

11 February 2022

### **HGV Investment Portfolio Report as at 31 January 2022**

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

### **HGV Investment Portfolio Report as at 31 January 2022**

HGV is pleased to provide the HGV Investment Portfolio Report as at 31 January 2022 which includes the disclosure pursuant to Listing Rule 4.12.

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#### **Investor and Media Enquiries**

Announcement authorised for release to ASX by:  
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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 to long 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

31 January 2022

## **Important Notice**

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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 portfolio which concentrates on producing capital growth for shareholders over the medium to long term from investments in listed and unlisted equities and other financial assets.

Investments are managed by Parallax Ventures Inc., a specialist management company in Canada, under a long-term strategic partnership.

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:

<b>23</b>	<b>10</b>	<b>4</b>	<b>11</b>
Primary Acquisitions	Follow on investments <sup>1</sup>	Private to public	Sale of investments

### Hygrovest Investment Performance<sup>2</sup>

HGV Historical Performance - period ended	31-Jan-22				
	1 month	3 months	Financial year to date	12 months	Since inception
Pre tax return	(7)%	(10)%	(20)%	(15)%	(17)%

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

<b>General Investor Queries</b>	<b>Share Registry</b>
E: <a href="mailto:info@hygrovest.com.au">info@hygrovest.com.au</a>	Automic Registry Services
W: <a href="http://hygrovest.com.au">hygrovest.com.au</a>	P: 1300 288 664
	W: <a href="http://automic.com.au">automic.com.au</a>

### Performance Update

Net Tangible Asset Value Per Share Before Tax<sup>3</sup> as at 31 January 2022

**\$0.1514**

Net Asset Value as at 31 January 2022

**\$33m**

Investment Return for 12 months ended 31 January 2022

**(15)% p.a.**

Key Metrics as at	31-Jan-22	AUD
Net Asset Value	m	33
Investee Portfolio (ex cash)	m	31
Cash	m	4
Net Tangible Asset per share - pre-tax (issued pursuant to LR 4.12)		0.1514
Net Tangible Asset per share - post tax (issued pursuant to LR 4.12)		0.1420
Net Asset Value per share		0.1423
HGV share price (ASX)		0.047
Market capitalisation	m	11
Number of investments (ex cash)		10
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 will hold its next live audio webinar of the Investor Conference Call in March 2022 following the release of HGV’s audited financial statements for the half year ended 31 December 2021 in February 2022. In the webinar, Michael Curtis, HGV Non-Executive Director and Managing Partner of Parallax Ventures Inc, the asset manager of Hygrovest’s investments, will update on Hygrovest’s major investments.

<sup>1</sup> Includes investments in existing investees.

<sup>2</sup> Inception is 30 June 2018 being the date when Hygrovest commenced accounting for investments as an investment entity.

<sup>3</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 January 2022**

During the month ended 31 January 2022, HGV's Net Asset Value (before provision for deferred tax) decreased by 7%. The primary cause of the negative performance was the contribution of its Canadian cannabis investments. The S&P/TSX Cannabis Index (CAD) fell **12%** in January 2022 which contributed to a 7% decline in HGV's NAV for the month of January 2022. The decrease was reflected in the devaluation of HGV's listed securities and also the lower enterprise/net revenue multiple applied to the unlisted security Weed Me. Fortunately Weed Me's continued growth in rolling 12 months net revenue partially offset the impact of lower market valuation multiples.

**Portfolio Investment Strategy**

HGV is seeking to reduce the 67% gap of the share price to NAV (9.5 cents per HGV share) by:

- i. working with HGV's largest investment, Weed Me, to achieve a liquidity event during 2022 (investment value of \$12.1m) to provide HGV with the option of realising a material portion of HGV's investment;
- ii. realising underperforming and or illiquid investments - HGV currently intends to hold its Entourage Health Corp (Entourage) convertible debenture and recover full value (current HGV book value is 60% discount to face value) or when escrow arrangements cease (BevCanna and Vintage Wines Estates); and
- iii. invest surplus funds in companies which provide our Shareholders with high capital growth potential either derived from sector specific or company specific growth opportunities.

Funds received from divestments would be applied as dividends<sup>4</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.

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

Investee	Book Value (unaudited)	
	31-Jan-22 AUDm	Current Portfolio Strategy
Weed Me	12.1	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.
Harvest One	3.4	HGV is the largest shareholder with 22% holding in the restructured listed cannabis business.
Entourage Health Corp	2.9	HGV is to hold convertible notes until maturity in Sept 2022 – currently 60% discount to face.
Southern Cannabis Holdings (SCH)	2.4	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.
Sequoia	3.3	Sequoia is seeking new capital. HGV is considering an extension of loan facilities.
Vintage Wine Estate (VWE)	2.6	HGV is a small investor in VWE – the investment is in escrow until December 2022 – HGV is not a long-term holder.
BevCanna	1.1	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 will be released progressively from escrow in the next 12 months. HGV is not a long-term holder.
Brainworks Foundry Inc. (Brainworks)	1.4	Brainworks is a new investment in digital healthcare made in September 2021.
Valo Therapeutics (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 2022.
Cash	3.9	Funds for new investment and operating costs.

