Hygrovest Limited

ABN 91 601 236 417

Annual Report – 30 June 2024

Contents

Corporate Directory

Directors	Mr Warwick Sauer (Non-Executive Chair)
	Mr Jason Byrne (Non-Executive Director)
	Mr David Prescott (Non-Executive Director)
Chief Financial Officer and Company Secretary	Mr Jim Hallam
Registered office and	Level 57,
principal place of business	MLC Centre, 25 Martin Place
	Sydney NSW 2000
	Telephone: +61 2 9236 7334
	Facsimile: +61 2 8080 8315
Share register	Automic Registry Services
	Level 5
	126 Phillip Street
	Sydney NSW 2000
	Telephone: +61 1300 288 664
Auditor	Connect National Audit Pty Ltd
	Level 11, 333 Collins Street
	Melbourne, VIC 3000
Stock exchange listing	Hygrovest Limited securities are listed on the Australian Securities Exchange (ASX code: HGV)
Website	www.hygrovest.com.au

The Annual General Meeting of Hygrovest Limited will be held as follows:	
Venue	The office of Automic Group, Level 5, 126 Phillip Street Sydney NSW 2000
Time	12.30pm (AEST)
Date	22 November 2024
Place	The Company is pleased to provide Shareholders with the opportunity to attend and participate in a hybrid meeting, with shareholders participating in an online meeting platform, where shareholders who cannot attend the physical meeting will be able to watch, listen, and vote online.
Nominations for Directorships of HGV	Nominations of persons intending to propose their nomination as a director of Hygrovest Limited must be lodged at the registered office by 4 October 2024.
Corporate Governance Statement	https://www.hygrovest.com.au/corporate-governance/.

Hygrovest Limited

Directors' Report

The Directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the "consolidated entity") consisting of Hygrovest Limited (referred to hereafter as "Hygrovest" "HGV", the "Company" or "parent entity") and the entities it controlled (the "Group") at the end of, or during, the year ended 30 June 2024 ("the Financial Period").

Directors

The following persons were Directors of the Company during the Financial Period and up to the date of this report, unless otherwise stated:

Mr Warwick Sauer (Non-Executive Director to 1 August 2023; Non-Executive Chair from 1 August 2023)

Mr David Prescott (Non-Executive Director)

Mr Jason Byrne (Non-Executive Director) (appointed 1 August 2023)

Mr Peter Wall (Non-Executive Chair) (resigned 1 August 2023)

Mr Doug Halley (Non-Executive Director) (resigned 1 August 2023)

Principal activities

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 that primarily seeks to produce capital growth over the medium term from investments in listed and unlisted equities and debt securities.

The Company measures and evaluates the performance of substantially all of its investments on a fair value basis.

The operating revenues, expenses and cashflows of the HGV consolidated entity for the Financial Period reflect the operations of HGV, which operates as an investment entity for financial reporting purposes comprising:

a) Revenue and other income – including realised and unrealised gains/losses and interest income from investments.

b) Operating expenses – such as the investment management and administration expenses required to operate as an investment company listed on the Australian Securities Exchange.

Dividends

There were no dividends paid, recommended or declared during the current or previous Financial Period.

Review of operations

The loss for the consolidated entity, after providing for income tax and non-controlling interest, amounted to $0.1m (compared to the prior corresponding period (pcp) to 30 June 2023: loss of $4m). The loss for the Financial Period included the following gains and losses from the following investments[1]:

	Gains & Income/ (Losses) Year ended 30-Jun-24 $000	**Book value 30-Jun-24 $000**
Investment in Delivra Health Brands	1,502	2,131
Investment in Emerging Therapeutics Group	601	3,993
Investment in Weed Me Inc	361	9,171
Investment in Medio Labs	(1,959)	0

The main drivers of financial performance in the Financial Period were:

a) Gains from revaluations of HGV's investments in Delivra Health Brands, Emerging Therapeutics Group (ETG) and Weed Me; offset by:

[1] Includes unrealised and realised gains and losses, interest and dividend income as applicable.

b) the write-off of HGV's investment in Medio Labs. This write-off followed Medio Labs informing HGV during the Financial Period that it was insolvent and was no longer operating.

Operating overheads for the Financial Period were $1.1m[2] down from $1.6m from the previous Financial Period.

HGV has funds available to deploy in new investments and will seek to realise existing investments to recycle capital into opportunities that HGV considers will increase diversification and has better potential for capital growth.

To the extent that divestments in aggregate generate a profit, available funds are also impacted by income tax and HGV's dividend policy.

The Group's primary investment strategy is to provide investors with exposure to a portfolio that primarily seeks to produce capital growth over the medium term from investments in listed and unlisted equities and debt securities, whilst managing risk through a portfolio approach to investing. Risks relating to the Group's investment portfolio include:

- The risk associated with the Company's early stage investments needing sufficient funding to implement their respective business plans.
- The risk of reliance upon the Canadian equities market to provide the opportunity for the Company's Canadian cannabis investments to raise new funds and move from private to listed status.
- Adverse movement in market prices and/or illiquid markets may result in financial loss to the Group and its shareholders.

Whilst the Group has limited direct exposure to climate change related risks due to the limited nature of its operations as a listed investment company, the Group's portfolio of investments may be exposed to significant climate change related risks in their respective businesses.

To enable HGV to effectively manage these risks, the Board has sought to identify the material risks, both financial and non-financial, to HGV's business operations, and suitable methods to aid in controlling those risks. The material risks, methods to control them, and ongoing monitoring procedures are outlined in the Company's risk management policy (RMP).

The RMP does not address every possible risk to HGV or necessarily set out full detail of the procedures and processes adopted to manage each risk. In particular, it does not identify and manage risks within the investee businesses in which HGV holds a minority investment. HGV's Board is responsible for an annual review of the appropriateness, effectiveness and adequacy of the RMP noting the ability and right of directors to rely on management information and assurances.

HGV is focused on seeking to improve HGV's performance, via initiatives including:

a) maximising the value of HGV's existing investments;

b) revising HGV's investment approach so that it is more value focused than it has been historically; and

c) reducing HGV's fixed cost structure.

Steps that have been taken on these fronts thus far include:

a) appointing HD Capital Partners Pty Ltd ("HD") as Investment Manager of HGV's investment portfolio; and

b) reducing operating costs (excluding base investment management fees), which are currently forecast to fall from more than $1.3m in the year ended 30 June 2023 to around $0.7m in the year ending 30 June 2025. Specific cost reduction measures taken to date have included:

    i. termination of HGV's Sydney office lease
    ii. elimination of marketing spend and reduction in other investor communication costs
    iii. rationalisation of employee headcount, which was facilitated via HGV's CFO / company secretary Jim Hallam taking on tasks that were previously performed by a second employee
    iv. materially reducing insurance premiums paid without materially compromising appropriate coverage
    v. reducing registry and ASX listing fees through the implementation of the unmarketable share buyback completed in June 2023
    vi. reducing the size of HGV's Board from four to three directors

[2] Excludes non-cash share-based payments expense

c) During the period HGV effected realisation of legacy investments:

i. October 2023 - redemption of CAD1m convertible note advanced to Weed Me at its scheduled maturity date.
ii. May 2024 – HGV previously wrote down to zero its investment in Sequoya, after Sequoya advised that its insolvency was imminent, and that it had no means to avoid insolvency occurring. HGV's Investment Manager HD Capital subsequently worked with Sequoya seeking to facilitate both third-party funding for Sequoya, and a sale of HGV's investment. During May 2024 that work resulted in HGV executing a contract to sell its investment, the terms of which contract are confidential. HGV's net asset value as at 30 June 2024 reflects the sale value according to the contract of sale.
iii. June 2024 - HGV's Investment Manager, HD Capital, had been working with Valo to seek to facilitate a sale of HGV's investment in Valo. During June 2024 that work resulted in HGV executing a contract to sell its investment at a 20% premium to its carrying value. HGV's net asset value as at 30 June 2024 reflects the sale value according to the contract price, which was then received in cash in July 2024.

Notwithstanding the additional work that has been (and continues to be) required of HGV's Board and CFO through their seeking to identify and then implementing cost reduction measures, HGV's Board and CFO also all voluntarily reduced their annual remuneration by 10% from 1 December 2023.

Financial position

During the Financial Period, the net tangible asset backing per share decreased from 9.18 cents as at 30 June 2023 to 9.1 cents as at 30 June 2024. The net tangible assets of the consolidated entity decreased from $19.4m as at 30 June 2023 to $19.2m as at 30 June 2024 primarily as a result of the write-off of HGV's investment in Medio Labs during the period.

Significant changes in the state of affairs

The principal continuing activities of the consolidated entity consisted of those of an investment company with a portfolio of minority investments.

On 1 August 2023, the Company announced the following changes to the Board:

a) Messrs Peter Wall and Doug Halley retired;

b) Mr Jason Byrne was appointed as an Independent Non-Executive Director; and

c) Mr Warwick Sauer, who joined HGV's Board in March 2023, was appointed Independent Non-Executive Chair of the Company.

In February 2023 HGV commenced an invitational tender to appoint an Investment Manager (the "Manager") from 1 July 2023, upon the Investment Management Agreement with Parallax Ventures Inc. ("Parallax") expiring. Subsequently on 23 August 2023 the Company executed an Investment Management Agreement with HD Capital Partners Pty Ltd (the "Manager") for a term of five years commencing on 1 July 2023 to manage the investment portfolio of the Company.

During the Financial Period HGV invited several audit firms to submit proposals for the external audit of the Company. On 21 March 2024 HGV announced its appointment of Connect National Audit Pty Ltd ('Connect National Audit') as HGV's new auditor. In accordance with section 329(5) of the Corporations Act 2001 (Cth), BDO Audit (WA) Pty Ltd ('BDO') resigned from its position as HGV's auditor and ASIC consented to that resignation. In accordance with section 327C of the Corporations Act 2001 (Cth), a resolution will be tabled at HGV's 2024 Annual General Meeting to ratify the appointment of Connect National Audit as HGV's auditor.

There were no other significant changes in the state of affairs of the consolidated entity during the Financial Period.

Matters subsequent to the end of the Financial Period

No other matter or circumstance has arisen since 30 June 2024 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

Likely developments and expected results of operations

Following the appointment of the Manager, it is expected that the proportion of the Company's investment portfolio in non-cannabis securities should increase over the medium term as the Company is able to realise some of the cannabis securities. The performance of the Company's investment portfolio is materially dependent on overall performance of global equity markets.

Environmental regulation

The operations of the Group are not subject to any particular and significant environmental regulations under a law of the Commonwealth or State. There have been no known significant breaches of any other environmental requirement.

