

MMJ Group Holdings Ltd

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MMJ Group's investment value in Harvest One Cannabis doubles in February

MMJ Group Holdings Ltd (ASX:MMJ) (OTCMKTS:MMJF) (FRA:2P9) has revealed significant events in the operations of its investee Harvest One Cannabis (HVT:CVE) (OTCMKTS: HRVOF) (FRA:2CN) during February 2021.

These include a major capital raising, the sale of non-core assets and the execution of Asian product distribution agreement.

Importantly, these events have coincided with a 116% increase in the value of MMJ's investment in HVT during February 2021 which now totals \$13.4 million (representing 27% of MMJ's investment portfolio as at 25 February, 2021).

Table One

Investment	TSX/TSX Code	Valuation methodology	Number of securities 25-Feb-21	Market Price 25-Feb-21 CAD	Book Value	Book Value	Book Value
					(unaudited) 25-Feb-21 CAD	(unaudited) 25-Feb-21 AUD	(unaudited) 31-Jan-21 AUD
Harvest One - shares	HVT	listed price	55,557,994	0.195	10,833,809	10,993,210	5,366,012
- warrants	unlisted	Black Scholes using listed price as key input	17,083,333	0.139	2,374,400	2,409,335	834,698
Total MMJ investment					13,208,209	13,402,545	6,200,710

Since 31 January 2021, HVT's share price has increased from CAD9.5 cents to CAD19.5 cents as at 25 February 2021.

HVT capital raising

On 25 February 2021, HVT announced that it has entered into an agreement with Mackie Research Capital Corporation and ATB Capital Markets Inc., as co-lead underwriters, pursuant to which the underwriters have agreed to purchase 25,810,000 units of HVT for C\$4,000,550.

The net proceeds of the offering will be used to expand the HVT's existing product lines and distribution channels, and for working capital and general corporate purposes.

Sale of Satipharm

On 16 February 2021, HVT announced that it has entered into a definitive sale agreement to sell its wholly-owned subsidiaries Satipharm Limited, Satipharm AG and Phytotech Therapeutics Ltd. to Cann Group Limited (ASX:CAN), a diversified medical cannabis company headquartered in Melbourne.

Cann Group will issue own shares worth about C\$4 million as purchase consideration.

HVT Asian product distribution agreement

On 10 February 2021, HVT announced that it has further expanded its international presence with the signing of a distribution agreement with leading distributor Golden River Services Ltd, based in China.

Harvest One president and chief executive officer Gord Davey said: "Aligning our core brands with one of China's leading consumer goods distribution networks is an important step in the advancement of Harvest One's international strategy."

Price: 0.13

Market Cap: \$29.89 m

1 Year Share Price Graph



Share Information

Code: MMJ

Listing: ASX

52 week High: 0.21
Low: 0.062

Sector: Cannabis

Website: www.mmjgh.com.au

Company Synopsis:

MMJ Group Holdings Ltd (ASX:MMJ), formerly known as MMJ Phytotech Ltd, owns a portfolio of minority investments and aims to invest across the full range of emerging cannabis-related sectors. The company is listed on the Australian Securities Exchange.

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"Golden River has access to enormous online distribution throughout several prominent regions in Asia.

"International expansion is a key priority for Harvest One as we continue to evaluate opportunities to expand the growth of our consumer brands.

"Our online sales in North America have grown significantly, so gaining access to the largest online market in the world meets another strategic milestone for Harvest One."

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