

ASX RELEASE

19 March 2019

MMJ Net Tangible asset backing – 41 cents

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

1. Portfolio valuation

MMJ announces that its unaudited NTA per share as at 28 February 2019 was approximately 31 cents (post-tax¹).

Subsequently MMJ's post-tax NTA per share increased a further 32% to approximately 41 cents per share as at 19 March 2019² which represents a 57% premium to MMJ's current share price of 26 cents³.

The major driver of the increase has been the continued recovery in the price of Harvest One Cannabis Inc. (HVT) from CAD0.62 to CAD0.99 since 28 February 2019.

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 2.4 shares and 2.94m warrants with book value of AUD16m.

MMJ's portfolio summary is included in Appendix One.

MMJ has liquid funds of \$7.6m⁴ and more than 80% of the portfolio is held in listed investments.

2. Portfolio news – Harvest One Cannabis

HVT, through its wholly-owned subsidiary United Greeneries Ltd. ("United Greeneries") today announced that it has entered into an agreement to become a medical cannabis supplier to Shoppers Drug Mart.

Shoppers Drug Mart is Canada's leading drug store retailer with more than 1,300 pharmacist-owned locations from coast to coast.

Under the terms of the agreement, HVT will supply Shoppers Drug Mart with Satipharm branded medical cannabis products. The products will be sold online, as Canadian regulations restrict the sale of medical cannabis in retail pharmacies.

This marks the first time that Satipharm branded cannabis will be available for purchase. Working in conjunction with Shoppers Drug Mart in an effort to help consumers make specific, educated decisions about their purchases, Satipharm will be available in a continuum of products, each colour coded to indicate their place on the progression from the high THC of SatiWhite™ to the high CBD of SatiPurple™. At launch, United Greeneries will produce and ship an Indica variety of SatiSilver™ and a hybrid variety of SatiGreen™.

HVT represents 59% of the MMJ portfolio.

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

² Using investee valuations as at 19 March 2019 AEDT

³ Share price as at 19 March 2019

⁴ Includes cash and unsettled security settlements

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/>

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Appendix One

MMJ's investment portfolio (as at 19 March 2019 AEDT) is detailed in Table One:

Table One

Investment	TSXV Code	Investment date	Country	Company type	Investment structure	Business	Book Value	Weight
							AUD\$m (unaudited)	
							18-Mar-19	
							AUDm	
Harvest One	HVT	Apr-17	Canada	Public	Shares	Health and wellness products	58.1	62%
MediPharm Labs	LABS	Jun-18	Canada	Public	Shares + warrants	Extraction	15.7	17%
Fire & Flower	FAF	Apr-18	Canada	Public	Shares + warrants	Retail stores	2.5	3%
Listed investments							76.3	81%
Weed Me		Dec-17	Canada	Private	Convertible note + warrants	Cultivation	7.8	8%
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	1%
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	1.0	1%
Martha Jane Medical		May-18	Australia	Private	Shares	Extraction	0.6	1%
Unlisted investments							17.8	19%
							94.1	100%
Total							94.1	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	Exercise cost of warrants	Unrealised Gain	Warrants expiry
	CADm	CADm	CADm	
MediPharm Labs	10.1	3.5	6.6	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	21.7	10.6	11.1	

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.