

ASX RELEASE

20 May 2019

MMJ To Present At Investor Conference

MMJ Group Holdings Limited (ASX: MMJ) (MMJ) today announced that its Chief Financial Officer, Jim Hallam, will attend and present in front of 200 investors at the forthcoming Finance News Network Investor Conference in Sydney on Tuesday, 21 May 2019 between 12:30pm and 2.30pm.

The attached investor presentation will also be available on MMJ's website.

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/>

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Investor Presentation

May 2019

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**MMJ is the premier
publicly-listed
cannabis investment
vehicle in Australia**

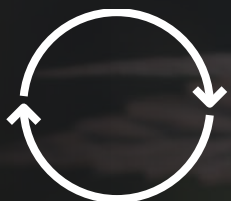


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Superior Net Returns

Period ended
30 April 2019



44%

Financial Year to
date

32%

Quarter

7%

Month



Strong investment experience

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



Investment track record

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

- ▶ 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 and exited at the most beneficial moments

Primary
Acquisitions

15

Follow on
investments

3

Private to
public

3

Sale of
investments

8



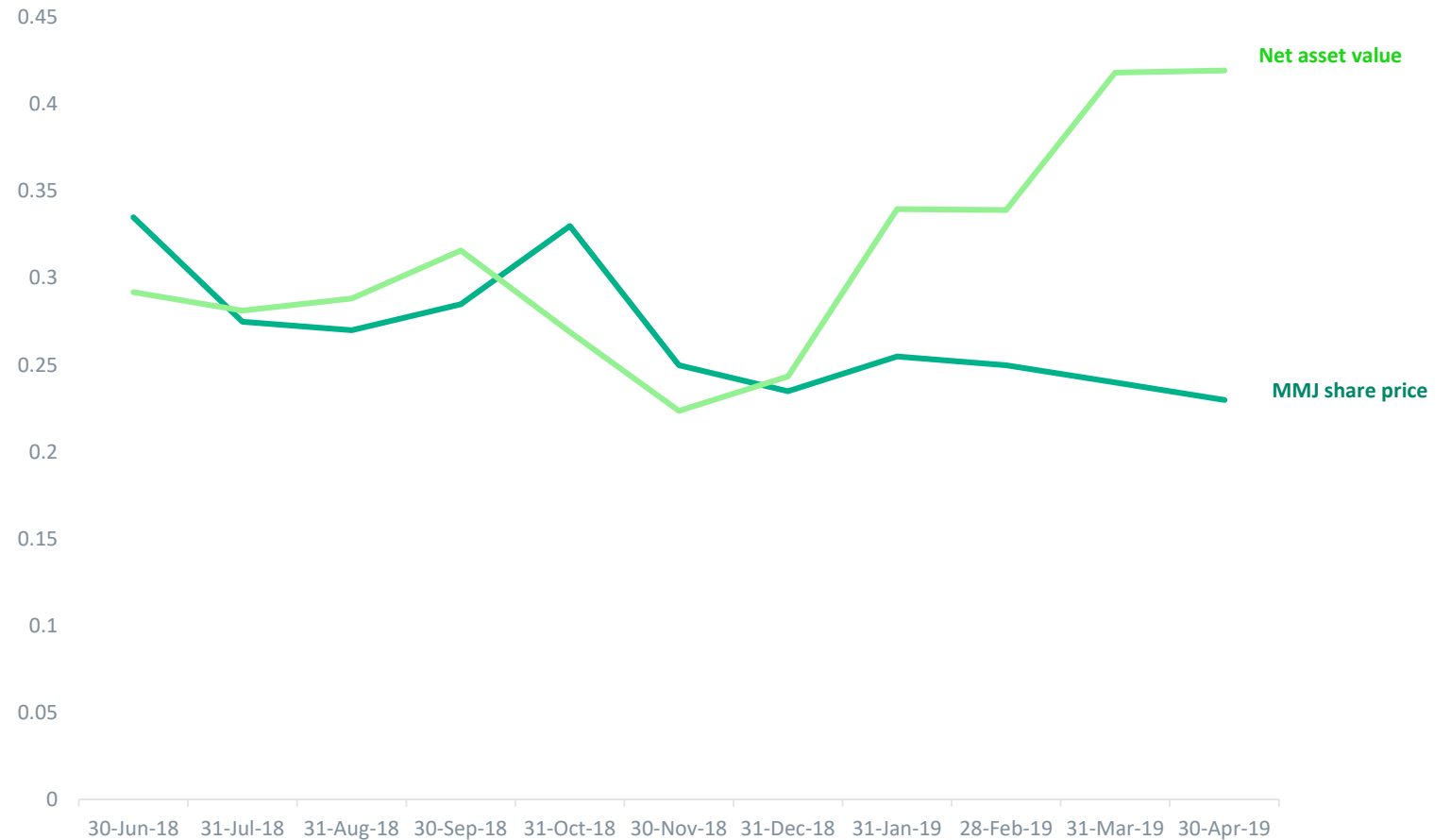
The opportunity for investors

MMJ gets access to private market deal flow and resulting IPOs which Australian retail investors cannot access themselves

