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ASX RELEASE

11 May 2020

Net tangible asset backing as at 30 April 2020

MMJ Group Holdings Limited (ASX: MMJ/OTC Code MMJF) ("MMJ") is required to announce its net tangible assets ("NTA") per share pursuant to Listing Rule 4.12. Accordingly, please find enclosed the MMJ Investment Portfolio Report as at 30 April 2020.

Investor and Media Enquiries

Announcement authorised for release to ASX by:
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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/>

Important Notice

This announcement contains reference to certain intentions, expectations, future plans, strategy and prospects of MMJ. Those intentions, expectations, future plans, strategy and prospects may or may not be achieved. They are based on certain assumptions, which may not be met or on which views may differ and may be affected by known and unknown risks. The performance and operations of MMJ may be influenced by a number of factors, many of which are outside the control of MMJ. No representation or warranty, express or implied, is made by MMJ, or any of its directors, officers, employees, advisers or agents that any intentions, expectations or plans will be achieved either totally or partially or that any particular rate of return will be achieved. Given the risks and uncertainties that may cause MMJ's actual future results, performance or achievements to be materially different from those expected, planned or intended, recipients should not place undue reliance on these intentions, expectations, future plans, strategy and prospects. MMJ does not warrant or represent that the actual results, performance or achievements will be as expected, planned or intended. Nothing in this material should be construed as either an offer to sell or a solicitation of an offer to buy or sell securities. It does not include all available information and should not be used in isolation as a basis to invest in MMJ. This document does not constitute any part of any offer to sell, or the solicitation of an offer to buy, any securities in the United States or to, or for the account or benefit of any "US person" as defined in Regulation S under the US Securities Act of 1993 ("Securities Act"). MMJ's shares have not been, and will not be, registered under the Securities Act or the securities laws of any state or other jurisdiction of the United States, and may not be offered or sold in the United States or to any US person without being so registered or pursuant to an exemption from registration including an exemption for qualified institutional buyers.

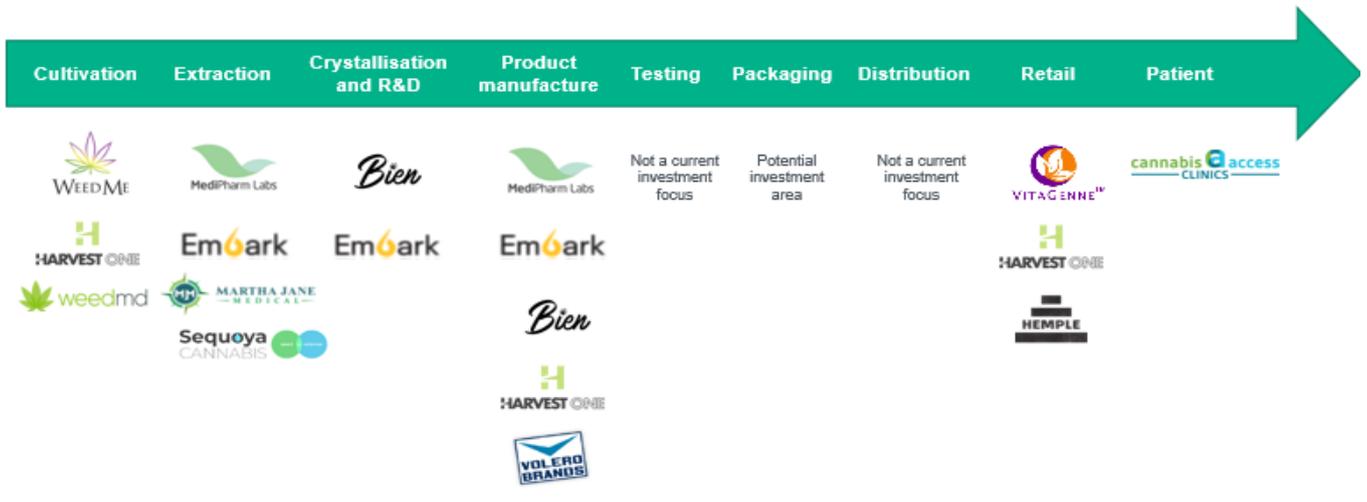


Investment Portfolio Report

30 April 2020

MMJ's Investments sit across most of the cannabis and hemp value chain

Capital is allocated to potential market leaders, consolidators and takeover targets



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About MMJ

MMJ (ASX Code MMJ/OTC Code MMJF) 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.