Information on Directors

Name:	**Warwick Sauer**
Title:	Non-executive Chairman (appointed 20 March 2023)
Experience and expertise:	Mr Sauer is a corporate lawyer with 25 years' experience, focusing on commercial law, capital markets, M&A, and litigation. He spent 14 years with property services multinational JLL, including seven years as General Counsel for JLL's $4b APAC business, managing a team of 75. Mr Sauer is also a director of a privately held investment company which focuses primarily on investing in deep value and 'net/net' stocks, then assisting management in realising that value.
Qualifications:	Mr Sauer has a Bachelor of Commerce majoring in financial accounting and a Bachelor of Laws, both from the University of Queensland.
Other current ASX directorships:	Nil
Former ASX listed directorships (last 3 years):	Nil
Interests in shares:	1,838,287

Name:	**David Prescott**
Title:	Non-executive Director (appointed 20 March 2023)
Experience and expertise:	Mr Prescott is the founder and Managing Director of Lanyon Asset Management, a value-orientated equities fund manager. He has over 20 years investing and financial analysis experience working for firms in Australia and the UK. He was previously Head of Equities at institutional fund manager, CP2 (formerly Capital Partners).
Qualifications:	Mr Prescott has an Economics degree from the University of Adelaide, a Graduate Diploma in Applied Finance and Investment from the Securities Institute of Australia (FINSIA) and is a CFA charterholder.

Other current ASX directorships:	Director of BSA Limited (ASX: BSA)
Former ASX listed directorships (last 3 years):	Lanyon Investment Company Limited
Interests in shares:	Nil

Name:	**Jason Byrne**
Title:	Non-executive Director (appointed 1 August 2023)
Experience and expertise:	Mr Byrne has 30+ years' experience building businesses in a wide variety of industries - wagering technology, digital place based advertising, e-commerce, legal technology, apparel logistics, procurement technology, and offshore development. Jason also works with other companies assisting them to create, build, pivot, grow, acquire, or sell.
Other current ASX directorships:	Director of Motio Limited (ASX:MXO)
Former ASX listed directorships (last 3 years):	Nil
Interests in shares:	Nil

Other current directorships and former directorships (last three years) quoted above are directorships for listed entities only and exclude directorships of all other types of entities, unless otherwise stated.

Information on Company Secretary

Mr James Hallam

Company Secretary and Chief Financial Officer ("CFO") (appointed as Company Secretary on 22 June 2018) Becon, ACIS/ACSA.

Mr Hallam has 27 years of experience in the investment management industry with alternative asset fund managers in Australia and overseas including Hastings Funds Management and Annuity Australia. Mr Hallam's roles include acting as responsible manager, investment manager and CFO within alternative asset fund managers. He has a Bachelor of Commerce (Economics), is a member of the Chartered Accountants Australia and New Zealand and a Fellow of the Governance Institute of Australia.

Meetings of Directors

The number of meetings of the Company's Board of Directors (the "Board") held during the year ended 30 June 2024, and the number of meetings attended by each director were:

	Board Meetings	
Directors	**Number of Meetings Eligible to Attend**	**Number Attended**
Peter Wall	2	2
Jason Byrne	6	6
Doug Halley	2	2
David Prescott	8	7
Warwick Sauer	8	8

Held: represents the number of meetings held during the time the director held office.

Remuneration Report (audited)

The Remuneration Report details the Key Management Personnel remuneration arrangements for the consolidated entity, in accordance with the requirements of the Corporations Act 2001 and its Regulations.

Key Management Personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including all Directors.

For the purposes of this Remuneration Report, Key Management Personnel includes the following Directors and senior executives who were engaged by the Company at any time during the year ended 30 June 2024:

a) Non-Executive Directors

Mr Warwick Sauer (Non-Executive Chair (appointed as a Non-Executive Director on 20 March 2023 and appointed Non-Executive Chair on 1 August 2023))
Mr David Prescott (Non-Executive Director) (appointed 20 March 2023)
Mr Peter Wall (Non-Executive Chair) (resigned 1 August 2023)
Mr Doug Halley (Non-Executive Director) (resigned 1 August 2023)

b) Key Management Personnel

Mr James Hallam, Chief Financial Officer (appointed 3 April 2018)

The Remuneration Report is set out under the following main headings:

- Principles used to determine the nature and amount of remuneration.
- Details of remuneration.
- Service agreements.
- Share-based compensation.
- Additional disclosures relating to Key Management Personnel.

Principles used to determine the nature and amount of remuneration

The objective of the consolidated entity's executive reward framework is to ensure reward for performance is competitive and appropriate for the results delivered. The framework aligns executive reward with the achievement of strategic objectives and the creation of value for Shareholders, and it is considered to conform to the market best practice for the delivery of reward. The Board ensures that executive reward satisfies the following key criteria for good reward governance practices:

- Competitiveness and reasonableness.
- Acceptability to Shareholders.
- Performance linkage / alignment of executive compensation.
- Transparency.

In determining competitive remuneration rates, the Board seeks independent advice on local and international trends among comparative companies and industry generally.

The principles underpinning the consolidated entity's Remuneration Policy are that:

- Reward reflects the competitive global market in which HGV operates.
- Rewards to executives are linked to creating value for Shareholders.
- Remuneration arrangements are equitable and facilitate the development of senior management across the consolidated entity.
- Where appropriate, senior managers may receive a component of their remuneration in appropriately structured equity securities to align their interests with those of the Shareholders.

Non-Executive Directors' remuneration

Shareholders approve the maximum aggregate remuneration for Non-Executive Directors. The maximum aggregate remuneration approved for Non-Executive Directors is currently $500,000.

It is recognised that Non-Executive Directors' remuneration is ideally structured to exclude equity-based remuneration. However, whilst the Company remains small and the full Board, including the Non-Executive Directors, are included in the operations of the Company more closely than may be the case with larger companies the Non-Executive Directors are entitled to participate in equity-based remuneration schemes subject to Shareholder approval.

All Directors are entitled to have their indemnity insurance paid by the Company.

Executive remuneration

The consolidated entity aims to reward executives based on their position and responsibility, with a level and mix of remuneration which has both fixed and variable components.

The Company's Remuneration Policy for executives is designed to promote superior performance and long-term commitment to the Company.

Overall remuneration policies provide a framework and quantum scale for remuneration whilst being subject to the discretion of the Board and can be changed to reflect competitive market and business conditions where it is deemed by the Board to be in the interests of the Company and Shareholders to do so.

Executive remuneration and other terms of employment are reviewed regularly by the Board having regard to performance, relevant comparative information and expert advice.

The Company's Reward Policy reflects its obligation to align Executives' remuneration with Shareholders' interests and to retain appropriately qualified executive talent for the benefit of the Company.

The Executive remuneration and reward framework has four components:

- Salary – Executives receive a sum payable monthly in cash.
- Bonus – Executives are eligible to participate in a bonus or profit participation plan if deemed appropriate.
- Long term incentives – Executives may participate in share option/performance right schemes at the discretion of the Board.
- Other benefits – Executives are eligible to participate in superannuation schemes and other appropriate additional benefits.

The combination of these comprises the Executive's total remuneration.

Fixed remuneration, consisting of base salary, superannuation and non-monetary benefits, is reviewed annually by the Board based on individual performance, the overall performance of the consolidated entity and comparable market remunerations.

Executives may receive their fixed remuneration in the form of cash or other fringe benefits (for example motor vehicle benefits) where it does not create any additional costs to the consolidated entity and provides additional value to the executive.

The short-term incentives ("STI") program is designed to align the targets of the business with the performance hurdles of executives. STI payments are granted to executives based on specific annual targets and key performance indicators ("KPIs") being achieved. KPIs include profit contribution, leadership contribution and product management and may be set by the consolidated entity from time to time.

The long-term incentives ("LTI") include share-based payments. Shares may be awarded to executives over a period of three years based on long-term incentive measures. These include increase in Shareholders' value relative to the entire market or direct competitors. Executives may participate in employee share option/performance right schemes at the discretion of the Board.

Consolidated entity performance and link to remuneration

Remuneration for certain individuals may be directly linked to the performance of the consolidated entity.

Refer to the section below for details of the earnings and total Shareholder returns for the last five years. The earnings of the consolidated entity for the five years to 30 June 2024 are summarised below:

	2024 $'000	2023 $'000	2022 $'000	2021 $'000	2020 $'000
Total income	1,199	(2,592)	(16,338)	(5,184)	(41,258)
Profit/(loss) before income tax	95	(4,163)	(17,795)	(6,799)	(42,902)
Income tax (expense)/benefit	(226)	179	1,863	2,775	2,821
Profit/(loss) after income tax	(131)	(3,984)	(15,932)	(4,024)	(40,082)

The factors that are considered to affect total shareholders return ("TSR") are summarised below :

	2024	2023	2022	2021	2020
Share price at start of financial year ($)	0.042	0.064	0.077	0.096	0.250
Share price at end of financial year ($)	0.046	0.042	0.064	0.077	0.096
Basic earnings per share (cents per share)	(0.06)	(1.74)	(6.93)	(1.75)	(17.61)
Diluted earnings per share (cents per share)	(0.06)	(1.74)	(6.93)	(1.75)	(17.61)

Hedging of securities

In accordance with the Group's general share trading policy and employee share plan rules, participants are prohibited from engaging in hedging arrangements over unvested securities issued pursuant to any employee or director share plan, without prior approval of the Board.

Use of remuneration consultants

The Board may, from time to time, receive advice from independent remuneration consultants to ensure Non-Executive Directors' fees and payments are appropriate and in line with the market. There were no external remuneration consultants engaged during the period to provide such services. The chairman's fees are determined independently of the fees of other Non-Executive Directors based on comparative roles in the external market. The chairman abstains from decisions relating to the determination of his own remuneration.

Voting and comments made at the Company's 2023 Annual General Meeting ("AGM")

At the 2023 AGM, 85% of the proxy votes cast at that meeting voted for the adoption of the Remuneration Report for the year ended 30 June 2023 (Resolution 1). As less than 25% of votes were cast against Resolution 1, this did not constitute a second strike for the purposes of the Corporations Act 2001 (Cth).

Details of remuneration

Details of the remuneration of Key Management Personnel of the consolidated entity are set out in the following tables.

