

ASX RELEASE

6 December 2020

Embark Health – Investment Update

MMJ Group Holdings Limited (ASX:MMJ) ("MMJ"), is an Australian-listed company whose core business is holding minority investments across along the cannabis value-chain in Australia, Canada and Europe. MMJ is also able to make investments in sectors outside of cannabis, such as but not limited to, natural resources, pharmaceuticals and software services technology,

Embark Health Update

In the attached release Embark Health Inc. ("Embark" or the "Company") announced that it has been granted an amendment to its Health Canada licence for the sale of cannabis extracts, cannabis topicals and edible cannabis products from their facility in Delta, British Columbia.

The amendment to the Health Canada licence permits sales of Cannabis 2.0 products directly to Canadian Provinces & Territories and allows the Company to further expand its existing and future product offerings to the medical and recreational consumer markets with concentrates, extracts and nanoemulsified topical and edible products.

MMJ has a minority holding in Embark (refer below).

Further detail on the operations of Embark Health may be found on the MMJ website www.mmjgh.com.au/portfolio/.

MMJ's investment in Embark Health

MMJ was a foundation investor in Embark Health in July 2018 – the investment has a book value of \$13.6m and now comprises:

- i. 3.697m ordinary shares (approximately 12.7% shareholding) in Embark Health with a book value of CAD2.44 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 Event¹.
- iii. Warrants that provide the option for MMJ to acquire a further 1.2m shares at CAD1.20² 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 return³ of 1.8 times on its investment.

Investor and Media Enquiries

Announcement authorised for release to ASX by:
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¹ A Liquidity event is an initial public offering or a material sale event

² Exercise price has based on MMJ book value of CAD2.44 per share

³ The return comprises all cash income, sale proceeds, accrued income and fair value of investment at date of calculation

About MMJ

MMJ is a global cannabis investment company (ABN 91 601 236 417). MMJ's core business is holding minority investments across the full range of emerging cannabis-related sectors including healthcare, technology, infrastructure, processing, cultivation, and retail. MMJ is also able to make investments in sectors outside of cannabis, such as but not limited to, natural resources, pharmaceuticals and software services technology.

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.

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.
B2B	Business to business
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.
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 usually at predetermined price.
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
Warrant	means an option to acquire a Share usually at predetermined price.
WST	means Western Standard Time as observed in Perth, Western Australia.



Embark Delta Inc. Receives Amendment of its Licence from Health Canada Permitting Sales of Cannabis 2.0 Products Directly to Provinces & Territories

Toronto, Ontario—December 4, 2020 – Embark Delta Inc., a wholly owned subsidiary of Embark Health Inc. ("Embark" or the "Company") is pleased to announce that it has been granted an amendment to its licence for the sale of cannabis extracts, cannabis topicals and edible cannabis products from their facility in Delta, British Columbia.

The amendment to the Health Canada licence allows the Company to further expand its existing and future product offerings to the medical and recreational consumer markets with concentrates, extracts and nanoemulsified topical and edible products. In addition, Embark can now offer white-labelling turn-key manufacturing services to its commercial accounts. Embark is currently producing Bubble Hash, Dry Sift, Traditional Pressed Hash and Rosin at their Delta facility.

"Receiving our sales licence to allow for the sale of extracts and concentrates in conjunction with EmbarkNano topicals, edibles and beverages is another key milestone in Embark's path to growth and profitability", said Dr. Luc C. Duchesne, Embark's CEO. "The Embark portfolio of products addresses the evolving needs of today's consumer".

Embark will bring products to market under the Embark Brands portfolio in order to meet the varying needs of customers; the first of which is launching in the coming weeks. "Further, the EmbarkNano team has been developing formulations to address the Health & Wellness and Beauty segments of the market", said Stephanie Fry, Embark's Chief Commercial Officer. "We look forward to these product launches in Q1 2021 and believe our products will set the standard in the market."

The team at Embark would like to thank all the people at Health Canada who have worked hard to maintain continuity despite the challenges of working under the pressures of COVID-19.



About Embark

Embark Health Inc. is an emerging leader in cannabis extraction, with a focus on the formulation and production of advanced 2.0 products for the B2B and Adult-use markets. Embark continues to be at the forefront of production of solventless concentrate products including Bubble Hash, Traditional Pressed Hash, Rosin and Dry Sift. With the recent acquisition of EmbarkNano (formerly, Axiomm Technologies Ltd.) Embark is preparing to launch the next generation of Cannabis 2.0 products. Embark is preparing to launch the next generation of Cannabis 2.0 products. The acquired portfolio of products and formulations support the mass production and distribution of advanced 2.0 products including cannabis-infused beverages, topicals, edibles and water-soluble powders. For more information, please visit www.embarknano.com.

It is Embark's mandate to pursue best in class production processes resulting in premium quality commercial and consumer extraction products. Embark Health Inc. is dedicated to unleashing the full potential of the cannabis plant through scientific approaches to extraction and the production of quality products to enhance everyday life.

INVESTOR RELATIONS CONTACT

FORWARD LOOKING STATEMENTS

This news release contains “forward-looking information” within the meaning of applicable securities laws including statements regarding the future growth and profitability prospects for Embark, the demand for Embark’s products, timing for the launch and sale of its products, the success of Embark’s products in the market and the ability of Embark to successfully execute its business plan. Although Embark believes in light of the estimates by management, current conditions and expected future developments and other factors, that the expectations reflected in this forward-looking information are reasonable, undue reliance should not be placed on them. Accordingly, Embark can give no assurance that they will prove to be correct. Actual results and developments may differ materially from those contemplated by these statements depending on, among other things, changes in economic conditions or financial markets; regulatory delays; increases in costs; litigation; legislative, environmental and other judicial, regulatory, political and competitive developments; and technological or operational difficulties. This list is not exhaustive of the factors that may affect our forward-looking information. The statements in this press release are made as of the date of this release. The Company assumes no obligation to update the forward-looking statements, or to update the reasons why actual results could differ from those reflected in the forward-looking statements unless and until required by securities laws applicable to the Company.

