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ASX RELEASE

13 July 2021

MMJ Investment Portfolio Report as at 30 June 2021

MMJ Group Holdings Limited (ASX: MMJ/OTC Code MMJF) ("MMJ") is an Australian-listed company whose core business is holding minority investments 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.

MMJ Investment Portfolio Report as at 30 June 2021

MMJ is pleased to provide the MMJ Investment Portfolio Report as at 30 June 2021 which includes the disclosure pursuant to Listing Rule 4.12.

Investor and Media Enquiries

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About MMJ

MMJ Group Holdings Limited (ASX:MMJ) ("MMJ") is a listed global cannabis investment company (ABN 91 601 236 417) whose core business is holding minority investments along the cannabis value-chain including cultivation, extraction, crystallisation, product manufacture, retail and patient services. in Australia, Canada and Europe. . MMJ also invests up to 25% of its total consolidated assets in sectors other than cannabis such as (but not limited to) natural resources, pharmaceuticals and software services technology.

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.

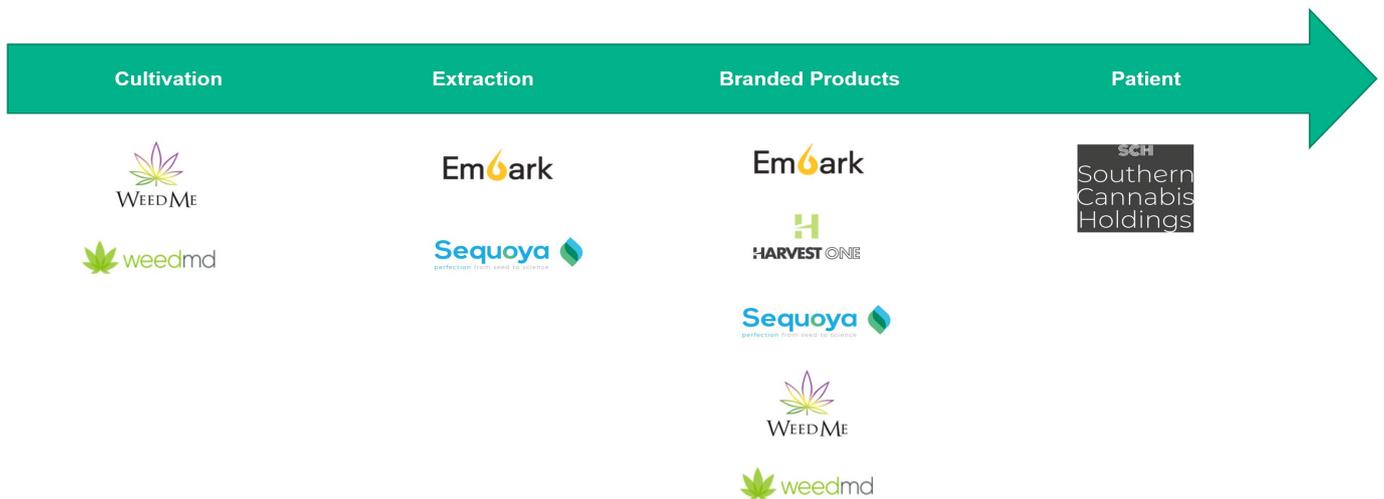


Investment Portfolio Report

30 June 2021

MMJ's Investments sit across most of the cannabis and hemp value chain

Capital is allocated to potential market leaders, consolidators and takeover targets



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About MMJ

MMJ (ASX Code MMJ/OTC Code MMJF) is an Australian-listed company whose core business is holding minority investments 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.

MMJ is the only listed Australian investment company which offers the opportunity to Australian investors to invest in unlisted and listed cannabis-related businesses in Australia and offshore.

MMJ has a proven track record in acquiring and realising considerable value from its cannabis related investments.