	Short-term benefits			Post-employment benefits	Long-term benefits		Share based payments	
	Cash salary and fees	Cash bonus	Non-monetary benefits	Super contribution	annual and long service leave	Termination	Equity settled	Total
2024	$	$	$	$	$	$	$	$
Non-Executive Directors:								
Mr Peter Wall	12,000	0	0	0	0	0	0	12,000
Mr Doug Halley	5,333	0	0	0	0	0	0	5,333
Mr Jason Byrne	46,350							46,350
Mr Warwick Sauer	59,729	0	0	6,570	0	0	0	66,299
Mr David Prescott	50,850	0	0	0	0	0	0	50,850
Other Key Management Personnel:								
Mr Jim Hallam	216,553	0	0	27,500	(7,383)	0	143	236,813
	390,815	0	0	34,070	(7,383)	0	143	417,645

	Short-term benefits			Post-employment benefits	Long-term benefits		Share based payments	
	Cash salary and fees	Cash bonus	Non-monetary benefits	Super contribution	annual and long service leave	Termination	Equity settled	Total
2023	$	$	$	$	$	$	$	$
Non-Executive Directors:								
Mr Peter Wall	72,000	0	0	0	0	0	0	72,000
Mr Winton Willesee	40,500	0	0	0	0	0	0	40,500
Mr Doug Halley	64,000	0	0	0	0	0	0	64,000
Mr Michael Curtis	27,000	0	0	0	0	0	0	27,000
Mr Warwick Sauer	16,290	0	0	1,710	0	0	0	18,000
Mr David Prescott	18,000	0	0	0	0	0	0	18,000
								0
Other Key Management Personnel:								0
Mr Jim Hallam	222,499	0	0	27,500	34,077	0	7,677	291,753
	460,289	0	0	29,210	34,077	0	7,677	531,253

Details of remuneration

The proportion of remuneration linked to performance and the fixed proportion are as follows:

Name	Fixed remuneration 30-Jun-24	Fixed remuneration 30-Jun-23	At risk - STI 30-Jun-24	At risk - STI 30-Jun-23	At risk - LTI 30-Jun-24	At risk - LTI 30-Jun-23	Total 30-Jun-24	Total 30-Jun-23
Non-Executive Directors:								
Mr Peter Wall	100%	100%	-	-	-	-	100%	100%
Mr Winton Willesee	-	100%	-	-	-	-	-	100%
Mr Doug Halley	100%	100%	-	-	-	-	100%	100%
Mr Michael Curtis	-	100%	-	-	-	-	-	100%
Mr Warwick Sauer	100%	100%	-	-	-	-	100%	100%
Mr David Prescott	100%	100%	-	-	-	-	100%	100%
Other Key Management Personnel:								
Mr Jim Hallam	100%	97%	-	-	0%	3%	100%	100%

Service agreements

Remuneration and other terms of employment for Key Management Personnel are formalised in service agreements. Details of these agreements are as follows:

Name:	Mr Jim Hallam
Title:	Chief Financial Officer and Company Secretary
Agreement commenced:	3-Apr-18
Term of agreement:	Full time contract
Details:	- Base Salary - Hygrovest Limited: AUD225,000 - Termination Benefit: 6 months - Notice Period (no fault): 6 months

Performance based remuneration granted and forfeited during the year by Key Management Personnel

During the Financial Period:

a) There were no performance rights granted or on issue.

b) There were no options granted.

c) There were no options which expired.

d) 250,000 options vested and became exercisable.

e) There were no options exercised.

Share-based compensation

Options

The terms and conditions of each grant of Options over Ordinary Shares affecting remuneration of Directors and other Key Management Personnel in this financial year or future reporting years are as follows:

Name	Grant date	Vesting condition	Expiry date	Exercise price	Fair value per Option at grant date	Volatility	Option balance as at 30-Jun-24
Mr Jim Hallam	7-Jul-21	Subject to vesting conditions: 25% of the Options shall vest at the end of each of the four successive six-month periods following the date of issue.	29-Jul-24	$0.11	$0.04	80%	1,000,000

Note:

Grant date represents the date of HGV Board approval. For accounting purposes, the vesting period for these Options started on the date of HGV Board approval on 7 July 2021.

The Class N options expired unexercised on 29 July 2024

The fair value of the Options was determined using the Black-Scholes option valuation methodology. Options granted carry no dividend or voting rights.

There were no options over ordinary shares granted to or vested by Directors and other Key Management Personnel as part of compensation during the year ended 30 June 2024 other than for those which vested below:

Name	Option class	No. of options which vested during Financial Period	No. of options which became exercisable during Financial Period
Mr Jim Hallam	N	250,000	250,000

Additional disclosures relating to Key Management Personnel Shareholding

The number of Shares in the Company held during the financial year by each director and other members of Key Management Personnel of the consolidated entity, including their personally related parties, is set out below:

	Balance at the start of the year	Received on the exercise of Options/ performance rights	Resignation of director	Additions	Balance at the end of the year
Ordinary Shares					
Mr Peter Wall	8,637,500	0	(8,637,500)	0	0
Mr Doug Halley	292,500	0	(292,500)	0	0
Mr Warwick Sauer	1,000,010	0	0	121,000	1,121,010
Mr David Prescott	0	0	0	0	0
Mr Jason Byrne	0	0	0	0	0
Mr Jim Hallam	0	0	0	0	0
	9,930,010	0	(8,930,000)	121,000	1,121,010

Note:

Peter Wall and Doug Halley resigned as Director on 1 August 2023

Option holding

The number of Options over Ordinary Shares in the Company held during the Financial Year by each Director and other members of Key Management Personnel of the consolidated entity, including their personally related parties, is set out below:

	Balance at the start of the year	Balance at the start of the year	Balance at the start of the year	Granted	Exercised	Other changes during the period	Balance at the end of the year	Vested and exercisable	Unvested
	Vested	Unvested	Total				Total		
Options over ordinary Shares									
Mr Doug Halley	0	0	0	0	0	0	0	0	0
Mr Peter Wall	0	0	0	0	0	0	0	0	0
Mr Warwick Sauer	0	0	0	0	0	0	0	0	0
Mr David Prescott	0	0	0	0	0	0	0	0	0
Mr Jason Byrne	0	0	0	0	0	0	0	0	0
Mr Jim Hallam	750,000	250,000	1,000,000	0	0	0	1,000,000	1,000,000	0
	750,000	250,000	0	0	0	0	1,000,000	1,000,000	0

Other transactions with Key Management Personnel and their related parties:

During the reporting period, the consolidated entity engaged the services of the following related parties on arm's length and on normal commercial terms.

Steinepreis Paganin ("Steinepreis"), an entity associated with Mr Peter Wall, received payments totalling $11,185 (2023: $57,133) in relation to legal services provided to the consolidated entity. As at 30 June 2024 $nil (2023: $5,885) was payable to Steinepreis by the consolidated entity.

This concludes the remuneration report, which has been audited.

Shares under option

No person entitled to exercise the Options had or has any right by virtue of the option to participate in any share issue of the Company or of any other body corporate.

Shares issued on the exercise of performance rights

There were no Ordinary Shares of Hygrovest issued during the year ended 30 June 2024 and up to the date of this report arising from exercise of performance rights granted.

Indemnity and insurance of officers

The consolidated entity has indemnified the Directors and executives of the Company for costs incurred, in their capacity as a director or executive, for which they may be held personally liable, except where there is a lack of good faith.

During the financial year, the consolidated entity paid a premium in respect of a contract to insure the Directors and executives of the consolidated entity against a liability to the extent permitted by the Corporations Act 2001. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

Indemnity and insurance of auditor

The consolidated entity has not, during or since the end of the Financial Period, indemnified or agreed to indemnify the auditor of the consolidated entity or any related entity against a liability incurred by the auditor.

During the Financial Period, the consolidated entity has not paid a premium in respect of a contract to insure the auditor of the Company or any related entity.

Proceedings on behalf of the consolidated entity

No person has applied to the Court under section 237 of the Corporations Act 2001 for leave to bring proceedings on behalf of the consolidated entity, or to intervene in any proceedings to which the consolidated entity is a party for the purpose of taking responsibility on behalf of the consolidated entity for all or part of those proceedings.

Non-audit services

The Directors are satisfied that the provision of non-audit services during the Financial Period, by the auditor (or by another person or firm on the auditor's behalf), is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001.

The Directors are of the opinion that the services as disclosed in note 15 to the financial statements do not compromise the external auditor's independence requirements of the Corporations Act 2001 for the following reasons:

- All non-audit services have been reviewed by the Board to ensure they do not impact the impartiality and objectivity of the auditor (Please refer to note 15 Remuneration of Auditors for details).
- None of the services undermine the general principles relating to auditor independence as set out in APES 110 Code of Ethics for Professional Accountants:

	2024 $	2023 $
Audit services - BDO Audit (WA) Pty Ltd		
Audit or review of the financial statements	36,367	94,850
Other services - BDO Corporate Tax Pty Ltd		
taxation services	16,954	19,431
	53,321	114,281
Audit services - Connect National Audit Pty Ltd		
Audit or review of the financial statements	40,000	0
	40,000	0
Total	93,321	114,281

Note:

BDO Audit (WA) Pty Ltd resigned as auditor on 21 March 2024 – the fee received for the Financial Period related to the audit review for six months ended 31 December 2023.

Connect National Audit Pty Ltd was appointed on 21 March 2024 – the fee received for the Financial Period related to the audit for year ended 30 June 2024.

Officers of the Company who are former partners of Connect National Audit Pty Ltd

There are no officers of the Company who are former partners of Connect National Audit Pty Ltd.

Rounding of amounts

The consolidated entity is of a kind referred to in Corporations Instrument 2016/191, issued by the Australian Securities and Investments Commission, relating to "rounding-off". Amounts in this report have been rounded off in accordance with that Corporations Instrument to the nearest thousand dollars, or in certain cases, the nearest dollar.

Auditor's Independence Declaration

A copy of the Auditor's Independence Declaration as required under section 307C of the Corporations Act 2001 is set out immediately after this Directors' Report.

Auditor

Connect National Audit Pty Ltd is appointed in office in accordance with section 327 of the Corporations Act 2001.

This Report is made in accordance with a resolution of Directors, pursuant to section 298(2)(a) of the Corporations Act 2001.

On behalf of the Directors

Warwick Sauer
Non-Executive Chair

26 August 2024

AUDITOR'S INDEPENDENCE DECLARATION

UNDER SECTION 307C OF THE CORPORATIONS ACT 2001

As lead auditor for the audit of Hygrovest Ltd for the year ended 30 June 2024, I declare that, to the best of my knowledge and belief, there have been:

(a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and

(b) no contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Hygrovest Ltd.

ROBIN KING HENG LI CA RCA
DIRECTOR
CONNECT NATIONAL AUDIT PTY LTD
Authorised Audit Company No. 521888
Melbourne, VIC 3000
Date: 26 August 2024

Corporate Governance Statement

The Board recognises the importance of establishing a comprehensive system of control and accountability as the basis for the administration of corporate governance.

To the extent relevant and practical, the Company has adopted a corporate governance framework that is consistent with *The Corporate Governance Principles and Recommendations (4th Edition)* as published by ASX Corporate Governance Council ("Recommendations").

The Board has adopted the suite of corporate governance policies and procedures which are contained with the Company's Corporate Governance Plan and the Company's Corporate Governance Statement, a copy of which is available on the Company's website at https://www.hygrovest.com.au/corporate-governance/.

The Board is committed to administering the policies and procedures with openness and integrity, pursuing the true spirit of corporate governance commensurate with the Company's needs.

The Company is pleased to report that its practices are largely consistent with the Recommendations of the ASX Corporate Governance Council and sets out its compliance and departures from the Recommendations for the year ended 30 June 2024 in the Corporate Governance Statement, which is accurate and up to date as at 26 August 2024 and was approved by the Board of the Company.

In light of the Company's size and nature, the Board considers that the current corporate governance regime is a fit-for-purpose, efficient, practical and cost-effective method of directing and managing the Company. As the Company's activities develop in size, nature and scope, the implementation of additional corporate governance policies and structures will be reviewed.

