

13 September 2022

### **HGV Investment Portfolio Report - August 2022**

**HGV Limited (ASX: HGV) ("HGV")** is an Australian-listed specialist investment company which concentrates on producing capital growth for shareholders over the medium term from investments in listed and unlisted equities and other financial assets.

### **HGV Investment Portfolio Report - August 2022**

HGV is pleased to provide the HGV Investment Portfolio Report for August 2022 which includes the disclosure pursuant to Listing Rule 4.12.

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### **Investor and Media Enquiries**

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**About HGV**

HGV Limited (ASX:HGV) ("HGV") ABN 91 601 236 417 is an Australian-listed specialist investment company which concentrates on producing capital growth for shareholders over the medium term from investments in listed and unlisted equities and other financial assets.

**Important Notice**

*This announcement contains reference to certain intentions, expectations, future plans, strategy and prospects of HGV. Those intentions, expectations, future plans, strategy and prospects may or may not be achieved. They are based on certain assumptions, which may not be met or on which views may differ and may be affected by known and unknown risks. The performance and operations of HGV may be influenced by a number of factors, many of which are outside the control of HGV. No representation or warranty, express or implied, is made by HGV, or any of its directors, officers, employees, advisers or agents that any intentions, expectations or plans will be achieved either totally or partially or that any particular rate of return will be achieved. Given the risks and uncertainties that may cause HGV's actual future results, performance or achievements to be materially different from those expected, planned or intended, recipients should not place undue reliance on these intentions, expectations, future plans, strategy and prospects. HGV does not warrant or represent that the actual results, performance or achievements will be as expected, planned or intended. Nothing in this material should be construed as either an offer to sell or a solicitation of an offer to buy or sell securities. It does not include all available information and should not be used in isolation as a basis to invest in HGV. This document does not constitute any part of any offer to sell, or the solicitation of an offer to buy, any securities in the United States or to, or for the account or benefit of any "US person" as defined in Regulation S under the US Securities Act of 1993 ("Securities Act"). HGV's shares have not been, and will not be, registered under the Securities Act or the securities laws of any state or other jurisdiction of the United States, and may not be offered or sold in the United States or to any US person without being so registered or pursuant to an exemption from registration including an exemption for qualified institutional buyers.*



# Investment Portfolio Report

August 2022

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### About Hygrovest

Hygrovest Limited (“Hygrovest”) (ASX: HGV) is an Australian-listed, specialist investment company that has traded on the ASX since 2015.

Investors in Hygrovest gain exposure to a globally diversified portfolio that concentrates on producing capital growth over the medium term from investments in listed and unlisted equities and other financial assets.

Under its investment mandate, HGV invests in high-growth industries such as but not limited to, natural resources, healthcare and the digital economy. Sub-sectors identified include software as a service, e-sports, online gaming, sports betting, telehealth / virtual medicine, and fintech.

Investments are managed by Parallax Ventures Inc., a specialist management company in Canada.

Since 2015, Hygrovest has created a significant number of investment opportunities from its connections in Canada and Australia in the private investment sector and realised exits to the benefit of Hygrovest and its shareholders.

### Hygrovest Investment Performance<sup>1</sup>

HGV Historical Performance - period ended					31-Aug-22
	1 month	3 months	Financial year to date	12 months	Since inception
Pre tax return	4%	1%	10%	(31)%	(18)%

For Hygrovest’s latest investor presentations and news, please visit [www.hygrovest.com.au](http://www.hygrovest.com.au)

#### General Investor Queries

E: [info@hygrovest.com.au](mailto:info@hygrovest.com.au)

W: [hygrovest.com.au](http://hygrovest.com.au)

#### Share Registry

Automatic Registry Services

P: 1300 288 664

W: [automic.com.au](http://automic.com.au)

### Performance Update

Net Tangible Asset Value Per Share Before Tax<sup>2</sup> as at 31 August 2022

**\$0.1254**

Net Asset Value as at 31 August 2022

**\$26m**

Discount of HGV share price to Net Asset Value as at 31 August 2022

**41% p.a.**

Key Metrics as at	31-Aug-22	AUD
Net Asset Value	m	26
Investee Portfolio (ex cash)	m	22
Cash	m	6
Net Tangible Asset per share - pre-tax (issued pursuant to LR 4.12)		0.1254
Net Tangible Asset per share - post tax (issued pursuant to LR 4.12)		0.1140
Net Asset Value per share		0.1144
HGV share price (ASX)		0.067
Market capitalisation	m	15
Number of investments (ex cash)		9
ASX Investment Type		Listed Investment Company
Initial Public Offering Date (inception date)		22-Jan-15
No. of ordinary shares on issue	m	230

### Hygrovest shareholder communications

Webinars and copies of announcements related to Hygrovest’s operations may be found on the Hygrovest website: [www.hygrovest.com.au](http://www.hygrovest.com.au).