<sup>4</sup> Refer HGV's dividend policy in Appendix One of this publication

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. As noted above, HGV's flexibility in exiting some of its investments remains restricted given the escrow arrangements or where HGV is intending to hold the investment to maturity to realise value (e.g. Entourage) which will unwind during 2022.

**Funding Position**

HGV is well positioned to create value from its existing portfolio with a liquid balance sheet and cashflows from its investments. HGV has total assets of \$34m, with immaterial current liabilities, comprising cash of AUD4m and a portfolio of listed equities (CAD3m), listed convertible loans (CAD2.4m) and unlisted loan securities (CAD4m), which provide interest income with flexibility to fund flow on investments, effect timing of investment exits and HGV's operating requirements.

## Parallax Ventures Inc. Portfolio Update – January 2022

Hygrovest and Parallax began its diversification efforts outside of cannabis several months ago and are now starting to see the results. We note high growth and shorter paths to liquidity in many of HGV's new investments as these sectors aren't burdened by the challenges currently facing the cannabis space. Additionally, within the remaining cannabis portfolio we are finding liquidity events for these positions and only making additional investments into cannabis companies that are truly exceptional and can buck industry trends. With that in mind, we provide highlights from each portfolio company for this month below:

### Public Company Holdings:

- **Vintage Wine Estates (VWE).** VWE acquired Meier's Wine Group, out of Silverton, Ohio which is a producer, bottler, importer and marketer of specialty beverage alcohol and non-alcohol products. The company owns a bonded winery, brewery, and distilled spirits plant producing over 800,000 cases annually. The purchase was valued at approximately eight times Meier's 2021 adjusted EBITDA.
- **BevCanna (BEV).** BevCanna closed the acquisition of Embark Health in January 2022 marking another exit in Hygrovest's portfolio from a private cannabis investment to a liquid public listing. Hygrovest's shares in the company will become free trading proportionally over the course of the next twelve months.
- **Harvest One (HVT).** Harvest One launched its new LivRelief Infused product, Extra Strength Transdermal CBD Cream. This new product will be available at the Ontario Cannabis Store as part of the company's brand expansion within the topicals market distribution channels.
- **Entourage Health (ENTG).** Entourage announced the expansion of its Color Cannabis line with the launch of three new premium products in Ontario, with expected expansion across Canada throughout the first quarter of 2022.

### Private Company Holdings:

- **Medio Labs/Brainworks.** Brainworks is currently experiencing rapid revenue growth with many successes in the Coronavirus testing space. The company's focus now is to find enough staff to fulfill the high demand.
- **Valo Therapeutics.** Valo continues to progress its planned Phase-1 candidate PeptiCRAd-1 which remains on track. Possibility of a liquidity event in Q2/2022.
- **Sequoia Cannabis.** Hygrovest continues to explore the options to recapitalize the company during Q1/2022.
- **Southern Cannabis Holdings.** SCH's prescription vape business is growing at very high rates with significant customer retention and re-orders. The company is seeking to place this line of business at the centre of their strategic vision going forward.
- **Weed Me.** Weed Me, one of the largest privately held cannabis LP's in Canada, is in process of seeking additional funding to finance its growth plans in 2022. Weed Me branded products generated net revenue of CAD22.6m in 2021 compared to CAD6.9m in 2020 and was profitable in 2021. Net revenue had strong growth acceleration in 2021, with net revenue, for the six months ended 31 December 2021, at CAD15.2m compared to CAD4.6m in the same period in 2020.

In addition to continued capital investments, we continue to leverage our portfolio platform so investee companies can help each other from a technical and commercial standpoint.

### Appendix One

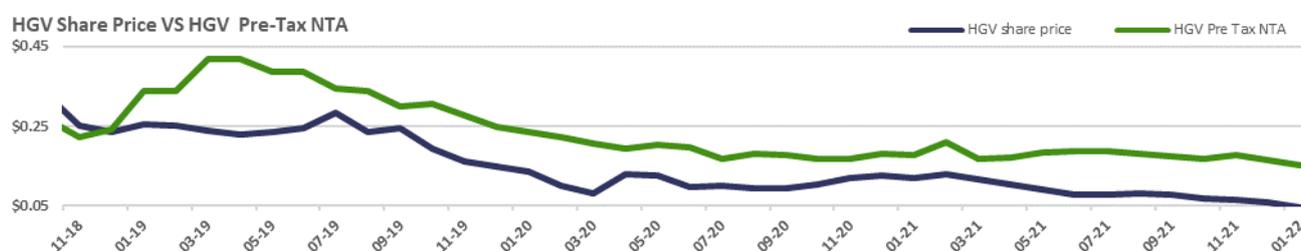
#### 1. The year-to-date performance of Hygrovest's NTA is detailed below<sup>5</sup>:

