

ASX RELEASE

14 March 2019

MMJ Net Tangible asset backing

MMJ Group Holdings Limited (ASX: MMJ) ("MMJ") provides an update on valuation of its investment portfolio.

1. Portfolio valuation

MMJ is required to announce its net tangible assets ("NTA") per share pursuant to Listing Rule 4.12 following its readmission as a listed investment company ("LIC") in November 2018.

MMJ announces that its unaudited NTA per share as at 28 February 2019 was 33.88 cents (pre-tax) and 30.95 cents (post-tax¹).

Subsequently MMJ's post-tax NTA per share increased a further 9% to approximately 34 cents per share as at 13 March 2019 which represents a 47% premium to MMJ's current share price of 23 cents².

	Premium/ (discount) of NTA to MMJ share price	Share price \$	NTA Post Tax \$	NTA Pre tax \$
30-Nov-18	(15%)	0.25	0.2132	0.2234
31-Dec-18	(10%)	0.24	0.2116	0.2248
31-Jan-19	21%	0.26	0.3085	0.3289
28-Feb-19	24%	0.25	0.3095	0.3388
13-Mar-19	47%	0.23	0.3391	0.3697

Since relisting as a LIC in November 2018, MMJ's NTA has increased 59% in the period to 13 March 2019 reflecting the improved performance of its portfolio which is primarily located in Canada. We continue to see a positive outlook for MMJ's investment portfolio with continued recovery in the price of Harvest One Cannabis Inc. (HVT), the rollout of HVT's business strategy and further business development announcements across MMJ's portfolio in the coming months.

MMJ has taken advantage of the share price growth of Medipharm LABS Inc. (LABS) by selling down part of its investment in LABS to provide liquidity for future investments. MMJ retains a substantial investment in LABS with 3.2 shares and 2.94m warrants with book value of AUD17m.

MMJ's portfolio summary is included in Appendix One.

MMJ has a cash balance of \$4m and more than 70% of the portfolio currently held in listed investments.

As announced on 22 February 2019, the Board does not consider an equity raising to be in the best interests of shareholders. However, should the situation improve in the near term, MMJ will be retaining the flexibility

¹ The post NTA reflects Australian corporate tax rate of 30% on unrealised gains in investment portfolio

² Share price as at 13 March 2019

to proceed with a Share Purchase Plan (SPP) offering following approval of the SPP by MMJ shareholders on 22 February 2019.

In light of the above, MMJ is assessing the timing of the implementation to allow the SPP and other capital raising options to be implemented when the NTA is better reflected in MMJ's share price.

2. Listing of Bevcanna on TSXV

MMJ is pleased to advise that BevCanna Enterprises Inc. (BevCanna) expects to list on the TSX Venture Exchange ("TSX-V") during the first half of calendar 2019.

Based in Vancouver, Canada, BevCanna is a fully vertically-integrated premium-based cannabis infused beverage manufacturer. Specifically, BevCanna aims to operate as a white label, end-to-end producer of CBD and THC beverages.

MMJ owns 2.5m shares in BevCanna with current book value AUD1.3m.

The listing of Bevcanna will be the fourth of MMJ's investee companies to proceed to public listing.

3. Fire & Flower marketing agreement with Lift & Co.

On 6 March 2019 Fire & Flower Holdings Corp. ("Fire & Flower" or the "Company") (TSXV: FAF), an independent licensed cannabis retailer, announced an agreement with Lift & Co. (TSXV: LIFT), an independent emerging leader in cannabis marketing, data and insights, and a forum for cannabis consumers to share product reviews and experiences.

This agreement, which takes effect April 1, 2019, brings together Fire & Flower's education-focused retail expertise with Lift & Co.'s database of product reviews and partner benefits. Fire & Flower has engaged Lift & Co. for a series of initiatives, including listing Fire & Flower as a premium retailer on the Lift & Co. platform in Alberta, Saskatchewan and Ontario. Lift & Co. members will be able to share their Fire & Flower cannabis experiences in both product and business reviews, which earn Lift Points that may be redeemed within the Lift & Co. platform for gift cards, exclusive promotions and invite-only industry events.