Hygrovest held a live audio webinar of the Investor Conference Call on 22 July 2022. In the webinar, Michael Curtis, HGV Non-Executive Director and a Partner of Parallax Ventures Inc, the asset manager of Hygrovest’s investments, gave an update on Hygrovest’s major investments.

<sup>1</sup> Inception is 30 June 2018 being the date when Hygrovest commenced accounting for investments as an investment entity.

<sup>2</sup>Net Tangible Asset Value per share – unaudited, before tax on unrealised gains on investment portfolio. The financial information within this report is unaudited.

**HYGROVEST NEWS****Performance of Hygrovest Portfolio - August 2022**

During August 2022, HGV's Net Asset Value (before provision for deferred tax) increased by 4%.

HGV's positive performance in NAV in August 2022 was primarily due to the revaluation of HGV's investment in Weed Me resulting from the gain during August in the listed Canadian cannabis sector<sup>3</sup> and its positive impact on the valuation multiple applied to value HGV's investments<sup>4</sup>. Weed Me continues to increase its rolling twelve months net revenue.

**Portfolio Investment Strategy**

HGV is seeking to reduce the 41% gap of the share price to NAV (four cents per HGV share) by:

- a) working with HGV's largest investment, Weed Me, to achieve a liquidity event during 2022 to provide HGV with the option of realising a material portion of HGV's investment;
- b) realising underperforming and or illiquid investments – investments which fall into this category include BevCanna and Vintage Wines Estates;
- c) benefitting from proposed liquidity events for non-cannabis investments (Brainworks and Valo); and
- d) investing surplus funds in companies which provide our Shareholders with higher capital growth potential either derived from sector specific or company specific growth opportunities.

Funds received from divestments would be applied as dividends<sup>5</sup> to HGV Shareholders and/or making investments which the Board considers to be the prospect of higher capital growth and allow HGV to diversify away from the underperforming cannabis sector.

HGV has funds available to deploy in new investments and will also seek to realise existing investments to recycle capital into opportunities which HGV considers having greater potential for capital growth. HGV's current strategy in respect of individual investments is detailed in section 7 of Appendix One. HGV's flexibility in exiting some of its investments remains restricted given the escrow arrangements which will unwind during the next 18 months.

**Investor Communications**

HGV released its unaudited financial statements to the ASX on 30 August 2022. Of note, there was no change to the NTA per share previously announced on 11 July 2022.

The 2022 Annual General Meeting of Hygrovest Limited will be held as follows:

Venue: The office of Steinepreis Paganin, Level 4, The Read Buildings, 16 Milligan Street, Perth.  
Time: 12:00pm (AEST)  
Date: 24 November 2022

Meeting format: The Company is pleased to provide shareholders with the opportunity to attend in person and/or virtually by participating in a hybrid meeting with shareholders participating in an online meeting platform where they cannot attend the physical meeting and will be able to watch, listen, and vote online.

HGV will hold an Investor Conference Call in October 2022. In this webinar, Michael Curtis and Mohan Nair of Parallax Ventures Inc, the asset manager of HGV's investments, will give an update on HGV's major investments. Tim Drury, the Chief Executive Officer of HGV's second largest investment, Southern Cannabis Holdings, will provide an update on the company's operations and prospects in the same Investor Conference Call. HGV will announce how Shareholders can register for the Call in the near future.

<sup>3</sup> There was a similar declines in listed Australian cannabis companies

<sup>4</sup> The valuation is periodically reviewed with reference to material changes in net revenue and market valuation multiples

<sup>5</sup> Refer HGV's dividend policy in Appendix One of this publication



## Parallax Ventures Portfolio Update – August 2022

### Volatility is Back

#### ❖ Equity Market Summary

- The return of volatility and the end of an impressive market rally culminated with US Fed Chairman Powell strongly reiterating his position on fighting inflation last week.
  - Investor reaction was swift and rapid as the Dow saw a 1,000-point loss in one day.
- Investors are still coming to grips with a market that is experiencing its fastest dose of monetary tightening since the early 1980s, Europe struggling with an energy supply crisis and China steadfastly pursuing zero-Covid policies.
  - Significant global GDP is at risk from these factors and we would expect to see continued volatility through to the end of H1 2023 if the economic data continues to deteriorate.
  - South Korea has always been a leading indicator of economic activity and reported its widest trade deficit on record.
- HGV will remain focused on structural and thematic investment opportunities that can help to generate both sustainable economic growth and investment returns.

