

ASX RELEASE

1 June 2020

Embark Health Announces the Commencement of Revenue Generating Operations

MMJ Group Holdings Limited (ASX:MMJ/OTC Code MMJF) ("MMJ"), an Australian-listed company that specialises in managing a portfolio of investments along the cannabis value-chain, is pleased to provide an update on the operations of MMJ's largest investee, unlisted Embark Health Inc ("**Embark Health**").

In the attached release, Embark Health updated its shareholders on the commissioning of its production facility in Delta, BC. where the production of bubble hash, rosin and dry sift has commenced. This announcement followed commencement of production of cannabis extracts at their Delta, BC facility subsequent to receipt of all occupancy and business licences required from the city of Delta, BC in April 2020.

Initially, Embark Health is producing Bubble Hash, Dry Sift and Rosin for commercial sale in addition to providing tolling services to a wide range of customers. Other extraction technologies will be added as more rooms in the facility are licensed. Embark Health is seeking to create the largest cannabis (THC and CBD) extraction business in Canada with facilities in British Columbia (BC) and Ontario (ON).

MMJ was a foundation investor in Embark Health in July 2018 which now comprises:

- i. 3.425m ordinary shares (approximately 12.7% shareholding) in Embark Health with a book value of CAD2.40 per share.
- 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 Event¹.
- iii. Warrants that provide the option for MMJ to acquire a further 1.2m shares at CAD1.20² 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.
- v. MMJ had generated a total return of 2 times³ on its investment with a current book value of \$13.2m.

MMJ's investment in Embark Health demonstrates MMJ's capacity to originate early stage unlisted investments in the cannabis sector with the prospect of realising potential gains on listing the public markets.

Further detail on the operations of Embark Health may be found on the MMJ website www.mmjgh.com.au/portfolio/.

¹ A Liquidity event is an initial public offering or a material sale event

² Exercise price has based on MMJ book value of CAD2.40 per share

³ As at 30 April 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/>

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.

FOR IMMEDIATE RELEASE

MAY 29TH 2020



Embark Health Inc. Announces the Commencement of Revenue Generating Operations

Embark Health Inc. ("Embark") is pleased to update shareholders on the commissioning of its production facility in Delta, BC. where the production of bubble hash, rosin and dry sift has commenced.

Since securing its Health Canada processing licence on February 7, 2020, and securing occupancy and a business licence from the City of Delta on April 28, 2020, Embark has commissioned its equipment for the production of bubble hash, rosin and dry sift, and achieved the following milestones:

1. Benchmarking and optimization of cannabis biomass processing time to ensure the most effective length of treatment to ensure outputs with high purity while maintaining cost-effectiveness.
2. Optimization of equipment configuration through test runs to ensure equipment is effectively configured for the optimal balance of consistent throughput and purity.
3. Correlation between biomass quality and extraction output determines the most appropriate modality to unveil the purity and unique properties of our partner's biomass.
4. Developing a revenue pipeline consisting of tolling, contract manufacturing and brokering orders.

Embark continues to move forward with plans for two brands set to launch in the recreational market. Embark is launching a Value brand and an Approachable Premium brand. Each brand will comprise a selection of solventless products within their respective portfolios. The brand product offerings and price points will address the demand for 2.0 solventless products within the different market segments.

In order to fulfil the increase in customer orders, production pipeline and achieve round the clock operations, Embark has begun the ramp up of its people strategy and is actively seeking candidates to join the Embark team.

Embark is pleased with Health Canada's policy announcement May 12, 2020 regarding Operational Changes to Cannabis Program Requirements, which permits licensed producers to expand on existing facilities without requesting lengthy amendments to their licence. Refer to the [Cannabis Licence Management Guide: Cultivation, Processing and Sale for Medical Purposes](#). "This amendment is significant and allows Embark to accelerate the remaining facility retrofits to add production modalities in our licensed facility in Delta, BC", said Dr. Luc C. Duchesne, Chief Executive Officer of Embark Health.

Construction at Embark's Woodstock facility has re-initiated following COVID-19 related delays. During this time Embark has applied current market insights combined with Embark Delta data to

modify the facility design and build. The company has heightened focus on value-add production for Embark Brands and Brand partnerships, thereby delivering on existing 2.0 products and the growing 3.0 product development and demand.

About Embark Health Inc.

Embark Health Inc. is an emerging leader in cannabis extraction, with a focus on unleashing the full potential of the cannabis plant through scientific approaches to extraction and the production of quality products to enhance everyday life. It is Embark's mandate to pursue the best production processes throughout product innovation and development, manufacturing and take to market lifecycles. The result is unparalleled commercial and consumer extraction products. For more information, please visit embarkhealthinc.com.

Visit us at embarkhealthinc.com to sign up for the latest from Embark.

FORWARD LOOKING STATEMENTS

This news release contains "forward-looking information" within the meaning of applicable securities laws including statements regarding the commencement of operations at the Delta facility, the terms of the proposed supply agreements, the provision of tolling services and contract manufacturing at the Delta facility, the ability for Embark to complete its business objectives, the ability for Embark to successfully launch its recreational brands and the ability of Embark to become a leader in cannabis extraction and other future developments. Although Embark believes in light of the estimates by management, current conditions and expected future developments and other factors, that the expectations reflected in this forward-looking information are reasonable, undue reliance should not be placed on them. Accordingly, Embark can give no assurance that they will prove to be correct. Actual results and developments may differ materially from those contemplated by these statements depending on, among other things, changes in economic conditions or financial markets; regulatory delays; increases in costs; litigation; legislative, environmental and other judicial, regulatory, political and competitive developments; and technological or operational difficulties. This list is not exhaustive of the factors that may affect our forward-looking information. The statements in this press release are made as of the date of this release. The Company assumes no obligation to update the forward-looking statements, or to update the reasons why actual results could differ from those reflected in the forward-looking statements unless and until required by securities laws applicable to the Company.

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.
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.