

**ASX RELEASE**

24 February 2023

**HGV ANNOUNCES TENDER FOR INVESTMENT MANAGER**

**Hygrovest Limited (ASX: HGV) ("HGV" or the "Company")** 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.

**Tender for Investment Manager**

As foreshadowed in September 2022, the Independent Directors of HGV wishes to advise that it has undertaken a review of HGV's operating structure to maximise the value of its investment portfolio having regard to the significant discount which HGV's share price trades to its net asset value.

The HGV Board has concluded that:

1. The majority of HGV's investments are unlisted minority interests in cannabis businesses which are more likely to be realised at their fair value in conjunction with a public listing or trade sale of the companies.
2. HGV is reliant on the parties who control these companies to execute a liquidity event.
3. The realisation of these investments is dependent on a material improvement in demand from potential acquirers (both trade and listed equity markets).
4. It is in the interest of HGV shareholders to continue to operate as an ASX listed investment company with an external investment manager to:
  - a) maximise the value of the current portfolio compared to book value;
  - b) access the expertise of the Investment Manager (the "Manager") to maximise returns from redeployment of proceeds from sale of its portfolio; and
  - c) minimise the level of fixed costs in HGV's cost structure.
5. HGV will undertake a process to appoint a Manager which is expected to be completed before 30 June 2023.

The current Investment Management Agreement with Parallax Ventures Inc. ("Parallax") expires on 30 June 2023. HGV has invited Parallax to participate in the tender process to appoint a new Manager. Michael Curtis, a Non-Executive Director and Managing Partner of Parallax will abstain from participating in the appointment of the new Manager.

Realised gains from the sale of HGV's investments would be distributed in accordance with HGV's Dividend Policy<sup>1</sup>. HGV will also consider any proposals to use surplus capital to HGV shareholders in the event that HGV and its Manager are unable to deploy into attractive investment opportunities.

HGV expects the bulk of the Manager's remuneration would continue to be linked to material increases in HGV's share price and/or net asset value.

HGV will in due course update shareholders of the outcome of the tender process.

-----

**Investor and Media Enquiries**

Announcement authorised for release to ASX by:  
Jim Hallam  
Chief Financial Officer and Company Secretary  
E: Compsec@hygrovest.com.au

<sup>1</sup> Refer HGV January 2023 Portfolio update.

## **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.*