#### ❖ Cannabis equities bottomed?

- Late 2019 and early 2020 brought an overall loss of investor confidence as profitability and business model from many cannabis operators failed to materialize.
- Valuations plummeted, growth capital became harder to obtain and many companies were forced to make reductions and consolidate with others to navigate the end of the bubble.
- August 2022 saw significant short covering and the sector, led by Canopy, was up materially in the month.
- While rumbling about US legislation could be driving the news, it is more likely that cannabis equities have entered the downturn better positioned as the businesses have already cut costs, refocused and mostly moving towards profitability.
- At this stage in the cycle, investors should expect to see increased investor appetite as M&A activity begins and sentiment shifts to recession proof sectors.
  - Weed Me has continued to outperform its peers and we believe it will be viewed by both investors and larger entities as a premium asset.

#### ❖ Net Zero = No Food & No Energy

- While many politicians are pointing to the Ukraine / Russia war as the cause of the energy crisis in Europe, the war just accelerated several decades of poor decisions without much thought given to the economic realities, citizens and the developing world.
- Short-term
  - Many European consumers are facing a significant increase in their energy bills, the ECB will need to step in to stabilize the region as already smaller members are pushing back on austerity programs. It will be extremely costly and further strain the euro without addressing the underlying causes.
    - Investors should expect the market to move dramatically higher on the back of such a facility.
  - Europe will ramp up its purchases of “Chinese LNG” that may in fact just be Russian LNG that has been sanction-washed and re-exported.
  - Civil unrest will increase as the winter progresses and we would expect to see some governments struggling to remain in power through both normal elections processes along with civil unrest in some of the former Eastern Bloc countries.
  - Shutdown of energy or gas intensive industries, such as smelters or fertilizer producers, will amplify the inflation experienced by Europe until economic energy solutions are realized.

➤ Medium-term

- Reduction of sanctions or a peaceful resolution in Ukraine / Russia is inevitable as Russia is awash in petrodollars with a significantly enhanced geopolitical role, while popular support from EU and US is falling dramatically.
  - There are market rumblings of a peace proposal along with a stand-down of advancement that was firmly rejected by UK and US policymakers.
  - German politicians broke ranks this week on the continued escalation and investors should take heart that generally these types of actions signal the beginning of the end.
- Energy policies focused on more dense alternatives, such as nuclear, while moving away from less dense sources, such as wind and solar.

➤ Long-term

- Ideological governments positions will be mediated by common sense governance focused on their citizens.

### Appendix One

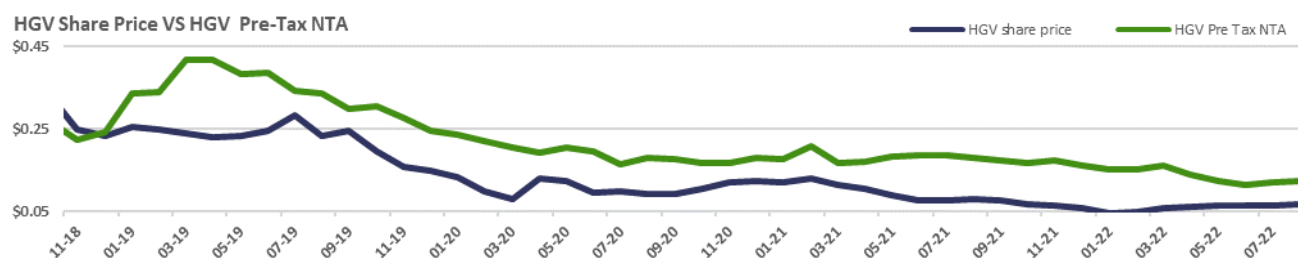
#### 1. The year-to-date performance of Hygrovest's NTA is detailed below<sup>6</sup>:

