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ASX RELEASE

14 February 2020

MMJ Share Purchase Plan Presentation

MMJ Group Holdings Limited (ASX: MMJ) ("MMJ" or "the Company"), an Australian-listed company that specialises in managing a portfolio of investments along the cannabis value-chain, is pleased to provide a presentation on the share purchase plan ("**SPP**") announced by MMJ on 14 February 2020.

Investor and Media Enquiries

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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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MMJ Group Holdings Limited

Share Purchase Plan Investor Presentation

February 2020

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MMJ

Investment Highlights

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Investment Highlights

- ▶ Unique positioning on the ASX as a investment company focusing on international cannabis exposure
- ▶ Investment returns in the past five years have generated a Multiple on Invested Capital (“MOIC”) of 1.3 times capital invested
- ▶ Generated substantial realised gains from the sale of Dosecann and Medipharm LABS
- ▶ Share Purchase Plan provides an opportunity for eligible shareholders to invest in the portfolio at a 51% discount to NAV
- ▶ Strong team credentials and benefits from having Canadian based Embark Ventures on board as the asset manager
- ▶ Favourable market backdrop with the majority of Canadian listed licence producers valuations reducing last year, which now creates opportunities for additional investments for the MMJ portfolio

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MMJ Board and Management

Investment Team

Michael Curtis



- ▶ Michael is a non-executive director of MMJ and CEO of Embark Ventures (EbV)
- ▶ Michael is an experienced former investment banker and private equity executive
- ▶ Michael co-founded **Dosecann** along with Greg Boone and sold the company to **Cannabis Wheaton** for \$38 million – MMJ generated a realised return of 2.3 times its investment in Dosecann
- ▶ Michael co-founded **Embark Health** along with Bruce Dawson-Scully (former CEO and Founder of WeedMD) and it is set to become one of the largest extraction companies in Canada. MMJ has generated a return of 2 times its investment in Embark Health

Mohan Nair



- ▶ Mohan managed the Intef Long/Short Strategy at Tactex Asset Management and has a 5-year track record of outperforming benchmarks and protecting investor capital against broader market volatility
- ▶ Mohan also founded and led Hedge Fund Strategy Groups at both Canaccord Genuity and Macquarie Capital Markets Canada and established each respective firms US hedge fund sales practice

Board of Directors & Advisors

Board and Management



Peter Wall
Non-Executive Chairman
Director since 2015
Corporate lawyer with specific expertise in equity capital markets, Australian and international cannabis investment markets



Winton Willesee
Non-Executive Director
Director since 2015
Experienced company director of ASX listed and other companies including early stage and later stage developed businesses



Doug Halley
Non-Executive Director
Director since 2018
Experienced company director of ASX listed and other companies



Jim Hallam
CFO and Company Secretary
Appointed 2018
23 years experience in the administration and asset management of alternative assets

EbV

Advisory Board

Dr. Luc Duchesne

Chief Science Officer
WeedMD & InstaDose President
GSN Dreamworks CSO & CEO
Embark Health

Nik Van Haeren

Board Member and Advisor to
Newstrike Brands

Graham Saunders

Vice Chairman and head of capital
markets origination at Canaccord
Genuity

Keith Stein

Former Executive with Magna
International Counsel to Dentons
Law Firm

Organisational Structure

Partnership: MMJ and Embark Ventures

Experienced cannabis-
industry player

MMJ



MMJ and Embark Ventures have knowledge and experience across the five core processes of investment management:

- ▶ Sourcing investments
- ▶ Making investments
- ▶ Adding value to investments
- ▶ Exiting investments
- ▶ Company administration

EbV and MMJ are striving to create an ecosystem between investment and premier operations

The EbV team includes some of the leading professionals from the cannabis sector with an established track record of significant returns

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Investment Strategy

Investment Strategy

MMJ has a proven track record acquiring and realising considerable value from cannabis-related investments

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- ▶ 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
- ▶ MMJ is the only listed investment company offering Australian investors the opportunity to invest in unlisted and listed cannabis-related businesses locally and offshore
- ▶ MMJ has created a significant number of investment opportunities across the international private cannabis investment market

