Chief Investment Officer

In the last quarter, PAC Private 1 (PP1) venture fund made a few exciting new investments post Chief Investment Officer, Clayton Larcombe's trip in the US. Clayton was invited as the only Australian investor to gaming and esports VC BITKRAFT Ventures' annual summit. After the two-day celebration of the latest gaming tech and exponential growth of the gaming industry, Clayton kicked off a nationwide tour in the US, meeting with both the most renowned and elusive company founders and capitalists who are key forces in pushing the boundaries of innovation in gaming, esports, Metaverse, artificial intelligence, virtual reality and much more.



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BITKRAFT Ventures



The much-anticipated annual BITKRAFT Summit returned this year September 19-20th, with over 400 investors, entrepreneurs, strategic partners, and high-profile speakers convening at Chelsea Factory in New York City. During this closed, exclusive event, PAC CIO Clayton Larcombe attended sessions with David Rubenstein, Co-Founder and Co-Chair of The Carlyle Group and Matthew Ball, lead Metaverse theorist.



Clayton with Jens Hilligers, Founding General Partner of BITKRAFT Ventures

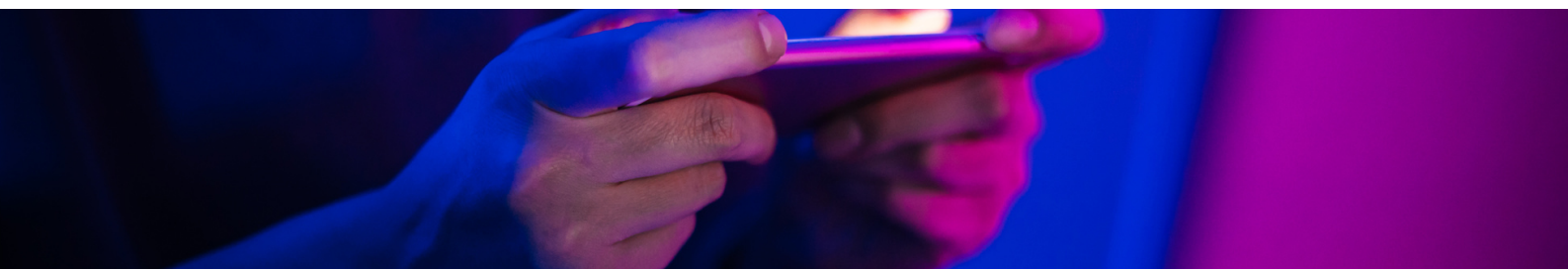
BITKRAFT portfolio updates also showed strong indicators that PP1 investments are seeing strong returns. BITKRAFT invests in four theses: Content & IP, Devices (VR/AR/XR), Computation (AI) and information (Web3 and blockchain). Among multiple portfolios, Inworld AI, a company that leverages artificial intelligence to give game characters brains and personality, has shown fast markup of 1.9x in five months, and raised USD50 million including Disney as a key investor. BITKRAFT portfolios also saw significant markups in early-stage companies such as Joyride (8.3x), VOICEMOD (7.9x) and Roundhill Investments (10.7x).



David Rubenstein sharing his investment view with Jens

In closing, BITKRAFT observes:

1. Entrepreneurial energy and founder quality in web2 and web3 gaming only getting stronger
2. Good pricing climate: valuations normalizing in crypto; attractive pricing in web2 growth; early stage web2 pricing quality driven
3. Gaming sector growth fundamentals remain intact, robust and unfolding over decades.



Fable/The Simulation



After a series of exclusive meetings with key players in the gaming industry, a company spun off Meta and Oculus VR caught Clayton's attention. Fable was founded by Edward Saatchi, a storyteller with a vision to create an AI Disneyland through their latest product – The Simulation.

The Simulation creates and populates the Metaverse with AI simulation of NFT characters. Within The Simulation, NFT holders will pay to support their AI to achieve their dreams, buy buildings, and live their own lives. Eventually, these AIs will leave The Simulation and enter Metaverse Roblox, Minecraft and so on to learn about the outside world on their own.

Edward's grand vision and strong belief in the Metaverse piqued Clayton's interest. Through PP1, PAC Capital invest in the next generation – the technology, the culture, making the impossible possible.



In-game screenshot from The Simulation - different NFT avatars and styles can coexist in The Simulation

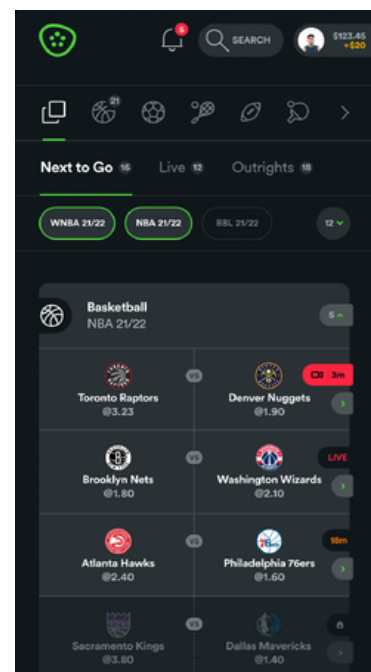
Picklebet



Based in Australia, and built for a global audience, Picklebet is the country's biggest esports betting platform. Founded in 2020, Picklet is building a betting and entertainment experience for tomorrow's customers.

Since PAC's initial investment in 2021, Picklebet has evolved from esports betting to a comprehensive, content-driven entertainment platform that offers multiple functionalities such as digital payment and rewards, 24/7 organic content on inbuilt media portals, Fantasy games and much more.

For the past 18 months, Picklebet has seen 14% MoM increase in bets placed, 13% turnover growth, and 9% increase in Gross Gaming Revenue.



PAC Capital