Table One

HGV Historical Performance - financial year to date		30-Jun-18	30-Jun-19	30-Jun-20	30-Jun-21	30-Jun-22	31-Jul-22	31-Aug-22
Share price \$	AUD	0.335	0.245	0.096	0.077	0.064	0.065	0.067
Net Asset Value	AUD	0.2879	0.3721	0.1924	0.1750	0.1059	0.1111	0.1144
NTA Post Tax \$	AUD	0.2860	0.3718	0.1925	0.1747	0.1055	0.1107	0.1140
NTA Pre Tax \$	AUD	0.2900	0.3874	0.1976	0.1885	0.1136	0.1202	0.1254
Net Return - pre tax NTA - year to date		n/a	34%	(49)%	(5)%	(40)%	(36)%	(33)%
Premium/(discount) of share price to pre tax NTA		16%	(37)%	(51)%	(59)%	(44)%	(46)%	(47)%
Premium/(discount) of share price to NAV		16%	(34)%	(50)%	(56)%	(40)%	(42)%	(41)%

#### 2. Chart One demonstrates the current discount of the Hygrovest share price to the pre-tax net tangible asset value (NTA).

Chart One



#### 3. Hygrovest's investment portfolio is detailed in Table Two:

Table Two

Investment	Country	Business	MOIC (current portfolio)	Cannabis investments	Non-Cannabis investments	Total Portfolio Book Value (unaudited)	Weight	Book Value (unaudited)	Weight
			31-Aug-22 Times	31-Aug-22 AUDm	31-Aug-22 AUDm	31-Aug-22 AUDm		30-Jun-22 AUDm	
Delivra Health Brands	Canada	Health and wellness products	0.2	1.5		1.5	5%	1.9	7%
BevCanna Enterprises Inc	Canada	Cannabis beverages and extracts	n/a	0.3		0.3	1%	0.4	1%
Portfolio of listed small caps	Canada/Australia	various listed small caps			0.3	0.3	1%	0.1	0%
<b>Listed investments</b>				<b>1.8</b>	<b>0.3</b>	<b>2.1</b>	<b>7%</b>	<b>2.4</b>	<b>9%</b>
Weed Me	Canada	Cultivation and sales of branded cannabis products	2.7	12.8		12.8	44%	10.0	38%
Sequoia	Canada/Poland	CBD Extraction	0.2	0.9		0.9	3%	0.9	3%
Southern Cannabis	Australia	Medicinal cannabis clinics and research	2.0	2.0		2.0	7%	1.1	4%
J Supply	Canada	Retailer of cannabis products	n/a	0.3		0.3	1%	0.3	1%
Vintage Wine Estate	Canada	Investment in beverage businesses	1.0		1.5	1.5	5%	2.1	8%
Valo Therapeutics	Finland	healthcare	1.0		1.0	1.0	3%	1.0	4%
Brainworks Foundry Inc.	USA	healthcare	1.0		1.4	1.4	5%	1.5	6%
<b>Unlisted investments</b>				<b>16.1</b>	<b>4.0</b>	<b>20.0</b>	<b>69%</b>	<b>16.9</b>	<b>64%</b>
<b>Cash</b>			<b>0.6</b>	<b>17.9</b>	<b>4.3</b>	<b>22.1</b>	<b>76%</b>	<b>19.2</b>	<b>73%</b>
Company tax refund receivable					6.0	6.0	21%	6.3	24%
					0.8	0.8	3%	0.7	3%
<b>Total Portfolio</b>				<b>17.9</b>	<b>11.1</b>	<b>28.9</b>	<b>100%</b>	<b>26.2</b>	<b>100%</b>



## Appendix One continued

### 4. Hygrovest listed investments

The details of HGV's listed investments are detailed in Table Three below:

Table Three

Investment	Code	Valuation methodology	Number of securities 31-Aug-22	Market Price 31-Aug-22 Foreign Currency	Book Value (unaudited) 31-Aug-22 Foreign Currency	Book Value (unaudited) 31-Aug-22 AUD000
Delivra Health Brands Inc. - shares	DHB	listed price	55,557,994	0.025	1,389	1,540
<b>Total HGV investment</b>					<b>1,389</b>	<b>1,540</b>
Vintage Wine Estate - shares	VWE.U	Listed price	60,000	5.9	355	514
- warrants	VWE.WT.U	Listed price	666,670	1.050	700	1,014
<b>Total HGV investment</b>					<b>1,055</b>	<b>1,528</b>
Becanna Enterprises - shares	BEV	listed price	4,230,212	0.055	233	258
<b>Total HGV investment</b>					<b>233</b>	<b>258</b>
<b>HGV's Listed investments</b>					<b>2,676</b>	<b>3,326</b>

