

ASX RELEASE

20 October 2022

PRESENTATION FOR HGV WEBINAR – 21 OCTOBER 2022

Hygrovest 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 Webinar Presentation

On 13 October 2022 HGV announced it is hosting a live audio webinar of the HGV Investor Conference Call on 21 October 2022.

HGV has enclosed the attached presentation for the Investor Conference Call on Friday, 21 October 2022.

The Investor Conference Call will be conducted via Finance News Network.

In this webinar, Michael Curtis, HGV Non-Executive Director and Managing Partner of Parallax Ventures Inc and Mohan Nair, Chief Investment Partner of Parallax Ventures Inc, the asset manager of HGV's investments, will give an update on the following:

- HGV Investment Outlook
- Update on Major Investments
- 30 September 2022 NTA

Also presenting at this webinar is Tim Drury, Chief Executive Officer of Southern Cannabis Holdings.

To pre-register for the call, please follow the link below:

<https://hygrovest.com.au/webinar/>

Once registered, you will receive a confirmation email message that contains detailed information about joining the event.

Access to the audio webcast will open at 10.45 AM AEST on the day and the live stream is scheduled to begin at 11.00 AM AEST.

Investors are encouraged to provide questions in advance to info@hygrovest.com.au.

About Southern Cannabis Holdings

Southern Cannabis Holdings ("**SCH**"), an unlisted Australian company, builds, integrates and operates high value brands across the cannabis value chain. Its operations include clinical services, research and supply chain capabilities.

HGV became an investor in SCH in April 2018 and currently holds 21m shares representing approximately 17% of SCH's issued capital with a book value of \$3m at 30 September 2022.

Investor and Media Enquiries

Announcement authorised for release to ASX by:

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Chief Financial Officer and Company Secretary

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About HGV

Hygrovest 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.

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Shareholder Update Presentation

21 October 2022

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Investment Outlook

Michael Curtis

Parallax Ventures Inc. (“Parallax”)



Investment Outlook

Investing in a Volatile Market (CPI continues to fuel interest rates)

- ▶ While US August CPI disappointed, September was inline and moderating, so it seems unlikely inflation doesn't continue to slow in North America during the coming months, driven by improved supply-and-demand dynamics, demand destruction and decreasing prices across all inputs
- ▶ The Fed continued the pressure with another jumbo-sized rate-hike (75bps) at its September meeting eliminating all hopes for an early "pivot" in 2023.
 - ▶ ECB, BofC, BofE all followed with similar hikes in hopes of fighting inflation, while attempting to protect their currencies from strong USD appreciation, although the recent CPI numbers from Germany aren't very encouraging.
- ▶ Yields jumped across the board to levels not seen since 2008 that was echoed across European markets with Italian, Spanish, and French yields also rising across the board.
 - ▶ UK gilt yields hit the roof sharply on the prospect of escalating public debt and a sharp increase in interest rates after the government slashed taxes by the most since 1972 to support the economy.
- ▶ A US dollar on steroids - The USD is laying waste to currencies from the UK and Europe to Japan, India and China, which have all slumped below long-term levels in recent days.
 - ▶ To put it as simply, the strength of the U.S. dollar is causing too much pain worldwide, and traditionally something breaks when this happens.
 - ▶ Strong USD combined with rising yields for gold has been the ultimate headwind and investors shouldn't be surprised to see further pressure on gold in the near-term, although an indication of diminishing rate hikes would be an opportunity.

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Update on Major Investments

Mohan Nair

Parallax Ventures Inc. (“Parallax”)



Major Investments – Legacy Sector

Continued strength illustrated by portfolio companies

- ▶ While no longer a single sector investor, HGV has legacy investments in the cannabis sector which appears to have bottomed.
 - ▶ The last several years had brought an overall loss of investor confidence as profitability and viable business models for 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 in order to navigate the hard times.
 - ▶ The underlying business performance of our portfolio companies has been better than current valuations would suggest.
- ▶ 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 more 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.

Major Investments – Legacy Sector

Revenues and profitability accelerating in portfolio companies

- ▶ Weed Me
 - ▶ Continues to deliver strong revenue growth. The addition of the Quebec market together with continued innovation and ever increasing product offerings increases the likelihood of record results for the year.
 - ▶ Weed Me's ability to integrate small tuck in acquisitions, such as TREC brands, combined with additional new products illustrates their market leading position.
- ▶ Delivra Brands (formerly Harvest One)
 - ▶ Focus on core products that are recognized brands (DreamWater and Satipharm) with strong efficacy appears to be a winning strategy, especially with the return of travel and international expansion efforts accelerate.
 - ▶ Management has made significant improvements over the last four years in both EBITDA and gross margins, so incremental revenue improvements will fall to the bottom line.
- ▶ The remainder of portfolio companies continue to show strong progress, such as Southern Cannabis, Sequoya Cannabis, and Medio Labs/Brainworks, in both revenue and cashflow.

Major Investments – Strategic Direction

New Investment Opportunities Abound

- ▶ In a market where cash is king, Hygrovest has been sitting on a significant cash balance that will be deployed into high quality names as market stability returns that benefit shareholders.
- ▶ These new funds will be allocated to our new strategy focused on high growth sectors including:
 - ▶ Information Technology (software, esports, crypto, etc.)
 - ▶ Healthcare (biotech, vaccines, etc.)
 - ▶ Commodities (metals & mining, oil and gas)
 - ▶ Consumer Discretionary (high growth brands, products)
 - ▶ Other sectors
- ▶ We aim to create a basket of diversified uncorrelated strategies in larger cap names as the equity markets recover.

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Update on Southern Cannabis Holdings

Tim Drury, CEO

Southern Cannabis Holdings (“SCH”)



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30 September 2022 NTA

Jim Hallam

HGV Chief Financial Officer



HGV Investment Portfolio as at 30 September 2022

Investment	Country	Business	MOIC (current portfolio)	Cannabis investments	Non-Cannabis investments	Total Portfolio Book Value (unaudited)	Weight	Book Value (unaudited)	Weight
			30-Sep-22 Times	30-Sep-22 AUDm	30-Sep-22 AUDm	30-Sep-22 AUDm		30-Jun-22 AUDm	
Delivra Health Brands Inc.	Canada	Health and wellness products	0.2	1.6		1.6	6%	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			0.2	0.2	1%	0.1	0%
Listed investments				1.8	0.2	2.0	7%	2.4	9%
Weed Me	Canada	Cultivation and sales of branded cannabis products	2.5	11.9		11.9	42%	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	2.9	3.0		3.0	11%	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	0.5		0.7	0.7	3%	2.1	8%
Valo Therapeutics	Finland	healthcare	1.0		1.0	1.0	4%	1.0	4%
Brainworks Foundry Inc.	USA	healthcare	1.0		1.5	1.5	5%	1.5	6%
Unlisted investments				16.1	3.3	19.3	69%	16.9	64%
			0.6	17.9	3.4	21.3	76%	19.2	73%
Cash					6.1	6.1	22%	6.3	24%
Company tax refund receivable					0.8	0.8	3%	0.7	3%
Total Portfolio				17.9	10.3	28.2	100%	26.2	100%

Next Investor Update

If you have any questions please email info@hygrovest.com.au

The next shareholders audio webinar update is scheduled for January 2023.

Further details will be announced closer to the scheduled date.

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