Table One

HGV Historical Performance - financial year to date		30-Jun-18	30-Jun-19	30-Jun-20	30-Jun-21	31-Jul-21	31-Aug-21	30-Sep-21	31-Oct-21	30-Nov-21	31-Dec-21	31-Jan-22
Share price \$	AUD	0.335	0.245	0.096	0.077	0.079	0.081	0.078	0.069	0.066	0.059	0.047
Net Asset Value	AUD	0.2879	0.3721	0.1924	0.1750	0.1729	0.1690	0.1639	0.1565	0.1623	0.1521	0.1423
NTA Post Tax \$	AUD	0.2860	0.3718	0.1925	0.1747	0.1725	0.1686	0.1636	0.1562	0.1619	0.1517	0.1420
NTA Pre Tax \$	AUD	0.2900	0.3874	0.1976	0.1885	0.1863	0.1814	0.1754	0.1681	0.1759	0.1633	0.1514
Net Return - pre tax NTA - year to date		n/a	34%	(49)%	(5)%	(1)%	(4)%	(7)%	(11)%	(7)%	(13)%	(20)%
Premium/(discount) of share price to pre tax NTA		16%	(37)%	(51)%	(59)%	(58)%	(55)%	(56)%	(59)%	(62)%	(64)%	(69)%
Premium/(discount) of share price to NAV		16%	(34)%	(50)%	(56)%	(54)%	(52)%	(52)%	(56)%	(59)%	(61)%	(67)%

#### 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

Country	Company type	Investment structure	Business	MOIC (current portfolio)	Book Value (unaudited)	Weight	Book Value (unaudited)	Weight
				31-Jan-22 Times	31-Jan-22 AUDm		30-Jun-21 AUDm	
Canada	Listed	Shares and warrants	Health and wellness products	0.3	3.4	10%	7.2	17%
Canada	Listed	Convertible notes and warrants	Cannabis products for both the medical and adult-use markets.	0.6	2.9	8%	4.5	10%
Canada	Listed	Shares and Warrants	Cannabis beverages and extracts	n/a	1.1	5%		0%
					<b>7.4</b>	<b>21%</b>	<b>11.7</b>	<b>27%</b>
Canada	Unlisted	Shares and Warrants	Investment sold January 2022 and BEV shares received as consideration		0.0	0%	2.6	6%
Canada	Unlisted	Shares	Cultivation and sales of branded cannabis products	3.2	12.1	35%	9.5	22%
Canada/ Poland	Unlisted	Convertible note and shares	CBD Extraction	0.8	3.3	9%	3.8	9%
Australia	Unlisted	Shares	Medicinal cannabis clinics and research	2.4	2.4	7%	4.3	10%
Canada	Unlisted	Shares	Retailer of cannabis products	n/a	0.3	1%	0.3	1%
Canada	Unlisted	Bespoke A Limited Partnership holds VWE shares and founders warrants	Investment in beverage businesses	1.7	2.6	7%	3.2	7%
Finland	Unlisted	Convertible notes	healthcare	n/a	1.0	3%	0.0	0%
USA	Unlisted	Shares	healthcare	1.0	1.4	4%	0.0	0%
					<b>23.1</b>	<b>66%</b>	<b>23.7</b>	<b>55%</b>
				<b>0.6</b>	<b>30.5</b>	<b>88%</b>	<b>35.4</b>	<b>81%</b>
					3.9	11%	3.4	8%
					0.4	1%	4.6	11%
					<b>34.8</b>	<b>100%</b>	<b>43.5</b>	<b>100%</b>

<sup>5</sup> The results for 30 June 2018, 30 June 2019, 30 June 2020 and 30 June 2021 are for the year ended on those dates.