### 5. Divestments by HGV

The details of the investments sold by HGV are detailed below:

Table Four

Divested Investment	Method of Sale	Partial/ Complete	Net Proceeds AUDm	Capital Invested AUDm	MOIC Multiple
Medipharm LABS	Onmarket	Complete	30.3	5.9	5.2
Dosecann	Takeover	Complete	5.9	2.5	2.3
Entourage Health	Repayment	Complete	6.7	5.6	0.8
Fire and Flower Inc	Onmarket	Complete	1.5	1.0	1.5
Embark Health	Takeover	Complete	0.1	7.5	0.0
Axiomm	Takeover	Complete	0.7	0.7	1.0
Becanna (1st investment sold 2019)	Onmarket	Complete	0.6	0.8	0.8
ESense	Onmarket	Complete	0.4	0.5	0.8
Hempele	Private Sale	Complete	0.3	1.3	0.2

### 6. Securities held by HGV<sup>7</sup>

#### (a) Weed Me

HGV was a foundation investor in Weed Me in December 2017 which now comprises:

- i. 3.642m shares representing approximately 14% of Weed Me's issued capital (HGV has a book value of CAD2.22 per share);
- ii. 460,830 warrants each convertible at CAD2.17 with an expiry date of 29 October 2024; and

<sup>7</sup> Information current at the month of this report.

- iii. CAD2m convertible note which is unsecured, bears interest at a rate of 8% per annum, repayable on 29 April 2023 and has an option to convert into 1,197,604 Weed Me shares at CAD1.67 per share.
- (b) Southern Cannabis Holdings (**SCH**)
- HGV became an investor in SCH in April 2018 which now comprises:
- i. 21m shares representing approximately 17% of SCH's issued capital.
- (c) Sequoia Cannabis Ltd (**Sequoia**)
- HGV was a foundation investor in Sequoia – the investment now comprises:
- i. CAD2.5m convertible note (advanced July 2019) is a first-ranking security bearing interest of 13% per annum and a maturity date of 30 June 2023. The convertible note is convertible (at HGV's option) into Sequoia ordinary shares at CAD0.05 each.
  - ii. CAD2.5m convertible note facility (executed April 2020) drawn to CAD1.2m, has first ranking security bearing interest of 13% per annum and a maturity date of 30 June 2023. The convertible note is convertible (at HGV's option) into ordinary shares at CAD0.10 per share.
  - iii. 19m ordinary shares (27% shareholding) in Sequoia.
- (d) Delivra Health Brands Inc. (**DHB**)<sup>8</sup> (formerly known as Harvest One Cannabis Inc.)
- HGV was a foundation investor in DHB – the investment now comprises:
- i. 55,557,994 common shares of DHB representing an approximately 22% shareholding.
- (e) Vintage Wine Estates, Inc. (**VWE**)
- HGV was a foundation investor in VWE (formerly known as Bespoke Capital Acquisition Corp) (TSX: VWE, VWE.WT.U) through its investment in Bespoke A LP – HGV's investment has an indirect economic interest in the Founder's Shares and Founder's Warrants as follows:
- i. 60,000 Founder's Shares which are equivalent to 60,000 listed common shares of VWE (the "Common Shares").
  - ii. 666,667 Founder's warrants which are equivalent to the listed Share purchase warrants (the "Warrants"). Each Warrant entitles the holder to purchase one listed Common Share at a price of CAD11.50 at any time until five years after completion of the Qualifying Transaction.
- The Founder's Shares and Founder's Warrants are subject to a lock-up agreement for 18 months from the closing of the transaction on 7 June 2021. The investment decisions of Bespoke A LP, including the timing of any sale of shares and / or warrants, are controlled by the General Partner, which is Bespoke Capital Partners LLC. Additionally, as part of the merger agreement with VWE, the shares and warrants controlled by Bespoke Capital Partners LLC are subject to a complete lock-up for the first 18 months from the closing of the transaction (from June 7, 2021 to December 7, 2022), with the lock-up gradually unwinding in the following 17 months before all shares and warrants become freely tradeable.
- (f) Brainworks Foundry Inc. (**Brainworks**)
- HGV's investment was made in August 2021 and comprises:
- i. 1,234,568 shares representing approximately 7% of Brainworks' issued capital.
- (g) Valo Therapeutics Oy (**Valo**)
- HGV's investment was made in November 2021 and comprises:
- i. 1,000,000 notes.
- (h) BevCanna Enterprises Inc (**BEV**)
- HGV received its investment in BEV in January 2022 as a result of accepting a takeover offer by BEV for all the issued capital of Embark Health Inc. – the investment comprises:
- i. 4.2m common shares of BEV (2% shareholding).