MMJ is the only listed Australian investment company which offers the opportunity to Australian investors to invest in unlisted and listed cannabis-related businesses in Australia and offshore.

MMJ has a proven track record in acquiring and realising considerable value from its cannabis related investments.

Since 2015, MMJ has created a significant number of investment opportunities from its connections in Canada and Australia in the private investment sector and realised exits when it is to the benefit of MMJ and its shareholders:

| | | | |
|--------------------------------------|---|----------------------------------|------------------------------------|
| 20 Primary Acquisitions | 8 Follow on investments ¹ | 4 Private to public | 9 Sale of investments |
|--------------------------------------|---|----------------------------------|------------------------------------|

MMJ Investment Performance²

| MMJ Historical Performance - period ended | 30-Apr-20 | | | | |
|---|-----------|----------|------------------------|-----------|-----------------|
| | 1 month | 3 months | Financial year to date | 12 months | Since inception |
| Pre tax return | (6)% | (18)% | (50)% | (54)% | (20)% |
| Benchmark | 13% | (27)% | (62)% | (66)% | (38)% |
| Out/(under) performance | (18)% | 9% | 12% | 12% | 18% |

For MMJ's latest investor presentations and news, please visit www.mmjgh.com.au

General Investor Queries

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W: mmjgh.com.au

Share Registry

Automatic Registry Services

P: 1300 288 664

W: automatic.com.au

Performance Update

Net Tangible Asset Value Per Share Before Tax³ as at 30 April 2020

\$0.1932

Total Portfolio Including Cash as at 30 April 2020

\$44m

Investment Return Since Inception⁴ as at 30 April 2020 (per annum)

(20)% pa

| Key Metrics as at | 30-Apr-20 | AUD |
|--|-----------|---------------------------|
| Net Asset Value | m | 44 |
| Investee Portfolio (ex cash) | m | 44 |
| Cash | m | 0.5 |
| Net Tangible Asset per share - pre-tax (issued pursuant to LR 4.12) | | 0.1932 |
| Net Tangible Asset per share - post tax (issued pursuant to LR 4.12) | | 0.1893 |
| Net Asset Value per share | | 0.1909 |
| MMJ share price (ASX) | | 0.13 |
| Market capitalisation | m | 30 |
| Number of investments (ex cash) | | 15 |
| ASX Investment Type | | Listed Investment Company |
| Initial Public Offering Date (inception date) | | 22-Jan-15 |
| No. of ordinary shares on issue | m | 230 |

¹ Includes investments in existing investees

² MMJ uses the Alternative Harvest ETF (ticker symbol MJ) as its investment benchmark for the MMJ portfolio as it is a highly liquid portfolio trading in the North American market (where most of MMJ's holdings are based). MJ is listed on the New York Stock Exchange

³ Net Tangible Asset Value per share – net tangible assets per share before tax on unrealised gains on investment portfolio

⁴ Inception is 30 June 2018 being the date when MMJ commenced accounting for investments as an investment entity

MMJ NEWS**Performance of MMJ Portfolio for April 2020****Investment Performance for Year to Date**

MMJ's portfolio management has focussed on two key themes:

- a) MMJ has been actively supporting the operational and financial restructuring plans of Harvest One Cannabis (HVT). The key contributor to the decline of \$41m in MMJ's net asset value from 30 June 2019 has been the decline of \$39m in the value of our investment in Harvest One Cannabis. MMJ believes that there are promising signs of recovery in the HVT business derived from changes implemented in the past four months which, if realised, may recover a material portion of the value lost in FY20 which we believe resides in HVT's consumer branded products.
- b) Creating a diversified portfolio of CBD and cannabis investments in cultivation, extraction and consumer products with material investments in Embark Health, Weed Me, WeedMD, Sequoya, Volero and Bespoke.