Since 2015, MMJ has created a significant number of investment opportunities from its connections in Canada and Australia in the private investment sector and realised exits when it is to the benefit of MMJ and its shareholders:

| | | | |
|-----------------------------|--|--------------------------|----------------------------|
| 20 | 9 | 4 | 10 |
| Primary Acquisitions | Follow on investments¹ | Private to public | Sale of investments |

MMJ Investment Performance²

| MMJ Historical Performance - period ended 30-Jun-21 | | | | | |
|---|---------|----------|------------------------|-----------|-----------------|
| | 1 month | 3 months | Financial year to date | 12 months | Since inception |
| Pre tax return | 2% | 12% | (5)% | (5)% | (13)% |
| Benchmark | (4)% | (10)% | 61% | 61% | (11)% |
| Out/(under) performance | 6% | 22% | (65)% | (65)% | (2)% |

For MMJ's latest investor presentations and news, please visit www.mmjgh.com.au

| | |
|---|---|
| General Investor Queries | Share Registry |
| E: info@mmjgh.com.au | Automic Registry Services |
| W: mmjgh.com.au | P: 1300 288 664 |
| | W: automic.com.au |

Performance Update

Net Tangible Asset Value Per Share Before Tax³ as at 30 June 2021

\$0.1885

Total Portfolio as at 30 June 2021⁴

\$44m

Investment Return Since Inception⁵ as at 30 June 2021 (per annum)

(13)% pa

| Key Metrics as at | 30-Jun-21 | AUD |
|--|-----------|---------------------------|
| Net Asset Value | m | 40 |
| Investee Portfolio (ex cash) | m | 35 |
| Cash | m | 3 |
| Net Tangible Asset per share - pre-tax (issued pursuant to LR 4.12) | | 0.1885 |
| Net Tangible Asset per share - post tax (issued pursuant to LR 4.12) | | 0.1747 |
| Net Asset Value per share | | 0.1750 |
| MMJ share price (ASX) | | 0.077 |
| Market capitalisation | m | 18 |
| Number of investments (ex cash) | | 10 |
| ASX Investment Type | | Listed Investment Company |
| Initial Public Offering Date (inception date) | | 22-Jan-15 |
| No. of ordinary shares on issue | m | 230 |

MMJ shareholder communications

Webinars and copies of announcements related to MMJ's operations may be found on the MMJ website: www.mmjgh.com.au.

MMJ will host a live audio webinar of the Investor Conference Call on 16 July 2021. In this webinar, Michael Curtis, MMJ Non-Executive Director and Managing Partner of Parallax Ventures Inc, the asset manager of MMJ's investments, will give an update on the Canadian cannabis demand and update on major investments.

¹ Includes investments in existing investees.

² MMJ uses the Alternative Harvest ETF (ticker symbol MJ) as its investment benchmark for the MMJ portfolio as it is a highly liquid portfolio trading in the North American market (where most of MMJ's holdings are based). MJ is listed on the New York Stock Exchange.

³ Net Tangible Asset Value per share – unaudited net tangible assets per share before tax on unrealised gains on investment portfolio. MMJ will

release its audited financial statements for year ended 30 June 2021 by end of August 2021. The financial information within this report is unaudited.

⁴ Comprises investments, cash and company tax refund receivable.

⁵ Inception is 30 June 2018 being the date when MMJ commenced accounting for investments as an investment entity.

MMJ NEWS
Performance of MMJ Portfolio for June 2021
Investment Performance for Year to Date

MMJ's portfolio management is focussing on creating a diversified portfolio of CBD and cannabis investments in cultivation, extraction and consumer products with material investments in Weed Me, WeedMD, Sequoya, Harvest One and Southern Cannabis Holdings.

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. Following completion of BCAC's acquisition of a US based wine business, Vintage Wines, MMJ has completed the first non-cannabis investment following the diversification of its investment strategy approved by MMJ shareholders in late 2020.

The individual businesses are realising opportunities to capitalise on the growing demand for CBD and cannabis products in North America and Europe. The continued growth in the Canadian market and expansion of the Australian medicinal cannabis market underlines MMJ's view that its material investments (HVT, Weed Me, WeedMD and Southern Cannabis Holdings) are well placed to generate material investment returns over the medium term.

MMJ Performance for year ended 30 June 2021

MMJ's net asset value (before provision for tax) declined 5% in the year ended 30 June 2021 compared to its benchmark index of positive 61%.

The MMJ portfolio during the year was heavily weighted to unlisted investments and at 30 June 2021 listed assets represented only 27% of MMJ's NAV. A number of the unlisted companies deferred their IPO intentions during the year ended 30 June 2021. This significant unlisted bias in the portfolio impacted both the performance relative to the benchmark index and the significant discount of share price to NAV, which stood at 56% at year end. Additionally, the benchmark index (only listed assets) was favourably impacted by IPO and merger activity during the year."