Hygrovest Limited

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the Financial Period

	Note	30-Jun-24 $000	30-Jun-23 $000
Investment Income			
Interest and dividend income from financial assets at fair value through profit or loss		206	187
Net gains/(losses) on financial instruments at fair value through profit or loss		762	(2,764)
Realised gains/(losses) on disposal of equity investments at fair value through profit and loss		(29)	(144)
Total investment income/(loss)		939	(2,583)
Other Income/(Loss)			
Other operating income/(loss)		260	(9)
Total income/(loss)		1,199	(2,592)
Expenses			
Administration expenses		(494)	(673)
Asset management expenses		(175)	(189)
Employee and director related expenses		(434)	(654)
Operating expenses		(1,104)	(1,516)
Equity based payments reversal/(expense)		(0)	(55)
Total expenses		(1,104)	(1,571)
Profit/(Loss) before income tax		95	(4,163)
Income tax (expense)/benefit	5	(226)	179
Profit/(Loss) after income tax for the Financial Period		(131)	(3,984)
Other comprehensive income		0	0
Other comprehensive income for the Financial Period, net of tax		0	0
Total comprehensive profit/(loss) for the Financial Period		(131)	(3,984)
Profit/(Loss) for the Financial Period is attributable to:			
Owners of Hygrovest Limited		(131)	(3,984)
		(131)	(3,984)
Total comprehensive income/(loss) for the Financial Period is attributable to:			
Owners of Hygrovest Limited		(131)	(3,984)
		(131)	(3,984)
		Cents	**Cents**
Basic earnings/(loss) per share	10	(0.06)	(1.74)
Diluted earnings/(loss) per share	10	(0.06)	(1.74)

The above consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.

Hygrovest Limited

Consolidated Statement of Financial Position

As at end of Financial Period

	Note	30-Jun-24 $'000	30-Jun-23 $'000
CURRENT ASSETS			
Cash and cash equivalents		189	3,715
Trade and other receivables	11	89	691
Financial assets at fair value through profit or loss	7	21,543	17,478
Total Current Assets		**21,821**	**21,884**
NON-CURRENT ASSETS			
Deferred tax assets	5	75	80
Total Non-Current Assets		**75**	**80**
TOTAL ASSETS		**21,896**	**21,964**
CURRENT LIABILITIES			
Trade and other payables		161	255
Total Current Liabilities		**161**	**255**
NON-CURRENT LIABILITIES			
Deferred tax liabilities	5	2,520	2,329
Total Non-Current Liabilities		**2,520**	**2,329**
TOTAL LIABILITIES		**2,681**	**2,584**
NET ASSETS		**19,215**	**19,380**
EQUITY			
Contributed equity	8	50,711	50,746
Reserves	9	35	82
Retained Earnings/(Accumulated Losses)		(31,531)	(31,447)
TOTAL EQUITY		**19,215**	**19,380**
Net Tangible Assets per share ($)		**0.0910**	**0.0918**

The above consolidated statement of financial position should be read in conjunction with the accompanying notes.

Hygrovest Limited

Consolidated Statement of Changes in Equity

For the Financial Period

		Contributed Equity $'000	Other Reserves $'000	(Accumulated Loss)/ Retained Earnings $'000	Total Equity $'000
Balance at	**1-Jul-23**	**50,746**	**82**	**(31,447)**	**19,380**
Loss after income tax expense for Financial Period		0	0	(131)	(131)
Total comprehensive income for the Financial Period		0	0	(131)	(131)
Transactions with owners in their capacity as owners:					
Share buyback		(35)	0	0	(35)
Lapse of performance rights		0	(47)	47	0
Share-based payment		0	0	0	0
		(35)	(47)	47	(35)
Balance at	**30-Jun-24**	**50,711**	**35**	**(31,531)**	**19,215**

		Contributed Equity $'000	Other Reserves $'000	(Accumulated Loss)/ Retained Earnings $'000	Total Equity $'000
Balance at	**1-Jul-22**	**51,786**	**27**	**(27,463)**	**24,350**
Loss after income tax expense for Financial Period		0	0	(3,984)	(3,984)
Total comprehensive income for the Financial Period		0	0	(3,984)	(3,984)
Transactions with owners in their capacity as owners:					
Share buyback		(1,040)	0	0	(1,040)
Share-based payment		0	55	0	55
		(1,040)	55	0	(985)
Balance at	**30-Jun-23**	**50,746**	**82**	**(31,447)**	**19,380**

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

Hygrovest Limited

Consolidated Statement of Cash Flows

For the Financial Period

	Note	30-Jun-24 $'000	30-Jun-23 $'000
Cash flows from operating activities			
Payments to employees & suppliers		(1,168)	(1,347)
Interest received		155	191
Dividends received		67	138
Other income received		260	0
Payments for financial assets at FVPL		(5,026)	(1,234)
Proceeds from disposal of financial assets at FVPL		1,597	35
Company tax refund		627	689
Net cash/(used in) from operating activities	**6**	**(3,489)**	**(1,528)**
Cash flows from investing activities			
Net cash used in investing activities		**0**	**0**
Cash flows from financing activities			
Sharebuy back		(35)	(1,040)
Net cash/(used in) from financing activities		**(35)**	**(1,040)**
Net increase/(decrease) in cash & cash equivalents		**(3,524)**	**(2,568)**
Cash at the beginning of the Financial Period		3,715	6,319
Effects of exchange rate changes on cash and cash equivalents		(1)	(36)
Cash & cash equivalents at end of Financial Period		**189**	**3,715**

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes.

1. General information

The financial statements cover Hygrovest Limited as a consolidated entity consisting of Hygrovest Limited and the entity it controlled at the end of, or during, the year ended 30 June 2024 (the "Financial Period"). The financial statements are presented in Australian dollars, which is Hygrovest Limited's functional and presentation currency.

Hygrovest Limited is a listed public company limited by Shares, incorporated and domiciled in Australia. Its registered office and principal place of business is:

Level 57, MLC Centre
25 Martin Place
Sydney NSW 2000

A description of the nature of the consolidated entity's operations and its principal activities is included in the Directors' Report, which is not part of the financial statements.

In accordance with a Resolution of Directors, the financial statements were authorised for issue, on 26 August 2024. The Directors have the power to amend and reissue the financial statements.

2. Material accounting policy information

The material accounting policies adopted in the preparation of the financial statements are set out either in the respective notes or below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Basis of preparation

These general-purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ("AASB") and the Corporations Act 2001, as appropriate for for-profit oriented entities. These financial statements also comply with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB").

Historical cost convention

The financial statements have been prepared under the historical cost convention, except for, where applicable, financial assets and liabilities at fair value through the profit or loss.

Critical accounting estimates

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the consolidated entity's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 3.

Parent entity information

In accordance with the Corporations Act 2001, these financial statements present the results of the consolidated entity only. Supplementary information about the parent entity is disclosed in note 19.

Principles of consolidation

The Company meets the definition of an investment entity. The Company's wholly owned subsidiary, Phytotech Medical (UK) Pty Ltd, provides services to the Company. The consolidated financial statements incorporate the assets and liabilities of Phytotech Medical (UK) Pty Ltd as at 30 June 2024, and its results for the year then ended. Intercompany transactions and balances between the Company and Phytotech Medical (UK) Pty Ltd are eliminated on consolidation. The Company has determined that for any entities that it controls, that do not provide services to the Company, consolidation is not required provided the Company measures its investments in these entities at fair value in its financial statements.

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Hygrovest Limited, that provided services to the Company during the Financial Period and the results of all subsidiaries for the year then ended. Hygrovest Limited and its subsidiaries together are referred to in these financial statements as the "consolidated entity".

Investment Entity

The Company has determined that it is an investment entity under the definition in AASB 10 Consolidated Financial Statements as it meets the following criteria:

(i) The Company has obtained funds from shareholders for the purpose of providing them with investment management services;
(ii) The Company's business purpose, which it communicated directly to shareholders, is investing solely for returns from capital appreciation and investment income; and
(iii) The performance of investments made by the Company is measured and evaluated on a fair value basis.

The Company also holds all of the typical characteristics of an investment entity.

Foreign currency translation

The financial statements are presented in Australian dollars, which is Hygrovest's functional and presentation currency.

Foreign currency transactions

Foreign currency transactions are translated into Australian dollars using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at financial year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

Foreign operations

The assets and liabilities of foreign operations are translated into Australian dollars using the exchange rates at the reporting date. The revenues and expenses of foreign operations are translated into Australian dollars using the average exchange rates, which approximate the rates at the dates of the transactions, for the period. All resulting foreign exchange differences are recognised in other comprehensive income through the foreign currency reserve in equity.

The foreign currency reserve is recognised in profit or loss when the foreign operation or net investment is disposed of.

Investments

The Company is classified as an Investment Entity (in accordance with AASB 10 Consolidated Financial Statements) being a business whose purpose is to invest funds solely for returns via capital appreciation and/or investment returns. As the Company has been classified as an Investment Entity and recognises its investments as 'fair value through profit or loss', the portfolio investments have been accounted for at fair value through profit or loss and shown as financial assets in the statement of financial position.

Investments held at fair value through profit or loss are initially recognised at fair value. Transaction costs related to acquisitions are expensed to profit or loss immediately. Subsequent to initial recognition, all financial instruments held at fair value are accounted for at fair value, with changes to such values recognised in profit or loss.

Investments are considered to have been sold when contractual rights to the investment expire or contractual rights to receive cash flows have been transferred and substantially all the risks and rewards of ownership have not been retained.

Realised gains and losses from the sale of trading securities are included in the Consolidated Statement of Profit or Loss in the period in which they arise. Unrealised gains and losses arising from changes in the fair value of the trading securities are included in the Consolidated Statement of Profit or Loss in the period in which they arise. Investments are recognised on a settlement date basis.

Rounding of amounts

The Company is of a kind referred to in Corporations Instrument 2016/191, issued by the Australian Securities and Investments Commission, relating to “rounding-off”. Amounts in this report have been rounded off in accordance with that Corporations Instrument to the nearest thousand dollars, or in certain cases, the nearest dollar.

New or amended Accounting Standards and Interpretations adopted

The consolidated entity has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

3. Critical accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

Fair value measurement hierarchy

The consolidated entity is required to classify all assets and liabilities, measured at fair value, using a three-level hierarchy, based on the lowest level of input that is significant to the entire fair value measurement, being:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly; and

Level 3: Unobservable inputs for the asset or liability. Considerable judgement is required to determine what is significant to fair value and therefore which category the asset or liability is placed in can be subjective.

The fair value of assets and liabilities classified as level 3 is determined by the use of valuation models. Assessing the significance of a particular input to the fair value measurement in its entirety requires judgements and estimations, considering factors specific to the asset or liability.

Income tax

The consolidated entity is subject to income taxes in the jurisdictions in which it operates. Significant judgement is required in determining the provision for income tax. There are many transactions and calculations undertaken during the ordinary course of business for which the ultimate tax determination is uncertain. The consolidated entity recognises liabilities for anticipated tax audit issues based on the consolidated entity's current understanding of the tax law. Where the final tax outcome of these matters is different from the carrying amounts, such differences will impact the current and deferred tax provisions in the period in which such determination is made.