The current downturn in global financial markets will delay liquidity events in some of these material investments – however the individual businesses are realising opportunities to capitalise on growing demand for CBD and cannabis products in North America and Europe.

MMJ has been pleased with the recent improvement of the MMJ share price from its 52-week low of 6 cents to 13 cents at 30 April 2020. Those MMJ shareholders who supported the company's share purchase plan through subscribing for new shares at 8 cents have been rewarded with the price appreciation.

MMJ believes that its share price materially undervalues the opportunities provided by its existing portfolio as the Canadian investment market recovers and provides the opportunity for investors to acquire MMJ shares at an attractive price to their intrinsic value.

Portfolio management events

During April, MMJ's material investments made significant announcements in terms of achievement of business objectives and funding their operations:

- a) **Sequoya** (9% of portfolio) – MMJ agreed to provide a CAD2.5m secured convertible note facility to Sequoya Cannabis Limited ("Sequoya"), which may be drawn down in tranches (at MMJ's option). MMJ advanced an initial CAD0.35m ("Initial Advance") on 16 April 2020 to Sequoya under this convertible note facility. Following receipt of the Initial Advance, Sequoya's Polish subsidiary, Sequoya Europe, commenced production of CBD extracts and isolate at its European Union ("EU") GMP Certified production facility. The Sequoya facility was 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.
- b) **Harvest One** (17% of portfolio) - MMJ was issued 17,083,333 warrants exercisable at a price per HVT share of CAD0.06 (market price of shares at 30 April 2020 – 7.5 cents) at any time until the earlier of the date of an additional extension or renewal of the loan and 3 April 2022.
- c) **Weed Me** (14% of portfolio) - Weed Me provided a market update on its current operations and the expansion opportunities that are being considered by the company and highlighted the quality of its business plan and its substantial cultivation assets. The presentation follows the announcement of a CAD2.5m capital raising in March 2020 which strengthened Weed Me's balance sheet to support its growth plans.
- d) **Embark Health** (30% of portfolio) - Embark Health announced that its Delta, BC facility had received all occupancy and business licences required from the city of Delta, BC, commenced extraction of cannabis and has entered into several letters of intent to secure 300,000kgs of biomass from well-known suppliers as feedstock for the next 2 years. This step was foreshadowed in an MMJ announcement on 13 February 2020 following the receipt of the company's Health Canada licence necessary to operate the facility. Embark Health is seeking to create the largest cannabis (THC and CBD) extraction business in Canada with facilities in British Columbia (BC) and Ontario (ON).

MMJ's Funding Position

MMJ is well positioned to create value from the existing portfolio with a liquid balance sheet and cashflows from investments:

- a) Total assets of \$44m with immaterial current liabilities.
- b) Cash of AUD0.5m⁵ and a portfolio of listed equities (CAD5m), listed convertible loans (CAD3m) and unlisted loan securities (CAD6m) which provide MMJ interest income with flexibility to fund flow on investments, effect timing of investment exits and MMJ's operating requirements.

The Future Investment Opportunities

MMJ holds warrants (similar to 'options' in Australia) and contractual rights in a number of its existing listed and unlisted investments which provide opportunities for MMJ to make follow-on investments in businesses at a discount to current valuations and where MMJ is well placed to understand their potential returns. Existing cannabis businesses where MMJ holds the right to make follow on investments include:

- a) Sequoya (European medicinal cannabis and CBD oil extraction)
- b) Medipharm Labs (Canadian cannabis oil extraction)
- c) Weed Me (Canadian cannabis cultivation)
- d) Volero (Canadian cannabis vape manufacturer)
- e) WeedMD (Canadian cannabis cultivation and cannabis oil extraction)
- f) Embark Health (Canadian cannabis and CBD oil extraction)
- g) Harvest One Cannabis (Canadian cannabis consumer and wellness products).

MMJ believes that the companies within its portfolio are well placed to transition from business establishment to producing operational cashflow and receive a material valuation uplift during the latter part of 2020 as investors reward those cannabis businesses which generate sales and earnings growth together with recovery following the global dislocation created by Covid19.

MMJ shareholder communications

MMJ held a webinar conference call on 21 April 2020 to allow MMJ shareholders and interested parties to hear an update on global cannabis markets and key investments and to also ask questions.