The gains and losses on material investments are detailed in the following table⁶:

| | Gains/(losses) from material investments | Book value |
|--|---|-------------------|
| | 30-Jun-21 | 30-Jun-21 |
| | \$000 | \$000 |
| Investment in Harvest One Cannabis Inc. | \$653 | 7,224 |
| Investment in Southern Cannabis Holdings | \$1,103 | 4,265 |
| Investment in Embark Health | (\$11,199) | 2,627 |
| Investment in Volero Inc. | (\$1,309) | 0 |
| Investment in Weed Me Inc | \$5,633 | 9,534 |
| Investment in WeedMD | \$1,610 | 4,468 |
| Investment in Sequoya | (\$190) | 3,762 |
| Investment in Bespoke | (\$312) | 3,179 |
| | <u>(\$4,012)</u> | <u>\$35,059</u> |

The negative contribution from Embark Health (Embark) was partially offset by the positive material contribution from MMJ's largest investment, Weed Me. The devaluation of Embark has arisen from the Company's inability to execute its business plan which in turn has delayed its capacity to achieve its stated aim of listing as a public company. MMJ remains supportive of Embark and its efforts to achieve material revenue growth during the current year. MMJ has previously generated

⁶ These figures are subject to the completion of the audited statutory financial statements as at 30 June 2021

significant returns for its shareholders from supporting restructuring efforts of its investees as evidenced in the cases of Harvest One and Weed Me.

MMJ entered the 2021 financial year believing that one or more of its material investments would list on the public market to demonstrate the inherent value in its unlisted investments. Unfortunately, these liquidity events did not materialise.

MMJ believes that the negative underperformance relative to benchmark and that the majority of MMJ's investments are unlisted have been the material contributors to the sustained discount which the MMJ share price trades to its NAV.

MMJ has sought to reduce the gap by:

- i. diversifying its investment mandate to include non-cannabis investments in primarily listed or pre IPO investment opportunities;
- ii. support the restructure of Harvest One where now MMJ has significant leverage to improvement in performance through its 22% shareholding and a further 17m warrants;
- iii. enjoying the material investment returns from the significant sales growth of Weed Me and Southern Cannabis Holdings which have added material investment value with the prospect of liquidity events during the next 12 months.

MMJ has considerable internal funding resources to make investments that are aimed at materially increasing net asset value and has a number of existing investments which have the potential to generate material gains and/or increase the level of its listed investments and/or allow MMJ to sell the investment.

MMJ investor communications

On 3 June, Michael Curtis (Managing Partner of Parallax Ventures Inc. and Non-Executive Director of MMJ) presented at the Benzinga Cannabis Capital Conference. The content of the presentation may be viewed at this link: [Benzinga Cannabis Capital Conference](#).

MMJ will host a live audio webinar of the Investor Conference Call on 16 July 2021. In this webinar, Michael Curtis, MMJ Non-Executive Director and Managing Partner of Parallax Ventures Inc, the asset manager of MMJ's investments, will give an update on the Canadian cannabis demand and update on major investments.

MMJ will release its audited financial statements for year ended 30 June 2021 by 31 August 2021. The financial information contained within this report is unaudited.

MMJ's Funding Position

MMJ is well positioned to create value from the existing portfolio with a liquid balance sheet and cashflows from investments:

- a) Total assets of \$44m with immaterial current liabilities.
- b) Cash of AUD3.4m, a company tax refund receivable of \$4.6m⁷ and a portfolio of listed equities (CAD6m), listed convertible loans (CAD4m) and unlisted loan securities (CAD3m) which provide interest income with flexibility to fund flow on investments, effect timing of investment exits and MMJ's operating requirements.

Future Investment Opportunities

MMJ holds warrants (similar to 'options' in Australia) and contractual rights in a number of its existing listed and unlisted investments which provide opportunities for MMJ to make follow-on investments in businesses at a discount to current valuations and where MMJ is well placed to understand their potential returns. MMJ holds the right to make follow on investments in:

- a) Sequoya (European CBD oil extraction).
- b) WeedMD (Canadian cannabis cultivation and cannabis oil extraction).
- c) Embark Health (Canadian cannabis and CBD oil extraction).
- d) Harvest One Cannabis (Canadian cannabis consumer and wellness products).