<sup>8</sup> The name change will take effect at the open of market on or about September 8, 2022 (the "Effective Date"), with the common shares of DHB Company (the "Common Shares") trading under the symbol "DHB" on the TSXV

## 7. Securities held by HGV<sup>9</sup>

Outlined in the table below is the current strategy for HGV's Portfolio of investments:

Investee	Book Value (unaudited) 31 August 2022 AUDm	Current Portfolio Strategy
Weed Me	12.8	Weed Me is the best performing investment in HGV's portfolio. The company is in the high revenue growth stage – it has generated sufficient sales growth to more than offset the decline in market valuation multiples and HGV remains optimistic for future capital growth from its investment. HGV is working with the company to maximise exit value with the option of realising a material portion of HGV's investment during the next 12 months.
Delivra Health Brands Inc.	1.5	HGV's is the largest shareholder with 22% holding in the restructured listed cannabis business.
Sequoya	0.9	HGV has extended its loan facilities and is working with the company to materially improve performance
Vintage Wine Estate (VWE)	1.5	HGV is a small investor in VWE – the investment is held through Bespoke A LP and is in escrow until December 2022 <sup>10</sup> – HGV is not a long-term holder.
Southern Cannabis Holdings (SCH)	2.0	SCH is diversifying its products to continue sales growth – HGV is working with SCH's management to produce a liquidity event in the next 12 months.
Brainworks Foundry Inc. (Brainworks)	1.4	Brainworks is a new investment in digital healthcare made in September 2021.
BevCanna	0.3	HGV is a small investor in BevCanna as a result of the takeover by BevCanna of Embark Health in January 2022. HGV's listed BevCanna shares are being progressively released from escrow in the next 12 months. HGV is not a long-term holder.
Valo Therapeutics Oy (Valo)	1.0	Valo is a new investment in healthcare made in November 2021. HGV is supportive of the company's targeted public listing in 2023.
Cash and company tax refund	6.8	Funds for new investment and operating costs.

## 8. Valuation of Assets

HGV values its investments by applying the following principles:

- (a) Listed securities – the book value is based on the closing share prices for public companies at period end converted into Australian dollars at the relevant prevailing foreign exchange rates at month-end.
- (b) Unlisted equity securities - HGV's preference is to value its unlisted investments by applying an Enterprise Value to Net<sup>11</sup> Revenue Multiple (Canadian multiple of 2.3 (prior month 2.0) and Australian multiple of 2.4 (prior month 2.1) provided these valuations are materially consistent with any recent capital raises by the investee. HGV also applies a discount of 15% on the valuation to account for the unlisted company status of these investments. In the absence of material historical revenue, the book value is based on the most recent material funding round share prices for private companies converted into Australian dollars at the relevant prevailing foreign exchange rates. In the absence of a recent capital raise or arm's length transaction, management considers all available information, including benchmarking of instruments to market movements indicated by relevant indices. HGV also takes into account the

<sup>9</sup> Information current at the month of this report.

<sup>10</sup> The lock-up gradually unwinds in the following 17 months after December 2022 before all shares and warrants become freely tradeable (the investment decisions of the Bespoke A LP are controlled by the General Partner which is Bespoke Capital Partners LLC)

<sup>11</sup> Gross sales less government excise taxes

recommendations of its asset manager, Parallax Ventures Inc., where it is considered that the fair value should be less than book value in the absence of other valuation indicators due to the outlook for the individual business.

- (c) Convertible debentures and loan instruments – the book value is based on HGV’s assessment of the capacity of the investee to repay principal and interest.
- (d) Unlisted warrants and note conversion options - the book values also include the unrealised gain arising from valuation of unlisted warrants using the Black-Scholes pricing model. The Black-Scholes attributes a value to warrants which may be “out of the money” at month end. The Black Scholes model is commonly used to determine the fair price or theoretical value for a call, or a put option based on six variables such as volatility, type of option, underlying stock price, time to expiry, strike price, and the risk-free rate. The warrant valuation ascribed through Black Scholes assumes that the warrant is exercised on the expiry date of the warrant which may not be the actual outcome e.g. HGV decides to exercise the warrant prior to expiry.