Copies of announcements related to MMJ's operations may be found on the MMJ website: www.mmjgh.com.au

⁵ This excludes cash from the SPP

Embark Ventures Sector Update – 30 April 2020

Market Overview

Over the month of April, MMJ stock has risen by approximately 63% from A\$0.08 to A\$0.13 whereas the benchmark Alternative Harvest ETF has risen only about 6% from US\$11.40 to US\$12.06. Clearly a rebound in the marketplace (in anticipation of a post-COVID world) has been more beneficial to MMJ shares relative to our benchmark. Such a stark contrast with the benchmark is due to MMJ holding more private company stock on our books as compared to the benchmark ETF which exclusively holds listed public securities. Capital markets tend to downgrade private companies much more in the event of market meltdowns as we witnessed in March and they also tend to drive up valuation of private company holdings in the event of a recovery as we have seen in April and early May.

Though beneficial in a rebounding market scenario, such volatility relative to the benchmark indicates that the broader capital markets may not fully understand the value in our private company holdings. This notion is further enforced by the significant discount to NAV that we have seen at times as well. There is a “gap” in information about private company holdings relative to what’s available in public markets which drives that volatility.

Going forward, we will endeavor to close this gap by delving deeper into our private company holdings and disclosing more details about these holdings. Specifically, we intend to highlight their medium to long term business strategy and provide more details on revenue and margin expectations. Starting this month, we will pick a focus portfolio investment and walk through it in our monthly letter. For this month, we draw attention to one of our largest private company holdings, Embark Health.

Embark Health – Profile & Strategy

Embark Health was an initial investment made in late 2018 and MMJ have participated in multiple rounds of funding thereafter as well. The position has a current book value of C\$13mln which represents 2 times MMJ’s investment in the company.

Our initial thesis was that Embark Health had an opportunity to become the largest extraction services company in Canada and become a high return investment for MMJ. Despite structural challenges in the cannabis industry as a whole and the global tumult caused by COVID-19, we still firmly believe that to be the case. From an MMJ perspective, there are three key drivers of value that underpin continued success for the company and returns on investment. They are regulatory outlook, revenue outlook, and liquidity potential.

Regulatory Outlook: When MMJ originally invested in the company, it was an early-stage management team of cannabis industry professionals with a vision of what it would take to become a leader in extraction services. The challenge before the company was to secure facilities on both coasts, hire competent and experienced technical professionals to run those facilities, and most importantly, secure the necessary licences from Health Canada and local city authorities. The order of operations was to secure Health Canada approval to start production at their large Delta, BC facility and use the cash flow from operations there to build the even larger Woodstock, ON facility.

Nearly 18 months after our initial investment, Embark Health has now secured all necessary licenses for imminent production at their Delta facility and is deep into the construction phase at Woodstock. Additionally, local city licences can often times be even more challenging as the company discovered with Delta, but their joint venture partnership with Trigon Construction at Woodstock should make local licensing a much less daunting prospect there. In summary, the “heavy lifting” in terms of regulatory requirements are behind the company.

Operations. Embark Health has commenced production at Delta and will bring in biomass for toll processing. Over time as more extraction modalities come online, the company expects production at Delta to exceed 1,500 kgs per month. Beginning in late 2020/early 2021, production from the Woodstock facility would be additive to Delta depending on precisely when construction and licensing are complete.

We have conducted extensive interviews with senior management and have spoken at length with the sales team at the company about client leads and product pricing. While keeping the company’s sales pipeline in confidence, Embark Health has signed their first tolling agreement for delivery. We expect they will sign several more agreements with major clients for solvent-less toll processing within the next 30 days.

Liquidity Potential and Long-Term Strategy. Now that the company has a favorable regulatory outlook and is on its way to realizing its financial potential, the next phase of company evolution dictates that Embark Health should seek to create liquidity for investors through a public listing. The company is in talks with various financial institutions about conducting an RTO onto either the CSE or the TSX Venture. The original strategy was to complete a public listing by spring of 2020 (northern hemisphere), but the COVID-19 crisis has caused a delay of about six months. This could potentially be a blessing in disguise as the later go-public

date gives the company an opportunity to show it can deliver on its revenue expectations – this typically contributes to stronger share prices after going public.

