

ASX RELEASE

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HGV AGREES TO DIVEST ITS INVESTMENT IN ENTOURAGE HEALTH CORP

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 agrees to divest its investment in Entourage Health above current book value

HGV has agreed to support proposed changes to the terms of the unsecured convertible debentures issued by Entourage Health Corp (ENT or the Company) which would allow HGV to divest its investment in ENT convertible debentures (the Notes).

The attached release by ENT details the changes proposed by the Company which would allow HGV to complete the divestment of ENT which bring forward the maturity date from 25 September 2022 to 30 June 2022 and reduce the redemption percentage from 100% to 60% of face value (the Note Proposals).

The Company has announced that a meeting of ENT Noteholders will be held in late June 2022 to consider the Note Proposals. HGV has signed a voting agreement to vote in favour of the changes. If the meeting of ENT Noteholders approves the amendments, ENT will redeem HGV's Notes for CAD3.6m plus accrued interest on or around 30 June 2022 which is a premium to HGV's book value of CAD2.5m as at 30 April 2022.

On the basis that ENT Noteholders approve the resolutions, HGV will have generated a loss of 18% on the original investment (after inclusion of cash interest received). Whilst the investment in HGV's Notes has been well below expectations at the time of initial investment, it should be noted that the return is materially above that for the listed Canadian cannabis sector which has declined approximately 70%¹ since January 2020.

The divestment was negotiated by HGV's asset manager, Parallax Ventures Inc, on behalf of HGV.

"The divestment of HGV's investment in ENT at a significant premium to our book value is an important step in realising HGV's underperforming cannabis investments and applying those funds to sectors which have higher growth prospects" said Mr Wall, HGV's Chairman.

HGV made its initial investment in ENT in September 2019 and now has a current book value of CAD2.5m comprising:

- a) CAD6m in 8.5% unsecured Convertible Debenture units issued by ENT which HGV has the option to convert into 3.75m shares by the maturity date of 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.
- b) Listed Warrants that allow HGV to acquire an additional 3.75m shares for CAD1.80 each by 25 September 2022.

Investor and Media Enquiries

Announcement authorised for release to ASX by:
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¹ Based on movement in S&P/TSX Cannabis Index

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.

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.

Entourage Health Enters into Voting Support Agreement and Announces Proposed Amendments to its 8.5% Unsecured Convertible Debentures

TORONTO, May 13, 2022 (GLOBE NEWSWIRE) -- **Entourage Health Corp.** (formerly WeedMD Inc.) (TSX-V:ENTG) (OTCQX:ETRGF) (FSE:4WE) ("**Entourage**" or the "**Company**"), a Canadian producer and distributor of award-winning cannabis products, is pleased to announce that it has entered into voting support agreements with certain holders of the Company's 8.5% unsecured convertible debentures due September 25, 2022 (the "**Debentures**"), including Hygrovest Limited, the largest holder of Debentures (collectively, the "**Supporting Debentureholders**"), to vote in favour of certain proposed amendments to the trust indenture dated as of September 25, 2019 between TSX Trust Company and the Company (the "**Indenture**") governing the Debentures (the "**Proposed Amendments**"). Upon approval of the Proposed Amendments, the Indenture would be amended to, among other things, (i) accelerate the maturity date of the Debentures to June 30, 2022 (the "**New Maturity Date**"); and (ii) amend the cash amount payable in respect of the Debentures on the New Maturity Date to be 60% of the principal amount of the Debentures, together with any accrued and unpaid interest thereon up to the New Maturity Date, less any tax required by law to be deducted.

Entourage and its Board of Directors believe the Proposed Amendments are aligned with the Company's strategy to implement lasting initiatives that could improve the Company's capital structure and create long-term value for all security holders.

The Proposed Amendments are subject to approval by the TSX Venture Exchange and the approval of the holders of the Debentures (the "**Debentureholders**"). Approval from the Debentureholders will be sought at a meeting of the Debentureholders (the "**Meeting**") on June 20, 2022 to be held virtually. To be effective, the resolution approving the Proposed Amendments must be passed by at least 66^{2/3}% of the aggregate principal amount of the Debentures represented in person or by proxy at the Meeting. Materials for the Meeting will be available on SEDAR concurrent with the mailing thereof to registered Debentureholders on or around May 26, 2022.

As of May 12, 2022, approximately CDN\$12,765,000 aggregate principal amount of Debentures are issued and outstanding. The Supporting Debentureholders beneficially own, in the aggregate, CDN\$6,335,000 aggregate principal amount of Debentures, representing approximately 49.6% of the issued and outstanding Debentures.

About Entourage Health Corp.

Entourage Health Corp. is the publicly traded parent company of Entourage Brands Corp. (formerly WeedMD RX Inc.) and CannTx Life Sciences Inc., licence holders producing and distributing cannabis products for both the medical and adult-use markets. The Company owns and operates a state-of-the-art hybrid greenhouse and processing facility located on 158-acres in Strathroy, ON; a fully licensed 26,000 sq. ft. Aylmer, ON processing facility, specializing in cannabis extraction; and a micropropagation, tissue culture and genetics centre-of-excellence in Guelph, Ontario. With its Starseed Medicinal medical-centric brand, Entourage has expanded its multi-channelled distribution strategy. Starseed's industry-first, exclusive partnership with LiUNA, the largest construction union in Canada, along with employers and union groups complements Entourage's direct sales to medical patients. Entourage's elite adult-use product portfolio includes Color Cannabis, Saturday Cannabis and Royal City Cannabis Co. - sold across eight provincial distribution agencies. The Company also maintains strategic relationships in the seniors' market and supply agreements with Shoppers Drug Mart. It is the exclusive Canadian producer and distributor of award-winning U.S.-based wellness brand Mary's Medicinals sold in both medical and adult-use channels. Under a collaboration with The Boston Beer Company subsidiary, Entourage is also the exclusive distributor of cannabis-infused beverages in Canada, expected to launch in 2022.