Primary Acquisitions

20

Follow on investments

7

Private to public

4

Sale of investments

9

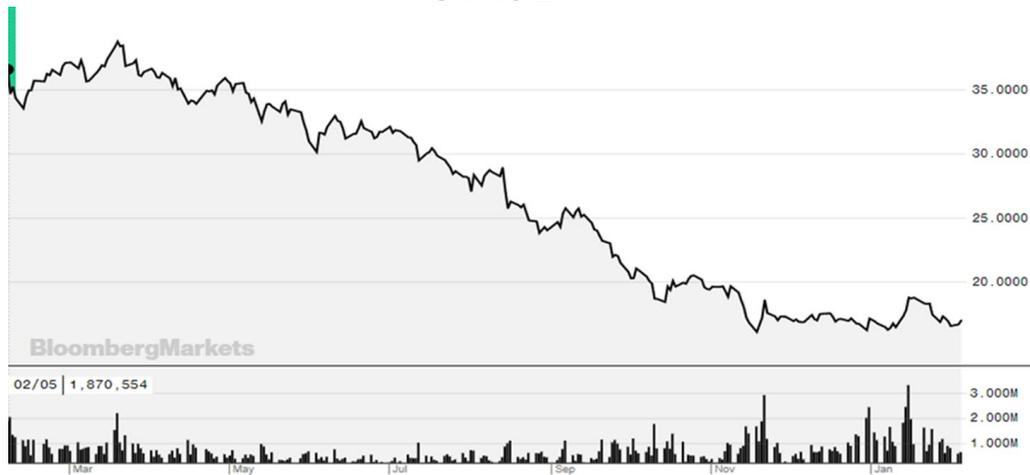
MMJ

Why Invest in Cannabis Now?

Cannabis 1.0 – Downturn and Rebound

Recent listed Canadian cannabis performance downturn and rebound creates opportunities for MMJ

MJ Alt ETF



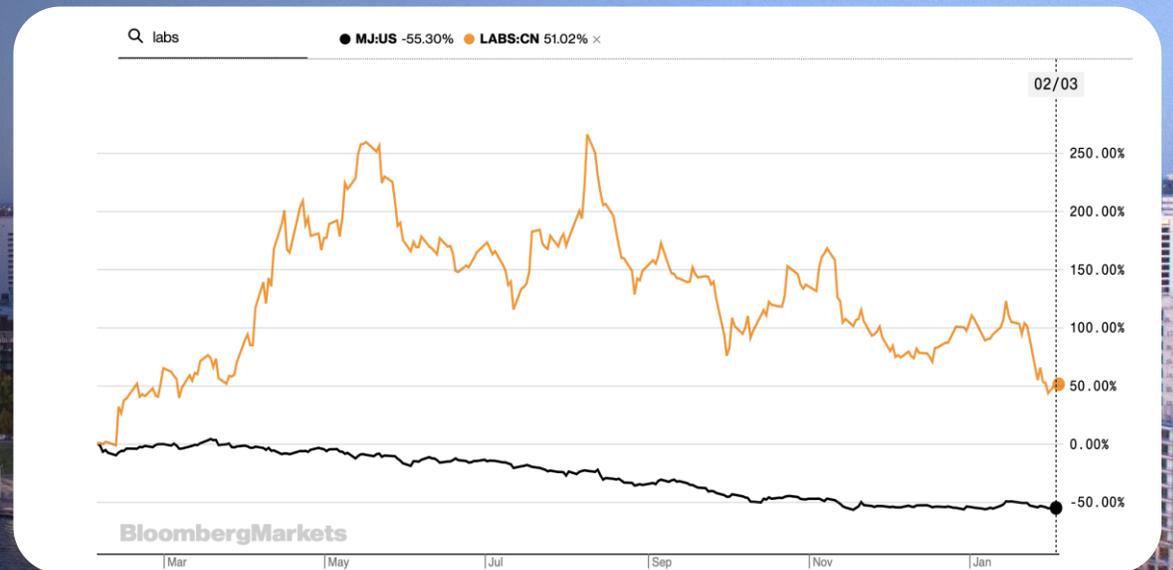
Canopy Growth



Stock Selection is Crucial in the Next Stage of Growth

- ▶ Stock picking capabilities is crucial in a maturing industry
- ▶ We believe key driving factors that will determine successful cannabis companies are:
 - ▶ Well Capitalised
 - ▶ Possess Low Cost Production or Process
 - ▶ Focus on high value/high margin (Extraction, Branded retail, etc)
- ▶ A great example is Medipharma Labs. (LABS)