Once the Woodstock facility is licensed and operational and the company has completed a successful stock market listing, the time will be ripe for stepping out for a global expansion to further drive shareholder value. The company is keenly keeping track of, and in conversations with, various licensed extraction companies in Europe that may offer significant synergies. This global strategy combined with vertical integration opportunities for developing cannabis brands should provide the company with more running room for growth. And of course, these longer-term opportunities are powered by the scale production capacity the company will have built in its domestic market by then.

As discussed in prior letters, we believe extraction services will be the most profitable part of the cannabis value chain. We still firmly hold that belief and continue to expect long-term success in extraction will come from technical competence in a variety of extraction methods as well as achieving scale of production. Scale ensures pricing power and volume capture which leads to consistent revenue and cash flow. As an example, oil refinery companies tend to have more consistent profits than oil producing companies as refineries are large scale, heavily regulated facilities that can maintain their margins for converting crude oil to gasoline. Oil prices may go down and gasoline prices may go down, but the refinery maintains its margins because competitors cannot easily license or build an additional facility at scale.

In conclusion, Embark Health has shown it can overcome the regulatory hurdles to licensing and has already built out a large-scale facility. They plan to use this initial success to power significant revenue and cash flows to finish construction at Woodstock which will result in more scale and pricing power to execute their global ambitions. In our view, this strategy is a winning one and we expect the company to continue executing towards that goal.

Appendix One

1. The year to date performance of MMJ's NTA is detailed below⁶:

Table One

| MMJ Historical Performance - financial year to date | | 30-Jun-18 | 30-Jun-19 | 31-Jul-19 | 31-Aug-19 | 30-Sep-19 | 31-Oct-19 | 30-Nov-19 | 31-Dec-19 | 31-Jan-20 | 29-Feb-20 | 31-Mar-20 | 30-Apr-20 |
|---|-----|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| Share price \$ | AUD | 0.335 | 0.245 | 0.285 | 0.235 | 0.245 | 0.195 | 0.160 | 0.150 | 0.135 | 0.100 | 0.080 | 0.130 |
| Net Asset Value | AUD | 0.2879 | 0.3721 | 0.3324 | 0.3268 | 0.2905 | 0.2861 | 0.2608 | 0.2377 | 0.2277 | 0.2132 | 0.2012 | 0.1909 |
| NTA Post Tax \$ | AUD | 0.2860 | 0.3718 | 0.3321 | 0.3265 | 0.2901 | 0.2853 | 0.2601 | 0.2356 | 0.2256 | 0.2118 | 0.1998 | 0.1893 |
| NTA Pre Tax \$ | AUD | 0.2900 | 0.3874 | 0.3445 | 0.3378 | 0.3006 | 0.3052 | 0.2780 | 0.2470 | 0.2357 | 0.2210 | 0.2049 | 0.1932 |
| Net Return - pre tax NTA - year to date | | n/a | 33.6% | (11.1)% | (12.8)% | (22.4)% | (21.2)% | (28.2)% | (36.2)% | (39.1)% | (43.0)% | (47.1)% | (50.1)% |
| Premium/(discount) of share price to pre tax NTA | | 15.5% | (36.8)% | (17.3)% | (30.4)% | (18.5)% | (36.1)% | (42.4)% | (39.3)% | (42.7)% | (54.7)% | (61.0)% | (32.7)% |

Chart One demonstrates the current discount of the MMJ share price to the pre-tax net tangible asset value (NTA).