4. Operating segments

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker (“CODM”), who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors of Hygrovest. The Group has determined that it has one operating segment, being the investing operations, and results are analysed as a whole by the CODM, being the Board of Directors. Consequently, revenue, profit, net assets and total assets for the operating segment are reflected in this financial report.

Accounting policy for operating segments

Operating segments are presented using the "management approach", where the information presented is on the same basis as the internal reports provided to the CODM. The CODM is responsible for the allocation of resources to operating segments and assessing their performance.

5. Income tax

	30-Jun-24 $000	30-Jun-23 $000
a) Income tax Expense/(Benefit)		
Major components of income tax expense are:		
Current tax	(29)	611
Deferred tax	(197)	(432)
Income tax (expense)/benefit reported in the income statement	**(226)**	**179**
b) Numerical reconciliation		
The prima facie tax on profit from ordinary activities before income tax is reconciled to the income tax expense/(benefit) as follows:		
Prima facie tax payable on profit from ordinary activities before income tax at 25% (2023: 25%)	(24)	1,094
- Non-deductible share based payments	0	14
- non-assessable income	425	(228)
- Accounting gain/(loss) on investment	(525)	(36)
- Net trading stock adjustment	183	307
- Revaluations	19	(901)
- tax losses not recognised	(381)	0
- Other permanent adjustments	106	(136)
- Prior period adjustment	(29)	65
	(226)	179
c) Deferred tax asset balances		
Temporary differences - Australia	75	80
	75	80
d) Deferred tax liabilities balances		
Revaluation on investments	2,520	2,329
Other timing differences	0	0
	2,520	2,329

The potential future income tax benefit will only be obtained if:

(i) the Company derives future assessable income of a nature and of an amount sufficient to enable the benefit to be realised;

(ii) the Company continues to comply with the conditions for deductibility imposed by law; and

(iii) no changes in tax legislation adversely affect the Company in realising the benefit.

The franking account balance at the end of the Financial Period was $28,709 (2023: $0).

The Company had unrecorded tax losses of $1.5m at the end of financial year (2023:$0.14m).

6. Reconciliation of profit after income tax to net cash used in operating activities

	2024 $'000	2023 $'000
Profit/(loss) after income tax expense for the year	(131)	(3,984)
Adjustments for:		
Share-based payments	0	55
Interest income receivable	15	55
Realised gains/(losses) on disposal of equity investments at fair value through profit and loss	1,988	144
Changes in the fair value of equity investments at fair value through profit and loss	(2,721)	2,764
Proceeds from disposal of financial assets at fair value through profit or loss	1,597	35
Payments for financial assets at fair value through profit or loss	(5,026)	(1,234)
Change in operating assets and liabilities:		
Decrease/(increase) in trade and other receivable	602	51
Increase/(decrease) in trade and other payables	(94)	123
Increase in other liabilities	281	463
Net cash used in operating activities	(3,489)	(1,528)

7. Financial assets held at Fair Value through Profit or Loss

Financial assets held at Fair Value through Profit or Loss

	30-Jun-24 $000	30-Jun-23 $000
Financial assets at fair value through profit or loss		
Equity financial assets - current		
Listed		
Investment in Delivra Health Brands	2,131	629
Investment in other listed securities	4,647	158
	6,778	787
Unlisted		
Investment in Weed Me Inc	9,171	8,841
Investment in Emerging Therapeutics Group	3,993	3,982
Investment in Medio Labs	0	832
Investment in other unlisted securities	754	0
	13,918	13,655
Convertible and loan financial assets - current		
Unlisted		
Investment in Weed Me Inc.	0	1,408
Investment in Medio Labs	0	1,127
Investment in Sequoya Cannabis	247	0
Investment in Valo	600	500
	847	3,035
Financial assets at fair value through profit or loss - current	21,543	17,478
Financial assets at fair value through profit or loss - total	21,543	17,478

Reconciliation

Reconciliation of the fair values at the beginning and end of the current and previous Financial Period are set out below:

	30-Jun-24 $000	30-Jun-23 $000
Opening fair value	17,478	19,195
Additions - financial assets at fair value through profit and loss	5,026	2,311
Changes in the fair value of equity investments at fair value through profit and loss	762	(2,764)
Realised gains/(losses) on disposal of equity investments at fair value through profit and loss	(29)	(153)
Accrued interest	(15)	(55)
Disposal of financial assets at fair value through profit and loss	(1,597)	(1,112)
Other movements	(82)	56
Closing fair value	21,543	17,478

Note: Investment in other listed securities included an investment of $0.9m in higher yielding cash on call deposits via an investment in ASX:AAA.

The following table presents the changes in level 3 instruments for the Financial Period:

		Unlisted equity securities	Convertible debenture receivable	Total
		$000	$000	$000
Opening balance	**1-Jul-23**	**13,752**	**3,035**	**16,788**
Transfers to level one		(97)	0	**(97)**
Disposals		(341)	(1,242)	**(1,583)**
Realised gains/(losses) on disposal of equity investments at fair value through profit and loss		0	(151)	**(151)**
Accrued interest		0	(15)	**(15)**
Net gains/(losses) on financial instruments at fair value through profit or loss		682	(1,606)	**(924)**
Other movements		0	(7)	**(7)**
Closing balance	**30-Jun-24**	**13,996**	**14**	**14,010**

There were no material changes made during the Financial Period to any of the valuation techniques applied as of 30 June 2023.

Fair Value Measurement

The fair value of financial assets and financial liabilities must be estimated for recognition and measurement or for disclosure purposes. The following tables detail the consolidated entity's assets and liabilities, measured or disclosed at fair value, using a three-level hierarchy, based on the lowest level of input that is significant to the entire fair value measurement, being:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3: Unobservable inputs for the asset or liability.

Level 3 financial assets' unobservable inputs and sensitivity are as follows (To be updated):

Description	Valuation Methodology	Fair Value of Instruments ($'000)	Input	Sensitivity	Sensitivity Impact ($'000)
Unlisted shares/stock	EV/Rev multiple: For the Financial Period, when utilising the Enterprise Value to Revenue Multiple, revenue for the last twelve months has been used with a multiple of 0.9x which has been determined from a peer list of Australian companiesand a multiple of 1.6x which has been determined from a peer list of Canadian companies and/or	13,022	Revenue	10% (10%)	1,560 (925)
	Other judgement	847	Other judgement	10% (10%)	85 (85)
Unlisted warrants/options	Unlisted warrants/ conversion options which are not actively traded are valued using a Black-Scholes valuation methodology.	141	Share Price	10% (10%)	78 (74)
			Volatility	5% (5%)	32 (33)
	Total:	**14,010**			

Accounting policy for fair value measurement

When an asset or liability, financial or non-financial, is measured at fair value for recognition or disclosure purposes, the fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date; and assumes that the transaction will take place either: in the principal market; or in the absence of a principal market, in the most advantageous market.

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming they act in their economic best interests. For non-financial assets, the fair value measurement is based on its highest and best use. Valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value are used, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Assets and liabilities measured at fair value are classified into three levels, using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. Classifications are reviewed at each reporting date and transfers between levels are determined based on a reassessment of the lowest level of input that is significant to the fair value measurement.

For recurring and non-recurring fair value measurements, external valuers may be used when internal expertise is either not available or when the valuation is deemed to be significant. External valuers are selected based on market knowledge and reputation. Where there is a significant change in fair value of an asset or liability from one period to another, an analysis is undertaken, which includes a verification of the major inputs applied in the latest valuation and a comparison, where applicable, with external sources of data.

Fair value in active market (Level 1)

The fair values of financial assets and liabilities traded in active markets (such as publicly traded derivatives and listed equity securities) are based on quoted market prices at the close of trading at the end of the reporting period without any deduction for estimated future selling costs.

The Company values its investments in accordance with the accounting policies set out in note 2 of the financial statements.

In valuing the majority of its investments, the Company relies on information provided by independent pricing services.

The quoted market price used for financial assets held by the Company is the current bid price; the quoted market price for financial liabilities is the current asking price. When the Company holds derivatives with offsetting market risks, it uses midmarket prices as a basis for establishing fair values for the offsetting risk positions and applies this bid or asking price to the net open position, as appropriate.

A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis.

Fair value in an inactive or unquoted market (Level 2 and Level 3)

The fair value of financial assets that are not traded in an active market is determined using valuation techniques. These include the use of a recent share price from capital raising and option pricing models that provides a reliable estimate of prices obtained in actual market transactions.

For option pricing models, inputs are based on available market data other than underlying share price of unlisted equity investments, such as expected volatility and risk-free rates. Fair values for unquoted equity investments are estimated, using the latest share price from capital raisings or arm's length transactions, or in the absence of a recent transaction, an enterprise value to revenue multiple or benchmarked to market movements indicated by relevant market indices.

8. Equity – contributed equity

Movements in ordinary share capital	30-Jun-24 Shares	30-Jun-23 Shares	30-Jun-24 $'000	30-Jun-23 $'000
Ordinary Shares - fully paid	210,310,602	210,310,602	50,711	50,746

Details	**Date**	**Shares**	**$'000**
Balance	**30-Jun-22**	229,953,985	51,786
Unmarketable parcel share buyback		(19,643,383)	(1,040)
Balance	30-Jun-23	210,310,602	50,746
Unmarketable parcel share buyback		0	(35)
Balance	**30-Jun-24**	210,310,602	50,711

Issue of new performance rights or options issued to Key Management Personnel

There were no new Performance Rights or Options issued to Directors and other Key Management Personnel during the Financial Period. The cumulative expense recognised for equity settled transactions at each reporting date until vesting date reflects the extent to which the vesting period has expired, and the Company's best estimate of the number of equity instruments that will ultimately vest. The profit or loss charge or credit for a period represents the movement in cumulative expense recognised for the period. No cumulative expense is recognised for awards that ultimately do not vest (in respect of non-market vesting conditions).

Ordinary Shares

There is only one class of Ordinary Shares which entitles the holder to participate in dividends and the proceeds on the winding up of the Company in proportion to the number of and amounts paid on the Shares held. The fully paid Ordinary Shares have no par value and the Company does not have a limited amount of authorised capital.

On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

Capital risk management

The consolidated entity's objectives when managing capital are to safeguard its ability to continue as a going concern, so that it can provide returns for Shareholders and benefits for other stakeholders, and to maintain an optimum capital structure to reduce the cost of capital.

Capital is regarded as total equity, as recognised in the statement of financial position, plus net debt. Net debt is calculated as total borrowings less cash and cash equivalents.

In order to maintain or adjust the capital structure, the consolidated entity may adjust the amount of dividends paid to Shareholders, return capital to Shareholders, issue new Shares or sell assets to reduce debt.

The consolidated entity would look to raise capital only if an opportunity to invest in a business or company was seen as value adding relative to the current company's share price at the time of the investment.