Cannabis 2.0 Outperforms – LABS vs MJ ETF



MMJ is Positioned for Cannabis 2.0

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MMJ's investments across the cannabis and hemp value chain



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Portfolio Highlights

Superior Net Returns

- MMJ has invested AUD74m in cannabis business investments since 2015 for a total return of 1.3 times capital invested (MOIC)
- MMJ has executed Canadian asset sales which have generated significant returns on investment:
 - a) Dosecann – 2.3 times MOIC
 - b) Medipharm LABS – 4.3 times MOIC (MMJ retains residual investment)
 - c) Fire and Flower – 1.6 times MOIC
- MMJ's investment in Embark Health has generated return of 2 times on current valuation with a prospective listing on CSE anticipated to occur in the first half of 2020
- The return from Harvest One (HVT) has been MMJ's only materially unsatisfactory return – unrealised loss of 50% of investment (included in current NAV)

Embark Health – Large Scale Extraction



Investment Overview:

- Building the largest extraction business in Canada with facilities in British Columbia and Ontario
- Exceptional technical expertise across a variety of extraction techniques
- Currently planning to go public by end of Q2/2020
- We believe we have a second Medipharm Labs on our hands
- Investment is through shares and warrants
- To date MMJ has generated a return of 2 times its investment in Embark Health

WeedMD – Low Cost Production & Brand



Investment Overview:

- Acquired in September 2019 - well capitalised name with recent CAD25 million investment from LiUNA union
- Very low cost of production with outdoor grow and expansion space
- Extraction facility in Aylmer now operational
- Focus on retail branding through very well reviewed Color Cannabis brand
- MMJ owns three year convertible debentures which creates downside protection whilst the attached warrants provide upside
- Attractive financial product which is less accessible to Australian retail investors

Sequoia – International Extraction

Sequoia
perfection from seed to science



Investment Overview:

- Poland based extraction company which has built a facility in record time since our initial investment in July 2019
- Sequoia has also achieved EU GMP certification for their facility which is based in Krakow, Poland
- Now focusing on processing biomass and selling CBD isolate and extracts Europe wide
- MMJ plans to continue supporting the company through further investment as they ramp up sales and marketing efforts
- Investment is through shares, convertible debenture structure and warrants

Harvest One – Branded Retail & Distribution



Investment Overview:

- MMJ has held an interest in HVT businesses as a result of vending businesses owned by MMJ to HVT in 2017
- Exceptionally well regarded branded products such as Royal High and vast distribution network through Shoppers Drug Mart, Holland & Barrett and Dreamwater, etc.
- MMJ has a strong position secured against HVT's assets:
 - 26% equity ownership
 - Secured first ranking charge over all HVT's physical assets through CAD2m secured loan
- In February 2020, HVT advised that it is undertaking a strategic review of the business to ensure that all available alternatives for the company are being evaluated to maximize value for its shareholders

Bespoke Capital Acquisition Corp – Global brand focused special purpose investment company

- Seeking to become global branded cannabis and CBD business in Europe and North America
- Global brand strategy focussed on low cost cultivation and extraction in federally legal frameworks
- BCAC team led by Paul Walsh, former CEO of Diageo plc, the world's largest spirits company, has strong track record in management of consumer products
- MMJ holds its investment in the Canadian listed BCAC entity (TSXV BC.U), through a limited partnership whose general partner is Bespoke Capital Partners LLC, which holds BCAC Founders Shares and Warrants, a class of security unavailable to retail investors
- MMJ's investment in BCAC was sourced by EBV and has a book value of AUD2.5m which includes warrants which provide potential upside following BCAC securing qualifying acquisitions



MMJ

Long Term Vision

Market Opportunities and Vision

Our Long Term Vision

01

Continued Geographic Diversification:

A fair amount of value has already surfaced in the Canadian marketplace. Within Canada, we plan to focus on public or near public opportunities and will be more amenable to privates outside Canada

02

US Market Opportunity:

The Second round of the cannabis investment cycle will be propelled by regulatory favourability and potential federal legalisation in the US market. Where the legal opportunity presents, we see shifting our focus to that market

03

Chase the Changing Regulatory Regime Globally:

We intend to keep track of changes in regulatory frameworks globally, see where the next opportunities are and make corresponding investment decisions

04

Become the Premier Cannabis Fund in the space:

In the long run, it is MMJ's vision to be the premier cannabis investment fund

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Market Opportunities and Vision

Our Goal:
Trade at a
Premium to
NAV

4 ways we will
eliminate the
current MMJ p/nav
discount

MMJ Share Price VS MMJ Pre-Tax NTA



Deal Sourcing

Management team and advisory board has an ability to source a constant stream of deal flow globally while based in Toronto with extensive contacts and networks.