Chart One

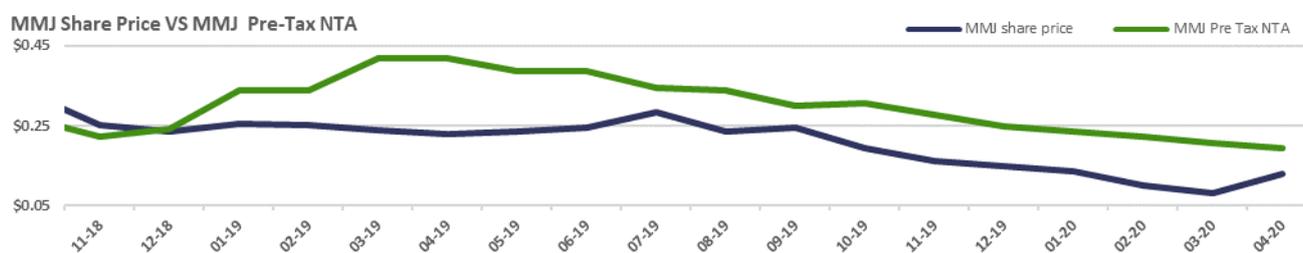

2. MMJ's investment portfolio (as at 30 April 2020) is detailed in Table Two:

Table Two

| Investment | CSE/TSX/TSX Code | Investment date | Shareholding % | Country | Company type | Investment structure | Business | Book Value (unaudited) 30-Apr-20 AUDm | Weight |
|-----------------------------|-------------------|-----------------|----------------|---------------|--------------|--|-----------------------------------|---------------------------------------|-------------|
| Harvest One | HVT | Apr-17 | 26% | Canada | Public | Shares and secured loan of AUD2.2m | Health and wellness products | 7.6 | 17% |
| WeedMD Inc. | WMD.WM and WMD.DB | Sep-19 | n/a | Canada | Public | Convertible Notes (face value of AUD6.7m) and warrants | Cultivation | 4.1 | 9% |
| MediPharm Labs | LABS | Jun-18 | n/a | Canada | Public | Warrants | Extraction | 0.9 | 2% |
| Listed investments | | | | | | | | 12.6 | 28% |
| Weed Me | | Dec-17 | 14% | Canada | Private | Shares, warrants and convertible note of AUD1.1m | Cultivation | 6.1 | 14% |
| Embark Health | | Jul-18 | 13% | Canada | Private | Shares and Warrants | Extraction | 13.2 | 30% |
| Volero | | May-19 | 7% | Canada | Private | Shares and warrants | Vapes | 2.7 | 6% |
| Sequoia | | Jul-19 | 27% | Canada/Poland | Private | Convertible note of AUD2.7m plus warrants and shares | Extraction | 3.8 | 9% |
| Bespoke | | Aug-19 | n/a | Canada | Private | Bespoke A Limited Partnership holds shares and founders warrants issued by Bespoke Capital Acquisition Corp (TSX listed) | Investment in cannabis businesses | 2.0 | 4% |
| | | | | | | | | 27.8 | 63% |
| VitaGenne | | Nov-18 | 18% | USA | Private | Shares | Hemp CBD | 0.8 | 2% |
| Bien | | Jun-18 | 13% | Canada | Private | Shares + warrants | Research and development | 0.5 | 1% |
| Cannabis Access | | Apr-18 | 18% | Australia | Private | Shares | Clinics | 0.8 | 2% |
| Hempe | | Mar-19 | 10% | Australia | Private | Shares and loan (AUD0.3m) | Hemp CBD | 0.7 | 2% |
| Martha Jane Medical | | May-18 | 13% | Australia | Private | Shares | Extraction | 0.5 | 1% |
| J Supply | | Feb-19 | 6% | Canada | Public | Shares | Retail stores | 0.3 | 1% |
| | | | | | | | | 3.5 | 8% |
| Unlisted investments | | | | | | | | 31.3 | 71% |
| Total portfolio | | | | | | | | 43.9 | 99% |
| Cash | | | | | | | | 0.5 | 1% |
| Total | | | | | | | | 44.4 | 100% |

⁶ The results for 30 June 2018 and 30 June 2019 are for the year ended on those dates

Appendix One continued

3. Valuation of Assets

MMJ values its cannabis investments by applying the following principles:

- a) Listed securities – the book value is based on the closing share prices for public companies at period end converted into Australian dollars at the relevant prevailing foreign exchange rates at month end.
- b) Unlisted securities - The book value is based on the most recent material funding round share prices for private companies converted into Australian dollars at the relevant prevailing foreign exchange rates. MMJ also takes in to account the recommendations of its asset manager, Embark Ventures, where it is considered that the fair value should be less than recent capital raisings due to outlook for the individual business.