Accounting policy for contributed equity

Ordinary Shares are classified as equity. Incremental costs directly attributable to the issue of new Shares or Options are shown in equity as a deduction, net of tax, from the proceeds.

9. Equity – reserves

	30-Jun-24 $'000	30-Jun-23 $'000
Options reserve	35	35
Performance rights reserve	-	47
	35	**82**

Options and performance rights reserve

The reserve is used to recognise the value of equity benefits provided to employees and Directors as part of their remuneration, and other parties as part of their compensation for services.

Movements in reserves

Movements in each class of reserve during the current and previous financial year are set out below:

	Options reserve	Performance rights reserve	Total
	$'000	$'000	$'000
30-Jun-22	27	0	27
Share-based payment	8	47	55
30-Jun-23	**35**	**47**	**82**
Lapse of performance rights	0	(47)	(47)
Share-based payment	0	0	0
30-Jun-24	35	0	35

10. Earnings per share

	30-Jun-2024 $'000	30-Jun-23 $'000
Profit/(loss) after income tax	(131)	(3,984)
Profit/(loss) after income tax attributable to the owners of Hygrovest Limited	(131)	(3,984)
	Number	**Number**
Weighted average number of ordinary Shares used in calculating basic earnings per share	210,310,602	229,468,297
Adjustments for calculation of diluted earnings per share:		
Options over ordinary Shares	0	0
Performance rights over ordinary Shares	0	0
Weighted average number of ordinary Shares used in calculating diluted earnings per share	210,310,602	229,468,297
	Cents	**Cents**
Basic earnings per share	(0.06)	(1.74)
Diluted earnings per share	(0.06)	(1.74)

Accounting policy for earnings per share

Basic earnings per share

Basic earnings per share is calculated by dividing the profit attributable to the owners of Hygrovest Limited, excluding any costs of servicing equity other than Ordinary Shares, by the weighted average number of Ordinary Shares outstanding during the financial year, adjusted for bonus elements in Ordinary Shares issued during the financial year.

Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after-income tax effect of interest and other financing costs associated with dilutive potential Ordinary Shares and the weighted average number of Shares assumed to have been issued for no consideration in relation to dilutive potential Ordinary Shares.

11. Trade and other receivables

	30-Jun-24 $'000	30-Jun-23 $'000
Company tax refund	0	627
Other receivables	89	64
	89	**691**

12. Equity - dividends

There were no dividends paid, recommended or declared during the current or previous Financial Period.

13. Financial instruments

Financial risk management objectives

The consolidated entity's activities expose it to a variety of financial risks: market risk (including foreign currency risk, price risk and interest rate risk), credit risk and liquidity risk. The consolidated entity's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the consolidated entity. The consolidated entity uses different methods to measure different types of risk to which it is exposed. These methods include sensitivity analysis in the case of interest rate, foreign exchange and other price risks, ageing analysis for credit risk and beta analysis in respect of investment portfolios to determine market risk. Risk management is carried out by senior finance executives (“finance”) under policies approved by the Board. These policies include identification and analysis of the risk exposure of the consolidated entity and appropriate procedures, controls and risk limits. Finance identifies, evaluates and hedges financial risks within the consolidated entity's operating units. Finance reports to the Board on a quarterly basis.

Market risk

	30-Jun-24 $'000	30-Jun-23 $'000
Financial Assets		
Cash and cash equivalents	189	3,715
Trade and other receivables	89	691
Financial assets at fair value through profit or loss	21,543	17,478
Total financial assets	21,821	21,884
Financial Liabilities		
Trade and other payables	161	255
Total financial liabilities	161	255

Foreign currency risk

The consolidated entity undertakes certain transactions denominated in foreign currency (and is exposed to foreign currency risk through foreign exchange rate fluctuations).

Foreign exchange risk arises from future commercial transactions and recognised financial assets and financial liabilities denominated in a currency that is not the entity's functional currency. The risk is measured using sensitivity analysis and cash flow forecasting.

The consolidated entity maintains a bank account and certain financial assets at fair value through profit or loss denominated in Canadian dollars (CAD) and United States dollars (USD), thus the consolidated entity is exposed to diminution of cash balances and investments through currency exchange risk.

The consolidated entity does not hedge its CAD and USD exposure. The following table shows the foreign currency risk on the financial assets and liabilities of the consolidated entity's operations denominated in currencies other than the functional currency of the operations. The foreign currency risk in the books of the parent entity is considered immaterial and is therefore not shown.

Sensitivity analysis

The following table illustrates sensitivities of the consolidated entity's exposures to changes in exchange rates in relation to its cash held in foreign currency and investments held in foreign currency. The table indicates how profit and equity values reported at the end of the reporting period would have been affected by changes in the relevant risk variable that management considers to be reasonably possible.

		AUD strengthened			AUD weakened	
2024	**% change**	**Effect on profit before tax $'000**	**Effect on equity $'000**	**% change**	**Effect on profit before tax $'000**	**Effect on equity $'000**
AUD / USD	(10%)	0	0	10%	0	0
AUD / CAD	(10%)	(1,595)	(1,196)	10%	1,595	1,196

		AUD strengthened			AUD weakened	
2023	**% change**	**Effect on profit before tax $'000**	**Effect on equity $'000**	**% change**	**Effect on profit before tax $'000**	**Effect on equity $'000**
AUD / USD	(10%)	(196)	(147)	10%	196	147
AUD / CAD	(10%)	(1,104)	(828)	10%	1,104	828

Price risk

For investments held by the consolidated entity at the end of the reporting period, a sensitivity analysis was performed relating to its exposure to other price risk. This analysis demonstrates the effect on current year net assets after tax as a result of a reasonably possible change in the risk variable. The sensitivity assumes all other variables remain constant.

A 10% (30 June 2023:10%) movement in the fair value of each of the investments within the investment portfolio would have the following impact:

	fair value change	**Share price increase**		**Share price decrease**		**Share price decrease**
2024	**%**	**Effect on profit before tax $'000**	**Effect on equity $'000**	**%**	**Effect on profit before tax $'000**	**Effect on equity $'000**
Fair value of investments	10%	2,054	1,541	10%	(2,054)	(1,541)

	fair value change	**Share price increase**		**Share price decrease**		**Share price decrease**
2023	**%**	**Effect on profit before tax $'000**	**Effect on equity $'000**	**%**	**Effect on profit before tax $'000**	**Effect on equity $'000**
Fair value of investments	10%	1,748	1,311	10%	(1,748)	(1,311)

Interest rate risk

The consolidated entity's major cash and financial loan assets are cash deposits which are held in fixed or variable interest rate deposits and fixed interest rate convertible notes and loans. The consolidated entity's income and operating cash flows are materially exposed to changes in market interest rates. The consolidated entity manages this risk by only investing cash in minimum Standard & Poor's credit rating of AA- (or equivalent) rated institutions and maintaining an appropriate mix between different terms.

At the reporting date, the Group had the following exposure to variable interest rate risk:

	30-Jun-24 $'000	30-Jun-23 $'000
Financial assets		
Cash and cash equivalents		
AUD	187	239
CAD	2	3,476
	189	3,715
Convertible notes:	847	3,035
Net exposure to cash flow interest rate risk	1,036	6,750

The consolidated entity's exposures to changes in interest rates are immaterial.

Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the consolidated entity. Credit risk arises from cash and cash equivalents, trade and other receivables, and investments in debt securities.

As of 30 June 2024, the consolidated entity does not have any material trade and other receivables. While cash and cash equivalents are also subject to impairment requirements of AASB 9, the unidentified impairment loss was immaterial as only independently rated parties with a minimum Standard & Poor's credit rating of AA- (or equivalent) are accepted. With respect to credit risk arising from the financial assets of the consolidated entity, the consolidated entity's exposure to credit risk arises from default of the counterparty, with the current exposure equal to the fair value of these investments as disclosed in the statement of financial position. This does not represent the maximum risk exposure that could arise in the future as a result of changes in values, but best represents the current maximum exposure at the reporting date. As at 30 June 2024 the Company is exposed to credit risk on its unlisted loan receivables and debentures which total $0.8m (2023 - $3.0m). Debt investments at fair value through profit or loss include listed and unlisted debt securities.

Liquidity risk

Vigilant liquidity risk management requires the consolidated entity to maintain sufficient liquid assets (mainly cash and cash equivalents) facilities to be able to pay debts as and when they become due and payable.

The consolidated entity manages liquidity risk by maintaining adequate cash reserves by monitoring actual and forecast cash flows and matching the maturity profiles of financial assets and liabilities.

Liquidity risk arises from the possibility that the Group might encounter difficulty in settling its debts or otherwise meeting its obligations related to financial liabilities. Prudent liquidity risk management is managed through:
- maintaining sufficient cash;
- prudent oversight of future funding requirements;
- maintaining ongoing contact to facilitators of further funding; and
- only investing surplus cash with major financial institutions.

It is the consolidated entity's policy to regularly review the Group's liquidity position including cash flow forecasts, actual cash flows and variation reports to determine the forecast liquidity position and maintain appropriate liquidity levels.

The consolidated entity funds its activities through capital raising in order to limit its liquidity risk. The consolidated entity does not have any unused credit facilities.

14. Key Management Personnel disclosures

Directors

The following persons were Directors of Hygrovest during the Financial Period:

Mr Warwick Sauer (Non-Executive Director to 1 August 2023; Non-Executive Chair from 1 August 2023)

Mr David Prescott (Non-Executive Director)

Mr Jason Byrne (Non-Executive Director) (appointed 1 August 2023)

Mr Peter Wall (Non-Executive Chair) (resigned 1 August 2023)

Mr Doug Halley (Non-Executive Director) (resigned 1 August 2023)

Other Key Management Personnel

The following persons also had the authority and responsibility for planning, directing and controlling the major activities of the consolidated entity, directly or indirectly, during the Financial Period:

Mr James Hallam	Chief Financial Officer of the Group

Compensation

The aggregate compensation made to Directors and other members of Key Management Personnel of the consolidated entity is set out below:

	2024 $	2023 $
Short-term employee benefits	390,815	460,289
Post employment benfits	34,070	29,210
Long-term employee benefits	(7,383)	34,077
Share-based payments	143	7,677
	417,645	531,253

15. Remuneration of Auditors

During the Financial Period the following fees were paid or payable for services provided by BDO Audit (WA) Pty Ltd and Connect National Audit Pty Ltd, the auditors of the Company and its network firms:

	2024 $	2023 $
Audit services - BDO Audit (WA) Pty Ltd		
Audit or review of the financial statements	36,367	94,850
Other services - BDO Corporate Tax Pty Ltd		
taxation services	16,954	19,431
	53,321	114,281
Audit services - Connect National Audit Pty Ltd		
Audit or review of the financial statements	40,000	0
	40,000	0
Total	93,321	114,281

Note: BDO Audit (WA) Pty Ltd resigned as auditor on 21 March 2024 – the fee incurred for the Financial Period relates to the review for six months ended 31 December 2023.

Connect National Audit Pty Ltd was appointed on 21 March 2024 – the fee received for the Financial Period relates to the audit for year ended 30 June 2024.