Expertise

MMJ and EbV have a specialised and diverse expertise to analyse deal flow from a legal, scientific, and capital markets perspective. Such comprehensive analysis will help screen out subpar investments early.



Operating Platform Leverage

EbV is able to leverage its own operating platform to assist investee companies gain traction in the market at a quicker pace. We help management teams avoid costly mistakes that other companies on our platform have already learned in their capital markets journeys.



Returning Profits

While shareholders accrue value in the long term through price appreciation, we will add returns through a new dividend policy.

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Share Purchase Plan

SPP Details

SPP Offer

- ▶ Share Purchase Plan (SPP) to raise approximately \$5 million
- ▶ Offer Price of 11 cents per new share, being a **10.9% discount** to the 5-day VWAP and **51% discount** to MMJ's Net Tangible Asset Value per share
- ▶ MMJ's Australian and New Zealand Shareholders have the opportunity to purchase between \$1,000 and \$30,000 worth of new shares in the Company, irrespective of the size of their shareholding, without incurring brokerage or transaction costs
- ▶ Funds raised to provide increased funding flexibility for existing portfolio investments to follow on from initial investments and capitalise on new investment opportunities
- ▶ The Company's Directors who are eligible to participate in the SPP have all indicated that they intend to participate in the SPP
- ▶ In the event that more than \$5 million is applied for under the SPP, the Board reserves the right to scale back applications, or alternatively, accept oversubscriptions

SPP Details

SPP Timetable

Record Date for SPP	5:00pm (AWST) 13 February 2020
Announce SPP	14 February 2020
Opening Data for SPP	19 February 2020
Closing Date for SPP	5:00pm (AWST) 10 March 2020
Announce Results of SPP	12 March 2020
Issue of Shares under the SPP	19 March 2020

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Conclusion



Conclusion

MMJ

- ▶ Unique positioning on the ASX as an investment company focusing on Global cannabis exposure
- ▶ Strong team credentials and benefits of having Embark Ventures onboard
- ▶ Compelling investment proposition with SPP issue price at **discount of 51%** to NAV
- ▶ **PREPARED FOR CANNABIS 2.0!**

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Appendix

MMJ investment portfolio

Investment	CSE/TSXV/ TSX Code	Investment date	Country	Company type	Investment structure	Business	Book Value (unaudited) 31-Jan-20 AUDm
Harvest One	HVT	Apr-17	Canada	Public	Shares	Health and wellness products	11.0
WeedMD Inc.	WMD.WM and WMD.DB	Sep-19	Canada	Public	Notes and warrants	Cultivation	5.7
MediPharm Labs	LABS	Jun-18	Canada	Public	Warrants	Extraction	1.8
Fire & Flower	FAF	Apr-18	Canada	Public	Warrants	Retail stores	0.1
Listed investments							18.6
Weed Me		Dec-17	Canada	Private	Shares, warrants and convertible note	Cultivation	4.8
Embark Health		Jul-18	Canada	Private	Shares and Warrants	Extraction	13.9
Volero		May-19	Canada	Private	Shares and warrants	Vapes	3.9
Sequoya		Jul-19	Canada	Private	Convertible note (including warrants) and shares	Extraction	3.4
Bespoke		Aug-19	Canada	Private	Bespoke A Limited Partnership holds shares and founders warrants issued by Bespoke Capital Acquisition Corp (TSX listed)	Investment in cannabis businesses	2.6
VitaGenne		Nov-18	USA	Private	Shares	Hemp CBD	1.1
Bien		Jun-18	Canada	Private	Shares + warrants	Research and development	0.7
Cannabis Access		Apr-18	Australia	Private	Shares	Clinics	1.0
Hemple		Mar-19	Australia	Private	Shares and loan	Hemp CBD	0.8
Martha Jane Medical		May-18	Australia	Private	Shares	Extraction	0.6
J Supply		Feb-19	Canada	Public	Shares	Retail stores	0.3
Unlisted investments							33.2
Total portfolio							51.8