⁷ The value of the refund will depend on the finalisation of the 30 June 2021 balance sheet and statutory audit. The refund is expected to be received by December 2021 after lodgement of the company tax return for the year ended 30 June 2021.

Parallax Ventures Inc. Sector Update – June 2021

While the summer months kick into high gear and people enjoy the weather, the market continues to explore what a post-COVID world looks like. With roughly half the U.S. population more or less having been vaccinated with both doses at this point, the economy there is now fully re-opening. There are many large public sporting and entertainment events taking place at full capacity across the country. We see a similar trend play out in Europe – one could not help but notice the packed stadiums during the Euro championships. Closer to home here in Canada, various province like Alberta and B.C. have lifted lockdown orders with certain cities in Alberta even removing the mask mandate entirely.

Lockdowns were a small boon for cannabis sales as people stuck at home were seeking entertainment options, but the lockdown orders meant bricks-and-mortar retail outlets could not service their maximum number of customers. As we move out of lockdown, expect physical retail sales to tick much higher with continued robust online sales. The annual cannabis retail market in Canada is now C\$3.5bln annually. We expect over the next 10 years that market size to be a multiple of where it is today. Canada-based licensed producers in our portfolio such as Weed Me are set to take advantage of this growth.

Turning south of the border, this month the State of Illinois reported they have collected nearly US\$370mln in taxes for the first 18 months since recreational cannabis was legalized. These numbers, as many have pointed out for some time now, make it a fait accompli that recreational cannabis is here to stay in the U.S. However, at the federal level, it is increasingly becoming a consensus opinion that recreational legalization is unlikely to occur under the Biden administration. Some legislation could pass that makes banking more accessible for the industry, but it will remain federally illegal (though likely not prosecuted). Many investors are awaiting a draft of Senator Chuck Schumer's cannabis reform bill to see if it is something that can pass through both houses and get the President's signature. Until then we continue to operate under the assumption that the cannabis market in the U.S. will continue to expand and become a US\$30bln market shortly (roughly 10x the size of the Canadian market).

Given that many large Canadian producers are dual listed in the U.S. (where many domestic operators are still excluded from listing), there is a risk that more than merited capital flows have come into Canadian producers. Conversely, MMJ cannot directly invest into U.S. recreational markets where there are no federal regulations. So, we continue to monitor the U.S. market and look for opportunities in related spaces like CBD as those are federally legal. Furthermore, portfolio holdings like Harvest One give us unique upside in this situation as they have created large distribution networks in the United States and sell through non-infused products there while selling infused products in Canada. In the event there is a breakthrough on federal legalization, the task of taking established non-infused brands they have developed and infusing them with cannabis would give them a head start over other Canadian players wishing to enter that market.

Turning now to our home market of Australia, results from a 2019 survey conducted by the Australian Institute of Health and Welfare have been released and it showed an overwhelming majority of Australians believe possession of cannabis should not be a criminal offence. Nearly 16 million Australians want cannabis decriminalized. Similar to the United States however there does not appear to any political will at a federal level. Meanwhile the medicinal market continues to grow and portfolio companies such as Southern Cannabis Access continue to perform well for us.

Overall, the regulatory landscape keeps changing globally and we continue to find investments that have global exposure while staying firmly within the regulatory framework.

Appendix One

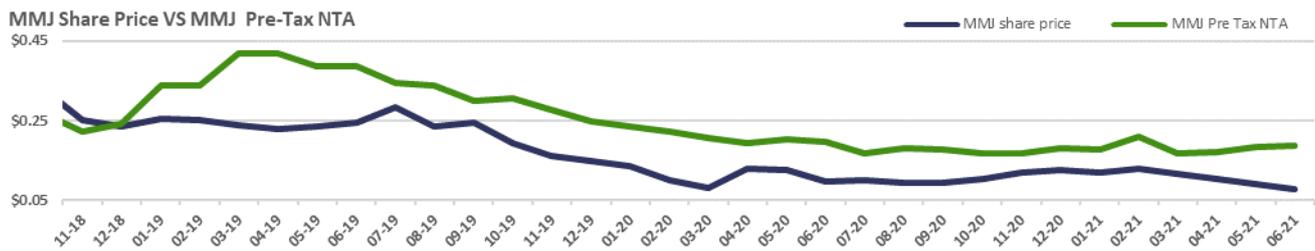
1. The year-to-date performance of MMJ's NTA is detailed below⁸:

Table One

| MMJ Historical Performance - financial year to date | | | | | | | | | | | | | | | | |
|---|-----|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| | | 30-Jun-18 | 30-Jun-19 | 30-Jun-20 | 31-Jul-20 | 31-Aug-20 | 30-Sep-20 | 31-Oct-20 | 30-Nov-20 | 31-Dec-20 | 31-Jan-21 | 28-Feb-21 | 31-Mar-21 | 30-Apr-21 | 31-May-21 | 30-Jun-21 |
| Share price \$ | AUD | 0.335 | 0.245 | 0.096 | 0.100 | 0.093 | 0.094 | 0.105 | 0.120 | 0.125 | 0.120 | 0.130 | 0.115 | 0.105 | 0.090 | 0.077 |
| Net Asset Value | AUD | 0.2879 | 0.3721 | 0.1924 | 0.1695 | 0.1800 | 0.1747 | 0.1688 | 0.1698 | 0.1830 | 0.1822 | 0.2107 | 0.1741 | 0.1762 | 0.1742 | 0.1750 |
| NTA Post Tax \$ | AUD | 0.2860 | 0.3718 | 0.1925 | 0.1664 | 0.1789 | 0.1747 | 0.1686 | 0.1687 | 0.1708 | 0.1705 | 0.1962 | 0.1576 | 0.1597 | 0.1739 | 0.1747 |
| NTA Pre Tax \$ | AUD | 0.2900 | 0.3874 | 0.1976 | 0.1664 | 0.1816 | 0.1768 | 0.1689 | 0.1687 | 0.1822 | 0.1785 | 0.2090 | 0.1683 | 0.1704 | 0.1843 | 0.1885 |
| Net Return - pre tax NTA - year to date | | n/a | 34% | (49)% | (16)% | (8)% | (11)% | (15)% | (15)% | (8)% | (10)% | 6% | (15)% | (14)% | (7)% | (5)% |
| Premium(discount) of share price to pre tax NTA | | 16% | (37)% | (51)% | (40)% | (49)% | (47)% | (38)% | (29)% | (31)% | (33)% | (38)% | (32)% | (38)% | (51)% | (59)% |