16. Contingent assets and liabilities

The entity had no contingent assets and liabilities as at 30 June 2024 (2023:Nil).

17. Commitments

	2024 $'000	2023 $'000
Lease commitments - operating		
Committed at the reporting date but not recognised as liabilities, payable:		
Within one year	0	56
One to five years	0	0
More than five years	0	0
	0	56

The Group has no other commitments for expenditure at 30 June 2024.

18. Related party transactions

(a) Key Management Personnel

Disclosures relating to Key Management Personnel are set out in note 14 and the Remuneration Report included in the Directors' Report.

Interests in subsidiaries are set out in note 21.

(b) Transactions with related parties

The Board's policy in determining the nature and amount of compensation and discussion of the relationship between the Board's policy and the entity's performance are provided in the remuneration report section of the Directors' Report.

(c) Other transactions with Key Management Personnel and their related parties

During the Financial Period, the consolidated entity engaged the services on the following related parties on normal commercial terms and conditions no more favourable than those available to other parties:

During the Financial Period, the consolidated entity engaged the services of the following related parties on arm's length and on normal commercial terms.

Steinepreis Paganin ("Steinepreis"), an entity associated with Mr Peter Wall, received payments totalling $11,185 (2023: $57,133) in relation to legal services provided to the consolidated entity. As at 30 June 2024 $nil (2023: $5,885) was payable to Steinepreis by the consolidated entity.

There were no loans made to Directors and other Key Management Personnel of the consolidated entity during the year. No Director has received or become entitled to receive a benefit (other than those detailed above) by reason of a contract made by the Company or a related company of the Director or with a firm of which he/she is a member or with a company in which he/she has substantial financial interest.

19. Parent entity information

Set out below is the supplementary information about the parent entity.

Statement of profit or loss and other comprehensive income	**2024**	**2023**
	$'000	**$'000**
Profit/(loss) after income tax	(131)	(3,984)
Total comprehensive profit/(loss)	(131)	(3,984)

Statement of financial position	**30-Jun-24**	**30-Jun-23**
	$'000	**$'000**
Total current assets	19,666	21,321
Total assets	21,896	21,965
Total current liabilities	161	255
Total liabilities	2,681	2,584
Equity		
Contributed equity	50,711	50,746
Options reserve	35	35
Performance rights reserve	-	47
Retained Earnings	(31,531)	(31,447)
Total equity	19,215	19,381

The parent entity had no guarantees in relation to the debts of its subsidiaries as at 30 June 2024 and 30 June 2023.

20. Contingent liabilities

The parent entity had no contingent liabilities as at 30 June 2024 and 30 June 2023.

Material accounting policy information

The accounting policies of the parent entity are consistent with those of the consolidated entity, as disclosed in note 2, except as follows.

- Investments in subsidiaries are accounted for at cost, less any impairment, in the parent entity.
- Investments in associates are accounted for at cost, less any impairment, in the parent entity.
- Dividends received from subsidiaries are recognised as other income by the parent entity and its receipt may be indicator of an impairment of the investment.

21. Interests in subsidiaries

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries in accordance with the accounting policy described in note 2:

Name	Principal place of business / Country of incorporation	30-Jun-24 %	30-Jun-23 %
PhytoTech Medical (UK) Pty Ltd	United Kingdom	100	100

22. Events after the reporting period

No matter or circumstance has arisen since 30 June 2024 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

23. Share-based payments

The Group provided the following in the form of share-based payment transactions:

	30-Jun-24 $	30-Jun-23 $
Vesting of HGV Options issued in prior periods	143	7,677
Vesting of HGV Performance Rights	11,892	0
Lapse of HGV Performance Rights	(11,892)	47,103
Total share-based payments	143	54,780

a) Performance Rights

There were no performance rights on issue during the Financial Period under the plan:

Vesting of performance rights granted in prior periods

There were no performance rights vested that were granted in prior periods.

b) Reconciliation of Options on Issue

1-Jul-22	**Opening balance**	**1,000,000**
30-Jun-23	**Closing balance**	**1,000,000**
1-Jul-23	**Opening balance**	**1,000,000**
30-Jun-24	**Closing balance**	**1,000,000**

Accounting policy for share-based payments

Equity-settled and cash-settled share-based compensation benefits are provided to employees. Equity-settled transactions are awards of Shares, or Options over Shares, that are provided to employees in exchange for the rendering of services. Cash-settled transactions are awards of cash for the exchange of services, where the amount of cash is determined by reference to the share price.

The cost of equity-settled transactions is measured at fair value on grant date. Fair value is independently determined using either the Binomial or Black-Scholes option pricing model that takes into account the exercise price, the term of the option, the impact of dilution, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk-free interest rate for the term of the option, together with non-vesting conditions that do not determine whether the consolidated entity receives the services that entitle the employees to receive payment. No account is taken of any other vesting conditions.

The cost of equity-settled transactions is recognised as an expense with a corresponding increase in equity over the vesting period. The cumulative charge to profit or loss is calculated based on the grant date fair value of the award, the best estimate of the number of awards that are likely to vest and the expired portion of the vesting period. The amount recognised in profit or loss for the period is the cumulative amount calculated at each reporting date less amounts already recognised in previous periods.

Market conditions are taken into consideration in determining fair value. Therefore, any awards subject to market conditions are considered to vest irrespective of whether or not that market condition has been met, provided all other conditions are satisfied.

If equity-settled awards are modified, at a minimum an expense is recognised as if the modification has not been made. An additional expense is recognised, over the remaining vesting period, for any modification that increases the total fair value of the share-based compensation benefit as at the date of modification.

If the non-vesting condition is within the control of the consolidated entity or employee, the failure to satisfy the condition is treated as a cancellation. If the condition is not within the control of the consolidated entity or employee and is not satisfied during the vesting period, any remaining expense for the award is recognised over the remaining vesting period, unless the award is forfeited.

If equity-settled awards are cancelled, they are treated as if they vested on the date of cancellation, and any remaining expense is recognised immediately. If a new replacement award is substituted for the cancelled award, the cancelled and new awards are treated as if they were a modification.

24. **Consolidated Entity Disclosure Statement**

Entity name	**Entity type**	**Place formed / Country of incorporation**	**Ownership interest %**	**Tax residency**
Hygrovest Limited	Body corporate	Australia	n/a	Australia *
PhytoTech Medical (UK) Pty Ltd	Body corporate	United Kingdom	100%	United Kingdom

Key assumptions and judgements

Determination of Tax Residency

Section 295 (3A) of the Corporations Act 2001 requires that the tax residency of each entity which is included in the Consolidated Entity Disclosure Statement (CEDS) be disclosed. In the context of an entity which was an Australian resident, "Australian resident" has the meaning provided in the Income Tax Assessment Act 1997. The determination of tax residency involves judgment as the determination of tax residency is highly fact dependent and there are currently several different interpretations that could be adopted, which could give rise to a different conclusion on residency.

In determining tax residency, the consolidated entity has applied the following interpretations:

a) Australian tax residency

   The consolidated entity has applied current legislation and judicial precedent, including having regard to the Commissioner of Taxation's public guidance in Tax ruling TR2018/5.

b) Foreign tax residency

   The consolidated entity has applied current legislation and where available judicial precedent in the determination of foreign tax residency. Where necessary, the consolidated entity has used independent tax advisers in foreign jurisdictions to assist in its determination of tax residency to ensure applicable tax legislation has been complied with.

Hygrovest Limited

Directors' Declaration

30 June 2024

In the Directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, the Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes comply with International Financial Reporting Standards as issued by the International Accounting Standards Board as described in note 2 to the financial statements;
- the attached financial statements and notes give a true and fair view of the consolidated entity's financial position as at 30 June 2024 and of its performance for the financial year ended on that date;
- there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable; and
- the information disclosed in the attached consolidated entity disclosure statement on page 39 is true and correct.

The Directors have been given the Declarations required by section 295A of the Corporations Act 2001.

Signed in accordance with a Resolution of Directors made pursuant to section 295(5)(a) of the Corporations Act 2001.

On behalf of the Directors

Warwick Sauer
Non-Executive Chair

26 August 2024

Independent Auditor's Report
To the Members of Hygrovest Ltd
Report on the Audit of the Financial Report

Opinion

We have audited the accompanying financial report of Hygrovest Ltd as a consolidated entity consisting of Hygrovest limited ('the company') and the entity it controlled at the end of, or during the year ended 30 June 2024 ('the group'), which comprises the consolidated statement of financial position as at 30 June 2024, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of cash flows and the consolidated statement of changes in equity for the financial year ended on that date, notes comprising a summary of material accounting policies and other explanatory information, the consolidated entity disclosure statement and the directors' declaration of the consolidated entity as set out on page 45.

In our opinion the financial report of Hygrovest Ltd is in accordance with the *Corporations Act 2001*, including:

(a) giving a true and fair view of the entity's financial position as at 30 June 2024 and of its performance for the financial year ended on that date; and

(b) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the consolidated entity in accordance with the auditor independence requirements of the *Corporations Act* 2001 and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act* 2001, which has been given to the directors of the consolidated entity, would be in the same terms if given to the directors as at the time of this auditor's report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matter	**How our audit addressed the key audit matter**
Financial Assets at fair value through profit and loss	Our procedures included, but not limited to the following:
As disclosed in Note 7, as at 30 June 2024, the carrying value of financial assets recognised at fair value through profit or	• Selecting a sample of financial assets held at balance date and agreeing to ownership documents and market valuation of listed investments as on balance date;

loss represents a significant asset of the Group. The financial asset held include securities, unlisted securities, and convertible notes and loans. This is a key audit matter due to the material balance of the asset and the estimates, assumptions and judgments applied by the group in determining the fair value of these assets.	• Reviewing the assessment of fair value against the requirements of AASB 13 and other relevant accounting standards; • Checking the accuracy of movement of the fair value of investments and reconciling the movements inputted in the calculation of deferred tax obligation arising from those movements ; • Assessing the accuracy of the inputs used and recalculating the fair value of unlisted investments and comparing the results against valuation arrived at by the group; • Agreeing the acquisition costs and divestment amounts for a sample of investments purchased or disposed during the year; • Assessing the calculations of movements in fair value on its financial asset held at fair value through profit or loss; • Assessing that disclosure in Note 7 is adequate to the requirements of relevant accounting standards.
Income Tax and Deferred Taxes **Refer to Note 5 on page 27**	Our procedures included, but not limited to the following:
The Group recognises deferred tax liabilities and deferred tax assets. As at 30 June 2024 the net deferred tax liabilities included in the statement of financial position amounted to $2,520 (2023: net deferred tax liabilities $2,239). Current tax expense as at 30 June 2024 included in the consolidated statement of profit or loss and other comprehensive income amounted to $226 (2023: 179 benefit). [All amounts in '000] We focused on this area as a key audit matter due to the amounts involved being material.	• Reviewing the Group's taxation calculations for accuracy, completeness and compliance with AASB 112. • Review of the appropriateness of the Group's disclosures in the financial report in accordance with AASB 112.

