

ASX RELEASE

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Harvest One update

MMJ Group Holdings Limited (ASX: MMJ) ("MMJ") is pleased to provide the following link to a recently recorded conference call in respect of the 2018 highlights and 2019 strategic priorities for Harvest One Cannabis Inc. (TSX-V:HVT) ("Harvest One"):

https://s3.ca-central-1.amazonaws.com/harvestone/InvestorCalls/HarvestOne_InvestorCall_20181220.mp3

MMJ owns 55,557,994 shares in Harvest One for a 30.5% shareholding.

For ease of reference by MMJ's shareholders, MMJ provides a summary/extract of the key comments and answers to questions from the call participants (excluding MMJ) provided by Grant Froese, Harvest One's CEO, in respect of the 2019 outlook and other topics as follows:

2019 outlook

- "Although cultivation will remain a pivotal part of our strategy, Harvest One will focus on creating derivative value-added products such as oils, vape pens, creams, beverages and more."
- "We're aiming to be cash flow neutral in 2019."
- "We're rolling out Satipharm's reformulated Gelpell across the UK, the EU and beyond to North America as well."
- "We're bringing a CBD version of Dream Water to the market, in Canada when regulations allow and the U.S. as soon as formulations are made. We're increasing Dream Water distribution across North America and beyond. And I'm happy to say that the team has just secured product listing across North America's largest retailer, which is Walmart."
- "We're continuing deals that secure additional supply to further our product development, strategy and our goal of being a global House of Brands."

M&A

Question: Considering your current market cap and enterprise value, have you been approached by any of the big players to be acquired?

Answer: "So, the answer to that is, yes. Considering the assets we have, including our cash position, at these prices, we're certainly an acquisition target. However, both senior management and our Board are focused on building the successful company. We're focused primarily on execution, and that's our objective. It's really not -- it's not about being acquired or acquiring. Also, considering this industry is in the stage of high growth, everyone is entertaining discussions on

both mergers and acquisitions on a regular basis. It just comes with the territory. Our job is to ensure we only consider transactions that create the most value for our shareholders.”

Question: Are you currently looking at U.S. assets, especially now that the Farm Bill is passed?

Answer: “The answer is, yes. We’re evaluating many deals, both in the U.S. and abroad. And if the deal makes sense and aligns with our strategy, we’re committing to make -- committed to making it happen, regardless of the geographic location.”

Cultivation capacity

Question: How do you expect to compete with the smaller facility compared to other LPs?

Answer: “Well, I’ve stated number of times, we plan to have a run rate of 20,000 kilograms of premium quality craft cannabis by the end of 2019, and with that we’ll be able to create our high quality House of Brands to focus on value added products. What we may not have mentioned in as much detail is we also plan to augment that capacity with lower cost production to satisfy our production requirements in other further processed categories. And that lower cost production will come through Greenhouse and/or outdoor growth.”

Cash position

Question: Will you be raising any funds in the near future?

Answer: “Well, as of the last financials, we had \$48 million in the bank, which means all our expansions are fully funded, and we have significant funds available for both strategic acquisitions and other accretive transactions. Right now, we do not need to raise any funds. However, depending on what transactions we choose to move forward with, there may be a need in the future.”

Investor relations

Question: Shareholders are frustrated with the lack of updates and transparency from Harvest One. Can you please comment?

Answer: “So, as I mentioned, fair statement, but as I pointed out earlier, we have been really focused over the past few months try to make sure everything is in place to execute on our strategy and become a profitable company in 2019. We’re now at this point where we can provide more clarity to the market, which is highlighted by today’s call. We’ll continue to increase transparency as we head into 2019.”

Share price performance

Question: I’ve been very patient with the share price over the last year, but with so much opportunity out there, can you explain some catalyst over the next few months to stop me selling and buying elsewhere?

Answer: “Well, first of all, thanks for your patience. The first reason to stick with us is that our enterprise value in comparison to other cannabis companies. Our enterprise value is currently below our asset value and our cash position is approximately 60% of our market cap. What does that say? From fundamentals alone, there is very little downside and we believe only upside to our share price. If we continue to execute on our strategy and deliver on our objectives for 2019, which we will, Harvest One’s share price will perform strongly against other companies whose fundamentals are skewed in the opposite direction.”

Investor and Media Enquiries

Jason Conroy
Chief Executive Officer

About MMJ

MMJ Group Holdings Limited (ABN 91 601 236 417) is a global cannabis investment company. 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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