2. Chart One demonstrates the current discount of the MMJ share price to the pre-tax net tangible asset value (NTA).

Chart One



3. MMJ's investment portfolio is detailed in Table Two:

Table Two

| Investment | CSE/TSXV/TSX Code | Initial Investment date | Country | Company type | Investment structure | Business | MOIC (current portfolio) | Book Value (unaudited) | Weight | Book Value (unaudited) | Weight | Book Value (unaudited) | Weight | Book Value (unaudited) | Weight |
|--------------------------------------|--------------------|-------------------------|---------------|--------------|--|--|--------------------------|------------------------|----------------|------------------------|----------------|------------------------|-------------|------------------------|-------------|
| | | | | | | | 30-Jun-21 Times | 30-Jun-21 AUDm | 31-May-21 AUDm | 31-Dec-20 AUDm | 30-Jun-20 AUDm | | | | |
| Harvest One | HVT | Apr-17 | Canada | Listed | Shares and warrants | Health and wellness products | 0.4 | 7.2 | 17% | 6.1 | 15% | 4.1 | 10% | 8.9 | 19% |
| WeedMD Inc. | WMD.WM and WMD.D B | Sep-19 | Canada | Listed | Convertible Notes and warrants | Producing and distributing cannabis products for both the medical and adult-use markets. | 0.8 | 4.5 | 10% | 4.2 | 10% | 2.2 | 5% | 3.4 | 7% |
| Listed investments | | | | | | | | 11.7 | 27% | 10.3 | 25% | 6.3 | 15% | 12.3 | 27% |
| Embark Health | | Jul-18 | Canada | Unlisted | Shares and Warrants | CBD and THC Extraction | 0.4 | 2.6 | 6% | 5.0 | 12% | 13.2 | 31% | 13.2 | 29% |
| Weed Me | | Dec-17 | Canada | Unlisted | Shares | Cultivation and sales of branded products | 3.4 | 9.5 | 22% | 7.8 | 18% | 6.7 | 16% | 6.0 | 13% |
| Sequoia | | Jul-19 | Canada/Poland | Unlisted | Convertible note and shares | CBD Extraction | 0.9 | 3.8 | 9% | 4.5 | 10% | 4.0 | 9% | 3.6 | 8% |
| Southern Cannabis | | Apr-18 | Australia | Unlisted | Shares | Medicinal cannabis clinics and research | 4.2 | 4.3 | 10% | 3.9 | 9% | 3.7 | 9% | 2.1 | 5% |
| J Supply | | Feb-19 | Canada | Unlisted | Shares | Retailer of cannabis products | 3,378 | 20.3 | 47% | 21.2 | 50% | 27.6 | 66% | 24.9 | 55% |
| | | | | | | | | 0.3 | 1% | 0.3 | 1% | 0.2 | 0% | 0.2 | 0% |
| | | | | | | | | 0.3 | 1% | 1.4 | 3% | 1.1 | 3% | 1.4 | 3% |
| Unlisted investments | | | | | | | | 20.6 | 47% | 22.7 | 53% | 28.7 | 68% | 26.3 | 58% |
| Total cannabis/hemp portfolio | | | | | | | | 32.3 | 74% | 32.9 | 78% | 35.0 | 83% | 38.6 | 85% |
| Bespoke | | Aug-19 | Canada | Unlisted | Bespoke A Limited Partnership holds shares and founders warrants issued by Bespoke Capital Acquisition Corp (TSX listed) | Investment in beverage businesses | 2.1 | 3.2 | 7% | 2.2 | 5% | 3.1 | 7% | 3.5 | 8% |
| Total non-cannabis | | | | | | | | 3.2 | 7% | 2.2 | 5% | 3.1 | 7% | 3.5 | 8% |
| Sold/written off investments | | | | | | | 0.7 | 35.4 | 81% | 35.2 | 83% | 38.1 | 91% | 42.1 | 92% |
| Axiomm | | | | | | | | | | | | | | 0.8 | 2% |
| Volero | | | | | | | | | | | | | | 1.3 | 3% |
| VitaGenne | | Nov-18 | USA | Unlisted | Shares | Hemp CBD | - | 0.0 | 0% | 0.4 | 1% | 0.4 | 1% | 0.8 | 2% |
| Martha Jane Medical | | May-18 | Australia | Unlisted | Shares | Research | - | 0.0 | 0% | 0.8 | 2% | 0.5 | 1% | 0.5 | 1% |
| Hemple | | | | | | | | | | | | | | 0.3 | 1% |
| Cash | | | | | | | | 0.0 | 0% | 0.0 | 0% | 0.0 | 0% | 2.4 | 5% |
| Company tax refund | | | | | | | | 3.4 | 8% | 3.2 | 8% | 3.8 | 9% | 1.0 | 2% |
| Total Portfolio | | | | | | | | 43.5 | 100% | 42.4 | 100% | 41.9 | 100% | 45.5 | 100% |

⁸ The results for 30 June 2018, 30 June 2019 and 30 June 2020 are for the year ended on those dates.

Appendix One continued

4. MMJ listed investments

The details of MMJ's listed investments are detailed in Table Three below:

Table Three

| Investment | TSX/ TSX Code | Valuation methodology | Number of securities | Market Price | Book Value (unaudited) | Book Value (unaudited) | Book Value (unaudited) |
|---------------------------------|---------------|---|----------------------|----------------------------|----------------------------|------------------------|------------------------|
| | | | 30-Jun-21 | 30-Jun-21 Foreign Currency | 30-Jun-21 Foreign Currency | 30-Jun-21 AUD000 | 31-May-21 AUD000 |
| Harvest One | | | | | | | |
| - shares | HVT | listed price | 55,557,994 | 0.105 | 5,834 | 6,261 | 5,353 |
| - warrants | unlisted | Black Scholes using listed price as key input | 17,083,333 | 0.053 | 898 | 963 | 745 |
| Total MMJ investment | | | | | 6,731 | 7,224 | 6,098 |
| WeedMD Inc. | | | | | | | |
| - debentures | WMD.DB | Listed price - the total number of securities multiplied by listed price divided by 100 | 6,000,000 | 66.0 | 3,960 | 4,250 | 3,661 |
| - warrants | WMD.WT | Listed price | 3,750,000 | 0.055 | 206 | 221 | 281 |
| Total MMJ investment | | | | | 4,166 | 4,471 | 3,942 |
| Bespoke | | | | | | | |
| - shares | WMD.DB | Listed price | 60,000 | 12.1 | 723 | 962 | 783 |
| - warrants | WMD.WT | Listed price | 666,670 | 2.500 | 1,667 | 2,217 | 1,449 |
| Total MMJ investment | | | | | 2,390 | 3,179 | 2,232 |
| MMJ's Listed investments | | | | | 10,897 | 11,695 | 10,041 |