Other Matter
The financial report of Hygrovest Limited, for the half-year ended 31 December 2023 and year ended 30 June 2023, was reviewed/audited by another auditor who expressed an unmodified conclusion/opinion on those reports on 26 February 2024 and 30 August 2023, respectively.

Information Other Than the Financial Report and Auditor's Report Thereon

The Directors are responsible for the other information. The other information comprises the information included in the Consolidated entity's annual report for the year ended 30 June 2024 but does not include the financial report and our auditor's report thereon. Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon. In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Matters Relating to the Electronic Presentation of the Audited Financial Report

This auditor's report relates to the financial report of Hygrovest Ltd for the year ended 30 June 2024, intended to be included on the Consolidated entity's or other websites. The Consolidated entity's Directors are responsible for the integrity of the Consolidated entity's or other websites. We have not been engaged to report on the integrity of the Consolidated entity's website. The auditor's report refers only to the statements named above. It does not provide an opinion on any other information which may have been hyperlinked to/from these statements. If users of this report are concerned with the inherent risks arising from electronic data communications, they are advised to refer to the hard copy of the audited financial report to confirm the information included in the audited financial report presented on websites.

Responsibilities of the directors for the financial report

The directors of the consolidated entity are responsible for the preparation of:

a) the financial report (other than the consolidated entity disclosure statement) that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001;* and
b) the consolidated entity disclosure statement that is true and correct in accordance with the Corporations Act 2001; and

for such internal control as the directors determine is necessary to enable the preparation of:

i) the financial report (other than the consolidated entity disclosure statement) that gives a true and fair view and is free from material misstatement, whether due to fraud or error, and, the consolidated entity disclosure statement that is true and correct and is free of misstatement, whether due to fraud or error.

In the basis of preparation, the directors also state, that the financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ("AASB") and the Corporations Act 2001, as appropriate for for-profit oriented entities. These financial statements also comply with

International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB").

In preparing the financial report, the directors are responsible for assessing the consolidated entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the consolidated entity or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the audit of the financial report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: http://www.auasb.gov.au/Home.aspx. This description forms part of our auditor's report.

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 9 to 15 of the directors' report for the financial year ended 30 June 2024.

In our opinion the Remuneration Report of Hygrovest Ltd for the financial year ended 30 June 2024, complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The directors of the consolidated entity are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Connect National Audit

CONNECT NATIONAL AUDIT PTY LTD
ASIC Authorised Audit Company No.: 521888

Robin King Heng Li RCA CA
Director
Date: 26 August 2024

Additional Information Required by ASX Listing Rules

The additional information set out below as required by the ASX Listing Rules was applicable as at 5 August 2024.

1. Quotation

Listed securities in Hygrovest Limited are quoted on the Australian Securities Exchange under ASX code "HGV" (fully paid Ordinary Shares).

2. Voting rights

The voting rights attached to the fully paid Ordinary Shares of the Company are:

(a) at a meeting of members or classes of members each member entitled to vote may vote in person or by proxy or by attorney; and

(b) on a show of hands every member present at a meeting (including virtual meetings through an online meeting platform) in person or by proxy shall have one vote and upon a poll each share shall have one vote.

There are no voting rights attached to any options or performance rights on issue.

3. Twenty largest shareholders

The twenty largest Shareholders of the Company's quoted fully paid ordinary shares as at 5 August 2024 are as follows:

Position	Holder Name	Holding	% IC
1	J P MORGAN NOMINEES AUSTRALIA PTY LIM	32,024,171	15.23%
2	BNP PARIBAS NOMINEES PTY LTD <CLEARSTREAM>	12,085,259	5.75%
3	MR GEORGE CHIEN-HSUN LU	6,817,707	3.24%
4	PERPETUAL CORPORATE TRUST LTD <AFFLUENCE LIC FUND>	6,195,782	2.95%
5	MR PETER CHRISTOPHER WALL & MRS TANYA-LEE WALL <WALL FAMILY SUPER FUND A/C>	4,500,000	2.14%
6	JAINDI INVESTMENTS PTY LTD	4,137,500	1.97%
7	CITICORP NOMINEES PTY LIMITED	4,092,372	1.95%
8	MR CARL GIANATTI & MRS MARGARET R GIANATTI <THE GIANATTI SUPER FUND A/C>	3,464,847	1.65%
9	MRS LILY MAH <MJ A/C>	3,398,240	1.62%
10	WHILEY CLOSE INVESTMENTS PTY LTD <SIMS FAMILY SUPER A/C>	2,500,000	1.19%
11	MRS KATHRYN MARGARET EVANS	2,000,000	0.95%
11	SILVERINCH PTY LIMITED <THE SILVERINCH S/F A/C>	2,000,000	0.95%
12	BAAUER PTY LTD <THE BAAUER FAMILY A/C>	1,838,277	0.87%
13	CAPITAL H MANAGEMENT PTY LTD <CAPITAL H A/C>	1,732,293	0.82%
14	BNP PARIBAS NOMINEES PTY LTD <IB AU NOMS RETAILCLIENT>	1,527,335	0.73%
15	WHILEY CLOSE INVESTMENTS PTY LTD <SIMS FAMILY SUPER FUND A/C>	1,500,000	0.71%
16	FINCLEAR SERVICES PTY LTD <SUPERHERO SECURITIES A/C>	1,379,668	0.66%
17	MR WILLIAM PURCELL TAPPER & MRS SUSAN TAPPER <TAPPER FAMILY AUSSIE A/C>	1,151,000	0.55%
18	GREEN ACTIVIST RETIREMENT FUND PTY LTD <GREEN ACTIVIST RET FUND A/C>	1,004,000	0.48%
19	ENIFILM PTY LIMITED <BLACKWELL ENG S/FUND A/C>	1,003,582	0.48%
20	CAP ROCK INVESTMENTS PTY LTD <GR & KM COX S/F A/C>	1,000,000	0.48%
	Total	**95,352,033**	**45.34%**
	Total issued capital - selected security class	**210,310,602**	**100.00%**

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4. Distribution of shareholders

a) Fully paid Ordinary Shares

Holding Ranges	Holders	Total Units	% Issued Share Capital
above 0 up to and including 1,000	110	55,101	0.03%
above 1,000 up to and including 5,000	371	1,037,767	0.49%
above 5,000 up to and including 10,000	665	6,280,787	2.99%
above 10,000 up to and including 100,000	2,079	62,317,005	29.63%
above 100,000	194	140,619,942	66.86%
Totals	**3,419**	**210,310,602**	**100.00%**

Based on the price per security, number of holders with an unmarketable holding: 1311, with total 9,171,303, amounting to 4.36% of Issued Capital

5. Substantial shareholders

In a Substantial Holding Notice dated 28 June 2024, HD Capital Partners Pty Ltd had an interest in 29,790,293 ordinary shares as of 26 June 2024, which represented 14% of HGV's ordinary shares at the time.

In a Substantial Holding Notice dated 18 July 2023, Bavaria Industries Group Ag had an interest in 11,499,947 ordinary shares as of 23 June 2023, which represented 5.5% of HGV's ordinary shares at the time.

6. Restricted securities

There are no restricted securities listed on the Company's register as at 5 August 2024.

7. Current on market share buy-back

The Company does not have a current on-market share buy-back.

8. Additional information required by LR 4.10.20 Investment transactions

a) Investment transactions

The total number of contract notes issued for transactions in securities during the Financial Period was 58 (2023: 32). Each contract note could involve multiple transactions. The total amount of brokerage paid on these contract notes was $ 20,197 (2023: $11,198).

b) List of all investments held by HGV and its subsidiary

Individual investments for HGV and its subsidiary as at 30 June 2024 are listed below. The list should not, however, be used to evaluate portfolio performance or to determine the net asset backing per share at other dates and Individual holdings in the portfolios may change during the course of the year.

Listed

Ainsworth Game Technology Limited
Airtasker Limited
Bevcanna Enterprises Inc.
Centrepoint Alliance Limited
Delivra Health Brands
Fiducian Group Limited
Praemium Limited
Reckon Limited
Reklaim Ltd
Vintage Wine Estates

Unlisted

Bespoke A LP
Bowery Capital Mortgage & Investment Fund
Eildon Debt Fund
GM Health Group Pty Ltd
Sequoya Cannabis Limited
Emerging Therapeutics Group
Valo Therapeutics OY
Weed Me Inc.

c) Management Fees

The Company has an Investment Management Agreement ("IMA") with HD Capital Partners Pty Ltd (the "Manager") to manage the investment portfolio of the Company signed on 23 August 2023 for a term of five year commencing on 1 July 2023.

The Company's IMA with Parallax Ventures ceased on 30 June 2023.

The management fees paid or payable to HD Capital Partners during the Financial Period were:

	$
Base fees	171,287
Performance fees	Nil

The management fees paid or payable to Parallax Ventures during the year ended 30 June 2023 were:

	$
Base fees	188,608
Performance fees	Nil

d) Summary of Investment Management Agreement

Hygrovest executed an Investment Management Agreement ("IMA" or "Agreement") appointing HD Capital Partners Pty Ltd ("HD") to act as Investment Manager of HGV's investment portfolio. The appointment is for a term of five years from 1 July 2023. The Company will pay HD a fee of 1% per annum (plus GST) of the Company's Pre-tax Net Asset Value[3], at the end of each calendar month (Base fee). The Pre-tax Net Asset Value is the total assets of the Company less all liabilities (excluding tax liabilities), which amounts have been prepared in accordance with the requirements of the Corporations Act, Australian Accounting Standards and other authoritative pronouncements of the Australian Accounting Standards Board (Net Asset Value) (Management Fees).

In addition, HD is to be paid, annually in arrears, a performance fee being 20% (plus GST) of any positive amount resulting from the following calculation:

i. the Pre-tax Net Asset value as at the end of the Financial Period (after deducting the Base fees payable in respect of the Financial Period); less
ii. the High Watermark at the start of the Financial period multiplied by 6% per annum (the Hurdle rate) plus adjusted for equity issues less distributions to equity holders.

No performance fee is payable in respect of any performance period where the value of the portfolio has decreased over that period.

Glossary

ABBREVIATION	***Definition***
AUD	*means Australian dollars.*
ASX	*means ASX Limited (ACN 008 624 691) or the financial market operated by ASX Limited, as the context requires.*
ASX Listing Rules	*means the Listing Rules of ASX.*
CAD	*means Canadian dollars.*
Company or HGV	*means Hygrovest Limited (ACN 601 236 417).*
EBITDA	*means Earnings before Interest, Tax, Depreciation and Amortisation.*
IPO	*Initial public offering of securities on a recognised securities exchange.*
NAV	*means net asset value.*
Option	*means an option to acquire a Share usually at predetermined price.*
Share	*means a fully paid ordinary share in the capital of a company.*
Shareholder	*means a registered holder of a Share.*

[3] Pre Tax Net Asset Value means the value of the total assets of the Company less all liabilities of the Company (the Net Asset Value) plus the book value of realised and unrealised tax liabilities of the Company.