

ASX RELEASE

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Sequoia Cannabis receives EU GMP Certification

MMJ Group Holdings Limited (ASX:MMJ) ("MMJ"), an Australian-listed company that specialises in managing a portfolio of investments along the cannabis value-chain, is pleased to advise that Sequoia Cannabis Limited's ("Sequoia") Polish subsidiary, Sequoia Europe, has received EU GMP¹ Certification for its newly completed European Centre of Extraction and CBD² Production.

Sequoia's has achieved its first step to become a significant GMP-certified hemp CBD supplier, with longer term plans to expand into the legal medical marijuana market across Europe. Sequoia's recently completed cannabis extraction operations are located in Krakow, Poland, with plans to become a leading supplier of CBD extracts and isolate within the European Union ("EU").

The Sequoia facility is built from the ground up with the strictest production, quality and safety standards, allowing quick and smooth certification of the entire facility and it marks the only completely end-to-end EU GMP certified hemp extraction facility in Europe. Sequoia's facility, completed in January 2020 is the most modern facility in Europe, utilizing Canadian CO2 clean extraction machines and top end Swiss Laboratory Instruments for product purification, formulation and volume production. As an end-to-end EU GMP Certified facility, it includes a modern, fully equipped Analysis & Quality Control Area, staffed with Sr. R&D and Quality Specialists ensuring tight control over producing consistent and highest quality results. Sequoia is now partnering with some of the world's biggest consumer brands as their CBD supplier. With little regulatory hurdles around CBD in Europe, Sequoia is receiving tremendous interest from consumer goods manufacturers. Namely, from cosmetics, food & beverage and nutraceutical companies with interest continuing to grow across all segments.

MMJ expects Sequoia to provide excellent investment returns:

- a) Sequoia is focusing on extraction, which is the highest value opportunity, within the cannabis ecosystem and has built a large-scale production plant in a low-cost jurisdiction which has easy no-tariff access to high value markets (e.g. Germany and Northern Europe);
- b) As the industry evolves, the ability to produce GMP certified product at a lower cost in Europe will be a strategic advantage for Sequoia;
- c) Poland also provides access to world class technicians and engineers at a substantially lower cost than available elsewhere, some of whom are already working with Sequoia.

MMJ's investment consists of a CAD2.5m convertible note issued by and a 24% ordinary shareholding in Sequoia.

MMJ has also secured the rights to make further investments in Sequoia through:

- a) Warrants that allow MMJ to acquire further shares following conversion of the debenture for a period of 2 years following the date of issue.
- b) An option to invest up to a further CAD2.5m to finance the next stage of Sequoia's business plan.

¹ GMP stands for Good Manufacturing Practices, and refers to a system of manufacturing that guarantees reproducibility of product quality to set specifications

² Cannabidiol (CBD) is a crystalline, nonintoxicating cannabinoid in cannabis and hemp

Investor and Media Enquiries

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About MMJ

MMJ is a global cannabis investment company (ABN 91 601 236 417). MMJ owns a portfolio of minority investments and aims to invest across the full range of emerging cannabis-related sectors including healthcare, technology, infrastructure, logistics, processing, cultivation, equipment and retail. For MMJ's latest investor presentation and news, please visit: <https://www.mmjgh.com.au/investors/>

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