The book values also include the unrealised gain arising from valuation of unlisted warrants using the Black-Scholes pricing model. The Black-Scholes attributes a value to warrants which may be “out of the money” at month end. The Black Scholes model is commonly used to determine the fair price or theoretical value for a call, or a put option based on six variables such as volatility, type of option, underlying stock price, time to expiry, strike price, and risk-free rate. The warrant valuation ascribed through Black Scholes assumes that the warrant is exercised on the expiry date of the warrant which may not be the actual outcome e.g. MMJ decides to exercise the warrant prior to expiry.

The Net Asset Value or NAV is calculated after deducting a provision for company tax on any net unrealised gains that may arise on such a theoretical disposal.

MMJ does not hedge the carrying value of existing investments denominated in non-AUD currencies.

MMJ’s financial statements are subject to statutory audit or review by our independent auditor BDO Audit (WA) Pty Ltd, at 31 December and 30 June each year.

Note:

- a) All information within this release is unaudited unless stated otherwise.
- b) The book value includes shares, convertible notes, options, loans and warrants.

4. Listed securities held by MMJ

MMJ holds the following shares and warrants in listed investees:

Table Three⁷

| Investment | No. of shares | Number of notes | No. of warrants | Exercise price of warrants (CAD) | Warrants expiry |
|----------------|---------------|-----------------|-----------------|----------------------------------|---|
| Harvest One | 55,557,994 | - | 17,083,333 | 0.06 | i. until the earlier of: (i) the date of an additional extension or renewal of the loan; and (ii) 3 April 2022. |
| MediPharm Labs | - | - | 941,176 | 1.20 | 4 Oct 2020 |
| WeedMD | - | 6,000,000 | 3,750,000 | 1.80 | 25 Sep 2022 |

⁷ FAF warrants expired on 20 April 2020

5. Unlisted securities held by MMJ⁸**(a) Embark Health**

MMJ was a foundation investor in Embark Health in July 2018 which now comprises:

- i. 3.425m ordinary shares (approximately 12.7% shareholding) in Embark Health with a book value of CAD2.40 per share.
- ii. Warrants that provide the option for MMJ to acquire a further 1.0m shares at CAD1.75 each up with maturity date of two years after a Liquidity Event⁹.
- iii. Warrants that provide the option for MMJ to acquire a further 1.2m shares at CAD1.20¹⁰ each up with maturity date of two years after a Liquidity Event.
- iv. Warrants that provide the option for MMJ to acquire a further 1.125m shares at CAD4.80 each up with maturity date of two years after a Liquidity Event.
- v. MMJ had generated a total return of 2 times on its investment.

(b) Weed Me

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

- i. 3.46m shares (book value of CAD1 per share) representing approximately 14% of Weed Me's issued capital and 3.46m warrants each convertible at CAD0.8666.
- ii. CAD1m convertible note ("the Note") with a first ranking charge, bears interest at a rate of 8% per annum and is repayable on 7 August 2020. The Note is convertible at MMJ's option up to 7 August 2020 into 0.666m Weed Me shares and 0.666m warrants which entitle MMJ to acquire one share at an exercise price of CAD1.60 up to 7 August 2021.
- iii. MMJ had generated a total return of 2 times on its investment in Weed Me.

(c) Sequoya

MMJ was a foundation investor in Sequoya which now comprises:

- i. CAD2.5m convertible note (advanced July 2019) is unsecured (subject to negative pledge) with an interest rate of 8% per annum and a maturity date of 19 July 2021. The convertible note is convertible (at MMJ's option) into Sequoya ordinary shares at CAD0.05 each.
- ii. CAD2.5m convertible note facility (executed April 2020) drawn to CAD0.35m, has first ranking security bearing interest of 8% per annum and a maturity date of 15 April 2021. The convertible note is convertible (at MMJ's option) into ordinary shares at CAD0.10 per share.
- iii. 19m ordinary shares (27% shareholding) in Sequoya with a book value of CAD0.025 per share (acquisition cost).
- iv. MMJ had generated a total return of 1.2 times on its investment.