5. Divestments by MMJ

The details of the investments sold by MMJ are detailed below:

Table Four

| Divested Investment | Method of sale | Partial/ complete | Date of divestment | Net proceeds (AUDm) | Capital invested (AUDm) | MOIC |
|---------------------|----------------|-------------------|--------------------|---------------------|-------------------------|------------|
| MediPharm Labs | on market | complete | Jun-20 | 34.1 | 9.2 | 3.7 |
| Axiomm | takeover | complete | Sep-20 | 0.7 | 0.7 | 1.0 |
| Bevcanna | on market | complete | Dec-19 | 0.6 | 0.8 | 0.8 |
| Fire & Flower | on market | complete | Apr-20 | 1.5 | 1.0 | 1.5 |
| Hemple | private sale | complete | Jul-20 | 0.3 | 1.3 | 0.2 |
| Esense | on market | complete | May-18 | 0.4 | 0.5 | 0.8 |
| Dosecann | takeover | complete | May-18 | 5.9 | 2.5 | 2.3 |
| Total | | | | 43.5 | 16.0 | 2.7 |

6. Unlisted securities held by MMJ⁹

(a) Embark Health (Embark)

MMJ was a foundation investor in Embark in July 2018 – the investment now comprises:

- i. 3.697m ordinary shares (approximately 12% shareholding) in Embark.

⁹ Information as at 30 June 2021.

- 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 Event¹⁰.
- iii. Warrants that provide the option for MMJ to acquire a further 1.2m shares at CAD1.24 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.

(b) Weed Me

MMJ was a foundation investor in Weed Me in December 2017 which now comprises:

- i. 3.46m shares (book value of CAD2.44 per share) representing approximately 13% of Weed Me's issued capital.

(c) Southern Cannabis Holdings (**SCH**)

MMJ became an investor in SCH in April 2018 which now comprises:

- i. 21m shares (book value of 20 cents per share) representing approximately 17% of SCH's issued capital.

(d) Sequoya

MMJ was a foundation investor in Sequoya – the investment now comprises:

- i. CAD2.5m convertible note (advanced July 2019) is unsecured (subject to negative pledge) with an interest rate of 8% per annum and a maturity date of 19 July 2021. The convertible note is convertible (at MMJ's option) into Sequoya ordinary shares at CAD0.05 each.
- ii. CAD2.5m convertible note facility (executed April 2020) drawn to CAD1.0m, has first ranking security bearing interest of 8% per annum and a maturity date of 15 April 2022. The convertible note is convertible (at MMJ's option) into ordinary shares at CAD0.10 per share.
- iii. 19m ordinary shares (27% shareholding) in Sequoya.

(e) Harvest One (**HVT**)

MMJ was a foundation investor in HVT – the investment now comprises:

- i. 55,557,994 common shares of HVT (the "Common Shares") (22% shareholding).
- ii. 17,083,333 Common Share purchase warrants (the "Warrants"). Each Warrant entitles the holder to purchase one listed Common Share at a price of CAD0.06 at any time until April 3, 2022.

(f) WeedMD

MMJ's investment was made in September 2019 – the investment now comprises:

- i. CAD6m in 8.5% unsecured Convertible Debenture units issued by WeedMD which MMJ has the option to convert into 3.75m shares by 25 September 2022. The debenture units have preference over ordinary shares with interest paid to MMJ on a six-monthly basis. The market value of the notes is calculated by multiplying the CAD6m by the market price divided by 100.
- ii. Listed Warrants that allow MMJ to acquire an additional 3.75m shares for CAD1.80 each by 25 September 2022.