Fire & Flower listed on the TSXV in February 2019 and is a leading independent adult-use cannabis seeking to capture significant market share in Canadian provinces that allow private retail.

MMJ owns 1.25m shares and 1.25m warrants in FAF with current book value AUD2.9m.

Investor and Media Enquiries

Jim Hallam
Chief Financial Officer and Company Secretary

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

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Appendix One

MMJ's investment portfolio (as at 14 March 2019 AEDT) is detailed in Table One:

Table One

Investment	TSXV Code	Investment date	Country	Company type	Investment structure	Business	Book Value AUD\$m (unaudited) 13-Mar-19 AUDm	Weight
Harvest One	HVT	Apr-17	Canada	Public	Shares	Health and wellness products	43.0	51%
MediPharm Labs	LABS	Jun-18	Canada	Public	Shares + warrants	Extraction	16.9	20%
Fire & Flower	FAF	Apr-18	Canada	Public	Shares + warrants	Retail stores	2.9	3%
Listed investments							62.8	74%
Weed Me		Dec-17	Canada	Private	Convertible note + warrants	Cultivation	7.8	9%
Embark Health		Jul-18	Canada	Private	Shares and Warrants	Extraction	3.6	4%
VitaGenne		Nov-18	USA	Private	Shares	Hemp CBD	1.4	2%
BevCanna		Jun-18	Canada	Private	Shares	Beverages	1.3	2%
Cannabis Access		Apr-18	Australia	Private	Shares	Clinics	1.0	1%
Hemple		Mar-19	Australia	Private	Shares	Hemp CBD	1.0	1%
Bien		Jun-18	Canada	Private	Shares + warrants	Research and development	1.1	1%
Martha Jane Medical		May-18	Australia	Private	Shares	Extraction	0.6	1%
Unlisted investments							17.8	21%
Corporate cash							80.5	95%
Total							85.0	100%

Included in the book value of investments in Table One are warrants held in the following investees:

Table Two

Investment	Book value of warrants CADm	Exercise cost of warrants CADm	Unrealised Gain CADm	Warrants expiry
MediPharm Labs	9.3	3.5	5.7	4 Oct 2020
Fire & Flower	2.2	1.3	0.9	20 Apr 2020
Weed Me	5.8	3.0	2.8	28 Dec 2020
Embark Health	2.3	1.8	0.5	2 Nov 2020
Bien	1.3	1.0	0.3	31 May 2021
Total	20.8	10.6	10.2	

Note:

1. All information within this release is unaudited unless stated otherwise.
2. MOIC is multiple on invested capital (pre-tax and transaction costs) and assumes that MMJ does not need to invest further capital to exercise the warrants to capture the gain arising from the difference between the current closing share price and the warrant exercise price.
3. In April 2017 MMJ sold 100% of United Greeneries Holdings Ltd. ("United Greeneries") and Satipharm AG ("Satipharm") to Harvest One Inc for HVT shares and cash. The invested capital detailed in Table One for HVT is based on the accounting cost of CAD0.77 per HVT share acquired as part of the consideration. The capital invested in HVT on basis of cash invested in the businesses prior to sale to HVT is equivalent to CAD0.47 per HVT share
4. The book value includes shares, convertible notes, options and unlisted warrants

5. *The book value (presented in the Tables One and Two) is based on the closing share prices for public companies at the relevant date. The book value (presented in the Table One and Two) is based on the most recent funding round share prices for private companies converted into Australian dollars at the relevant prevailing foreign exchange rates. The market and book values also include the unrealised gain arising from the positive difference between the assessed valuation of investee ordinary equity securities and the exercise price of unexercised warrants (where applicable). The valuation of the warrants assume that the warrants are exercised just prior to the date of expiry.*