

**ASX RELEASE**

20 February 2019

**Portfolio update – Fire and Flower**

**MMJ Group Holdings Limited (ASX: MMJ) ("MMJ")** is delighted to note that Fire & Flower Inc. ("Fire & Flower") (TSX-V: FAF) listed on the TSX Venture Exchange ("TSX-V") with its shares closing at CAD1.34 compared to MMJ's entry cost of CAD0.80.

MMJ owns 1.25m shares and 1.25m warrants in Fire & Flower. The current book value of this investment is AUD2.7m with an unrealised MOIC of 2.7.

MMJ's unaudited post-tax Net Tangible Asset per share ("NTA") has increased from 21 cents as at 31 December 2018 to 31 cents as at 20 February 2019. MMJ's portfolio summary is included in Appendix One.

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**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 20 February 2019 AEDT) is detailed in Table One:

Table One

Investment	TSX/Code	Investment date	Country	Company type	Investment structure	Business	Book Value	Weight	Invested Capital	MOIC (unrealised)
							AUD\$m (unaudited) 18/02/2019		AUDm	
Harvest One	HVT	Apr-17	Canada	Public	Shares	Health and wellness products	37.7	48%	38.9	1.0x
MediPharm Labs	LABS	Jun-18	Canada	Public	Shares + warrants	Extraction	17.8	23%	3.6	5.0x
Fire & Flower	FAF	Apr-18	Canada	Public	Shares + warrants	Retail stores	2.8	4%	1.0	2.7x
<b>Listed investments</b>							<b>58.2</b>	<b>74%</b>	<b>43.5</b>	
Weed Me		Dec-17	Canada	Private	Convertible note + warrants	Cultivation	7.8	10%	2.0	3.8x
Embark Health		Jul-18	Canada	Private	Shares and Warrants	Extraction	3.6	5%	2.8	1.3x
VitaGenne		Nov-18	USA	Private	Shares	Hemp CBD	1.4	2%	1.4	1.0x
BevCanna		Jun-18	Canada	Private	Shares	Beverages	1.3	2%	0.8	1.7x
Cannabis Access		Apr-18	Australia	Private	Shares	Clinics	1.0	1%	1.0	1.0x
Bien		Jun-18	Canada	Private	Shares + warrants	Research and development	1.0	1%	0.7	1.5x
Martha Jane Medical		May-18	Australia	Private	Shares	Extraction	0.6	1%	0.6	1.0x
<b>Unlisted</b>							<b>16.7</b>	<b>21%</b>	<b>9.3</b>	<b>1.8x</b>
Corporate cash							74.9	95%	52.9	1.4x
<b>Total</b>							<b>78.5</b>	<b>100%</b>	<b>56.4</b>	<b>1.4x</b>

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	8.7	3.5	5.2	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
<b>Total</b>	<b>20.3</b>	<b>10.6</b>	<b>9.8</b>	

Note:

- All information within this release is unaudited unless stated otherwise.
- 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.
- 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.*
6. *MMJ has committed to invest AUD1 million of ordinary equity for a 10% ownership interest in Trichomia Pty Limited ("Hemple"), Settlement of MMJ's subscription is subject to Hemple satisfying some conditions precedent regarding its ownership structure. MMJ's investment is expected to be settled by 8 April 2019.*