The Net Asset Value or NAV is calculated after deducting a provision for company tax on any net unrealised gains that may arise on such theoretical disposal. HGV does not hedge the carrying value of existing investments denominated in non-AUD currencies. HGV’s financial statements are subject to statutory audit or review by our independent auditor BDO Audit (WA) Pty Ltd, at 31 December and 30 June each year.

**Note:**

- a) All information within this release is unaudited unless stated otherwise.
- b) The book value includes shares, convertible notes, options, loans, warrants and accrued interest.

**9. Dividend Policy**

On 7 June 2019, HGV announced its intention to distribute 20% of its annual profit after tax, after excluding unrealised gains and losses on investments (Annual Profit). The policy was first applied in respect of the Annual Profit for the year ended 30 June 2020. The dividend would be payable within three months of each half year after the completion of the half year and annual financial statements. It is HGV’s intention that any dividend would benefit from available franking credits held by HGV. HGV updated shareholders that there was no dividend payable in respect of the half year ended 30 June 2022 in the Appendix 4E released on 30 August 2022.

**10. Investment Policy**

HGV Limited (ASX: HGV) is an Australian-listed, specialist investment company that has traded on the ASX since 2015. Investors in Hygrovest gain exposure to a globally diversified portfolio that concentrates on producing capital growth over the medium term from investments in listed and unlisted equities and other financial assets.

Currently, HGV’s investments are largely minority holdings in Australian and offshore cannabis-related businesses reflecting the company’s early focus. HGV has expanded its investment mandate to other high growth industries such as natural resources, healthcare and the digital economy.

In December 2021, HGV’s Shareholders approved the broadening of the HGV investment mandate by removing the restriction that limited HGV’s investments in non-cannabis assets to 25% of its total assets. HGV believes that there are opportunities to enhance the returns for Shareholders by further diversifying its investment portfolio to include strategic investments in sectors outside of cannabis.



### Glossary

ABBREVIATION	Definition
<b>AUD</b>	means Australian dollars.
<b>AASB</b>	Australian Accounting Standards Board.
<b>ACMPR</b>	means Access to Cannabis for Medical Purposes Regulations.
<b>ASX</b>	means ASX Limited (ACN 008 624 691) or the financial market operated by ASX Limited, as the context requires.
<b>ASX Listing Rules</b>	means the Listing Rules of ASX.
<b>B2B</b>	Business to business
<b>CAD</b>	means Canadian dollars.
<b>CBD</b>	means Cannabidiol (CBD) is a crystalline, nonintoxicating cannabinoid in cannabis and hemp.
<b>CBG</b>	means Cannabigerol is the non-acidic form of cannabigerolic acid, the parent molecule from which other cannabinoids are synthesized.
<b>Company or HGV</b>	means Hygrovest Limited (ACN 601 236 417).
<b>DNA</b>	deoxyribonucleic acid
<b>EBITDA</b>	means Earnings before Interest, Tax, Depreciation and Amortisation.
<b>GMP</b>	GMP stands for Good Manufacturing Practices and refers to a system of manufacturing that guarantees reproducibility of product quality to set specifications.
<b>IPO</b>	Initial public offering of securities on a recognised securities exchange
<b>LPs</b>	Canada's Licensed Producers of Cannabis Products
<b>M</b>	means million
<b>MMPR</b>	means Marihuana for Medical Purposes Regulation
<b>MOIC</b>	means multiple on invested capital
<b>NTA</b>	means net tangible assets.
<b>PCR</b>	polymerase chain reaction
<b>Covid19</b>	CO' stands for corona, 'VI' for virus, and 'D' for disease.
<b>Option</b>	means an option to acquire a Share usually at predetermined price.
<b>Share</b>	means a fully paid ordinary share in the capital of the Company.
<b>Shareholder</b>	means a registered holder of a Share.
<b>TGA</b>	Means the Therapeutic Goods Administration
<b>THC</b>	means THC is the principal psychoactive constituent of cannabis
<b>TSXV</b>	Toronto Stock Exchange Venture
<b>Warrant</b>	means an option to acquire a Share usually at predetermined price.
<b>WST</b>	means Western Standard Time as observed in Perth, Western Australia.