## Appendix One continued

### 4. Hygrovest listed investments

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

Table Three

Investment	TSX/ TSX Code	Valuation methodology	Number of securities 31-Jan-22	Market Price 31-Jan-22 Foreign Currency	Book Value (unaudited) 31-Jan-22 Foreign Currency	Book Value (unaudited) 31-Jan-22 AUD000
Harvest One - shares	HVT	listed price	55,557,994	0.055	3,056	3,422
- warrants	unlisted	Black Scholes using listed price as key input	17,083,333	0.000	5	5
<b>Total HGV investment</b>					<b>3,061</b>	<b>3,427</b>
Entourage Health Corp - debentures	ENTG.DB	Listed price - the total number of securities multiplied by listed price divided by 100	6,000,000	40.0	2,400	2,688
- warrants	ENTG.WT	Listed price	3,750,000	0.030	113	126
<b>Total HGV investment</b>					<b>2,513</b>	<b>2,814</b>
Vintage Wine Estate - shares	VWE.U	Listed price	60,000	8.6	514	733
- warrants	VWE.WT.U	Listed price	666,670	1.950	1,300	1,854
<b>Total HGV investment</b>					<b>1,814</b>	<b>2,587</b>
Bevcanna Enterprises - shares	BEV	listed price	5,277,214	0.180	950	1,064
- warrants	unlisted	Black Scholes using listed price as key input	-	0.000	-	-
<b>Total HGV investment</b>					<b>950</b>	<b>1,064</b>
<b>HGV's Listed investments</b>					<b>6,523</b>	<b>7,305</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
Fire and Flower Inc	Onmarket	Complete	1.5	1.0	1.5
Embark Health	Takeover	Complete	1.1	7.5	0.1
Axiomm	Takeover	Complete	0.7	0.7	1.0
Bevcanna (1st investment sold 2019)	Onmarket	Complete	0.6	0.8	0.8
ESense	Onmarket	Complete	0.4	0.5	0.8
Hemple	Private Sale	Complete	0.3	1.3	0.2

**6. Securities held by HGV<sup>6</sup>****(a) Weed Me**

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

- i. 3.642m shares representing approximately 13% of Weed Me's issued capital.
- ii. 230,415 warrants each convertible at CAD2.17 with an expiry date of 29 October 2024; and
- iii. CAD1m convertible note ("the Note") which is unsecured, bears interest at a rate of 8% per annum and is repayable on 9 May 2023.

**(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) Sequoya**

HGV was a foundation investor in Sequoya – the investment now comprises:

- i. CAD2.5m convertible note (advanced July 2019) is unsecured (subject to negative pledge) with an interest rate of 8% per annum and a maturity date of 19 July 2021. The convertible note is convertible (at HGV's option) into Sequoya ordinary shares at CAD0.05 each.
- ii. CAD2.5m convertible note facility (executed April 2020) drawn to CAD1.0m, has first ranking security bearing interest of 8% per annum and a maturity date of 15 April 2022. The convertible note is convertible (at HGV's option) into ordinary shares at CAD0.10 per share.
- iii. 19m ordinary shares (27% shareholding) in Sequoya.

**(d) Harvest One (HVT)**

HGV was a foundation investor in HVT – the investment now comprises:

- i. 55,557,994 common shares of HVT (the "Common Shares") (22% shareholding).
- ii. 17,083,333 Common Share purchase warrants (the "Warrants"). Each Warrant entitles the holder to purchase one listed Common Share at a price of CAD0.06 at any time until April 3, 2022.

**(e) Entourage Health Corp (Entourage) (formerly known as WeedMD)**

HGV's investment was made in September 2019 – the investment now comprises:

- i. CAD6m in 8.5% unsecured Convertible Debenture units issued by Entourage which HGV has the option to convert into 3.75m shares by 25 September 2022. The debenture units have preference over ordinary shares with interest paid to HGV on a six-monthly basis. The market value of the notes is calculated by multiplying the CAD6m by the market price divided by 100.
- ii. Listed Warrants that allow HGV to acquire an additional 3.75m shares for CAD1.80 each by 25 September 2022.

**(f) 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 (the investment decisions are controlled by the General Partner which is Bespoke Capital Partners LLC) 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 closing of the transaction on 7 June 2021.

**(g) Brainworks Foundry Inc. (Brainworks)**

<sup>6</sup> Information current at the month of this report.

HGV's investment was made in August 2021 and comprises:

- i. 1,234,568 shares representing approximately 7% of Brainworks' issued capital.

(h) Valo Therapeutics Oy (**Valo**)

HGV's investment was made in November 2021 and comprises:

- i. 1,000,000 notes.

(i) 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. 5,277,214 common shares of BEV (the "Common Shares") (2% shareholding).

## 7. 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 applying an Enterprise Value to Revenue Multiple provided these valuations are materially consistent with any recent capital raises by the investee. 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 in to account the recommendations of its asset manager, Parallax Ventures, where it is considered that the fair value should be less than book value in the absence of other valuation indicators due to 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 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 a 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.

## 8. 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 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 year ended 30 June 2021 in the Appendix 4E released on 27 August 2021.

**9. 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 portfolio which concentrates on producing capital growth for shareholders over the medium to long 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 but not limited to, 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 to Shareholders by further diversifying its investment portfolio to include strategic investments in sectors outside of cannabis (Diversification).

### 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.