(g) Vintage Wine Estates, Inc. (VWE)

MMJ was a foundation investor in VWE. (formerly known as Bespoke Capital Acquisition Corp) (TSX: VWE, VWE.WT.U) through its investment in Bespoke A LP – MMJ's investment has an indirect economic interest in the Founder's Shares and Founder's Warrants (the investment decisions are controlled by the General Partner which is Bespoke Capital Partners LLC) as follows:

- i. 60,000 Founder's Shares which are equivalent to 60,000 listed common shares of VWE (the "Common Shares").
- ii. 666,667 Founder's warrants which are equivalent to the listed Share purchase warrants (the "Warrants"). Each Warrant entitles the holder to purchase one listed Common Share at a price of CAD11.50 at any time until five years after completion of the Qualifying Transaction.

The Founder's Shares and Founder's Warrants are subject to a lock up agreement for 18 months from closing of the transaction on 7 June 2021.

¹⁰ A Liquidity event is an initial public offering or a material sale event.

7. Valuation of Assets

MMJ values its investments by applying the following principles:

- (a) Listed securities – the book value is based on the closing share prices for public companies at period end converted into Australian dollars at the relevant prevailing foreign exchange rates at month end.
- (b) Unlisted equity securities - The book value is based on the most recent material funding round share prices for private companies converted into Australian dollars at the relevant prevailing foreign exchange rates. In the absence of a recent capital raise or arm's length transaction, management considers all available information, including adjustments which considers an Enterprise Value to Revenue Multiple and/or benchmarking of instruments to market movements indicated by relevant indices. MMJ also takes in to account the recommendations of its asset manager, Parallax Ventures, where it is considered that the fair value should be less than book value in the absence of other valuation indicators due to outlook for the individual business.
- (c) Convertible debentures and loan instruments – the book value is based on MMJ's assessment of the capacity of the investee to repay principal and interest.

The book values also include the unrealised gain arising from valuation of unlisted warrants using the Black-Scholes pricing model. The Black-Scholes attributes a value to warrants which may be "out of the money" at month end. The Black Scholes model is commonly used to determine the fair price or theoretical value for a call, or a put option based on six variables such as volatility, type of option, underlying stock price, time to expiry, strike price, and risk-free rate. The warrant valuation ascribed through Black Scholes assumes that the warrant is exercised on the expiry date of the warrant which may not be the actual outcome e.g. MMJ decides to exercise the warrant prior to expiry.

The Net Asset Value or NAV is calculated after deducting a provision for company tax on any net unrealised gains that may arise on such a theoretical disposal. MMJ does not hedge the carrying value of existing investments denominated in non-AUD currencies. MMJ's financial statements are subject to statutory audit or review by our independent auditor BDO Audit (WA) Pty Ltd, at 31 December and 30 June each year.

Note:

- a) All information within this release is unaudited unless stated otherwise.
- b) The book value includes shares, convertible notes, options, loans and warrants.

8. Dividend Policy

On 7 June 2019, MMJ announced its intention to distribute 20% of its annual profit after tax after excluding unrealised gains and losses on investments (Annual Profit). The policy first applied in respect of the Annual Profit for the year ended 30 June 2020. The dividend would be payable within three months of each half year after the completion of the half year and annual financial statements. It is MMJ's intention that any dividend would benefit from available franking credits held by MMJ. MMJ updated shareholders that there was no dividend payable in respect of the six months ended 31 December 2020 in the Appendix 4D released on 25 February 2021.

9. Investment Policy

MMJ is an Australian-listed company whose core business is holding minority investments along the cannabis value-chain in Australia, Canada and Europe. MMJ also invests in sectors other than cannabis such as (but not limited to) natural resources, pharmaceuticals and software services technology.

In November 2020, MMJ's shareholders approved the broadening of the MMJ investment mandate to include strategic investments in sectors outside of cannabis, such as but not limited to, natural resources, pharmaceuticals and software services technology, which will comprise no more than 25% of MMJ's total consolidated assets at the time the investments are made (the **Diversification**). The Diversification permits MMJ increased flexibility to create growth and greater returns for Shareholders. Through the Diversification, MMJ will target exposure in a range of global opportunities, in addition to the existing investments in the cannabis sector allowing MMJ to lower its investment risk and reduce the impact of market volatility from the cannabis sector to ultimately benefit Shareholders.

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. |
| TGA | Means the Therapeutic Goods Administration |
| 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. |