⁸ Information as at 30 April 2020

⁹ A Liquidity event is an initial public offering or a material sale event

¹⁰ Exercise price has based on MMJ book value of CAD2.40 per share

(d) Harvest One

MMJ was a foundation investor in HVT and comprises:

- i. 55,557,994 listed HVT shares (approximately 25.8% shareholding).
- ii. CAD2m secured loan bearing interest of 15% per annum with a maturity date of 8 June 2020. HVT granted MMJ a security interest in all current and after acquired property of HVT and its subsidiaries, subject to certain permitted liens.
- iii. 17,083,333 common share purchase warrants (the "Warrants"). Each Warrant will entitle the holder to purchase one common share in the capital of HVT at a price of CAD0.06 at any time until the earlier of:
 - A. the date of the further extension or renewal of the Loan; and
 - B. April 3, 2022.
- iv. MMJ had generated a total return of 0.4 times on its investment.

(e) WeedMD

MMJ's initial investment was made in September 2019 and now comprises:

- i. CAD6m in 8.5% unsecured convertible debenture units issued by WeedMD which MMJ has the option to convert into 3.75m shares by 25 September 2022. The debenture units have preference over ordinary shares with interest paid to MMJ on quarterly basis.
- ii. Warrants that allow MMJ to acquire an additional 3.75m shares for CAD1.80 each by 25 September 2022.
- iii. MMJ had generated a total return of 0.6 times on its investment.

(f) Volero

MMJ was a foundation investor in 2019. now comprises:

- i. 5m ordinary shares (approximately 7% shareholding) carried at book value of CAD0.38 per share.
- ii. Warrants that provide the option for MMJ to acquire a further 2.5m shares at CAD0.65 each up with maturity date of 17 May 2022.
- iii. Warrants that provide the option for MMJ to acquire a further 2.5m shares at CAD0.65 each up with maturity date of 17 May 2022 in the event that Volero does not generate a Liquidity Event by 17 May 2020.
- iv. MMJ had generated a total return of 1 times on its investment.

6. Dividend Policy

On 7 June 2019, MMJ announced its intention to distribute 20% of its annual profit after tax after excluding unrealised gains and losses on investments (Annual Profit). The policy would first apply in respect of the Annual Profit for the year ending 30 June 2020. The dividend would be payable within three months of each half year after the completion of the half year and annual financial statements. It is MMJ's intention that the dividend would benefit from available franking credits held by MMJ. The Company had a negative Annual Profit of \$1.4m for the half year ended 31 December 2019 (i.e. excluding unrealised gains and losses on investments) and accordingly no dividend has been declared in respect of the half year.

Glossary

| ABBREVIATION | Definition |
|--------------------------|---|
| AUD | means Australian dollars. |
| AASB | Australian Accounting Standards Board. |
| ACMPR | means Access to Cannabis for Medical Purposes Regulations. |
| 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. |
| CBD | means Cannabidiol (CBD) is a crystalline, nonintoxicating cannabinoid in cannabis and hemp. |
| CBG | means Cannabigerol is the non-acidic form of cannabigerolic acid, the parent molecule from which other cannabinoids are synthesized. |
| Company or MMJ | means MMJ Group Holdings Limited (ACN 601 236 417). |
| EBITDA | means Earnings before Interest, Tax, Depreciation and Amortisation. |
| GMP | GMP stands for Good Manufacturing Practices and refers to a system of manufacturing that guarantees reproducibility of product quality to set specifications. |
| Isolate | CBD isolate is a crystalline solid or powder that contains pure CBD |
| LPs | Canada's Licensed Producers of Cannabis Products |
| M | means million |
| MMPR | means Marihuana for Medical Purposes Regulation |
| MOIC | means multiple on invested capital |
| NTA | means net tangible assets. |
| Option | means an option to acquire a Share. |
| Share | means a fully paid ordinary share in the capital of the Company. |
| Shareholder | means a registered holder of a Share. |
| THC | means THC is the principal psychoactive constituent of cannabis |
| TSXV | Toronto Stock Exchange Venture |
| WST | means Western Standard Time as observed in Perth, Western Australia. |