- ▶ MMJ provides the individual investor with the benefits of operational scale and investment experience to execute superior investment opportunities
- ▶ MMJ's strategic relationship with Embark will provide the asset management resources to drive shareholder value from its present and future investment portfolio
- ▶ Investors can acquire shares in MMJ at a significant discount to Net Asset Value
- ▶ At this point in time, MMJ does not intend to raise further capital, but MMJ will invest further through capital obtained from liquidity events of existing and future investments
- ▶ MMJ has cash of \$26m which is being invested into the burgeoning global cannabis industry
- ▶ Investors benefit from MMJ's position as largest shareholder in Harvest One
- ▶ MMJ holds investments that will be beneficiaries of the pending Canadian legalisation of cannabis-based food and beverage in October 2019



MMJ
share price
trading at
significant
discount to net
asset value





Strategic relationship with Embark Ventures



MMJ Board believes the Company should **centre its asset management resource in Canada** to better manage the existing portfolio and provide access to new investment opportunities in North America

- ▶ In April 2019, MMJ announced its proposed appointment of Embark Ventures as manager of MMJ's cannabis investments
- ▶ Embark is a team of investment professionals with proven experience in corporate finance, funds management, investment, and operation of cannabis businesses throughout Canada
- ▶ The terms of the proposed appointment of Embark is a cost-effective way to accelerate MMJ's investment operations in the medium term without adding material fixed costs
- ▶ The management agreement would provide strong alignment of the interests of MMJ and Embark which MMJ should produce superior investment returns to shareholders



Canada is a large cannabis market

It is a multi-billion-dollar recreational market opportunity

Base Market

$$\begin{array}{ccccccc} \text{Population of Adult Consumers} & \times & \text{Annual Consumption Volume in Grams per Consumer} & \times & \text{Price per Gram of Marijuana} & = & \$4.9\text{B to } \$8.7\text{B} \\ \text{Base Retail Market Value} \end{array}$$

Ancillary Market

$$\begin{array}{ccccccc} \text{Growers} & + & \text{Infused Product Makers} & + & \text{Testing Labs} & + & \text{Security} \\ \text{Potential upside is greater than 20B} & = & \$12.7\text{B to } \$22.6\text{B} & & \text{With Ancillary Multiplier} \end{array}$$

Potential Upside

$$\begin{array}{ccccccc} \text{Tourism Revenue} & + & \text{Business Taxes} & + & \text{License Fees} & + & \text{Paraphernalia} \\ \text{Total Market Size Potential} & = & & & & & > \$22.6\text{B} \end{array}$$



Targeting investment opportunities

MMJ will be targeting investments/ opportunities with the following characteristics



- ▶ Emerging cannabis sector leaders in healthcare products, technology, infrastructure, logistics, processing, cultivation, equipment and retail
- ▶ Typical investment size up to AUD5m
- ▶ Invest in supportive jurisdictions such as Australia and Canada
- ▶ **Minority investments** consistent with a venture-capital approach to managing broad portfolios

There will be **no minimum or maximum number of investments** in MMJ's investment portfolio, however the number held will depend on identifying suitable investments expected to meet performance expectations



MediPharm LABS

Investment Case Study



- ▶ MMJ saw MediPharm LABS's (LABS) potential to establish itself as a leader in cannabis oils extraction
- ▶ We invested CAD5m in shares and warrants last year
- ▶ Upon LABS' outstanding share price growth, we exited the position realising a return of 6x capital invested for MMJ shareholders



MediPharm LABS
















Investment Case Study





MMJ's investments across the cannabis and hemp value chain

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

Genetics and Seeds	Cultivation	Extraction	Crystallisation and R&D	Product manufacture	Testing	Packaging	Distribution	Retail	Patient
 Via exclusive Canadian partnership with Dutch Passion	 	 Emoark	 Emoark	 Emoark    	Not a current investme nt focus	Potential investment area	Not a current investment focus	   	



Investment portfolio

MMJ has developed strengths and capabilities suited to global cannabis investment through the construction of an investment portfolio



- ▶ MMJ Board has oversight for MMJ's investment portfolio
- ▶ MMJ has substantial experience in corporate finance and investment management across listed and unlisted investments in Australia and overseas
- ▶ MMJ has proven experience in investment, oversight and exits in private equity
- ▶ The Embark Ventures team consists of professionals who are experienced investors and/or operators of cannabis businesses
- ▶ MMJ's strong reputation and presence in Australia and overseas provides access to significant investment opportunities
- ▶ A flexible approach to structuring transactions, managing risk, adding value and exiting investments

Investment portfolio

The portfolio consists of:

- ▶ 11 investments (77% of which is publicly listed and 95% located in Canada – the most attractive cannabis market accessible to Australian investors)
- ▶ AUD26m of cash that MMJ is investing exclusively into emerging cannabis industries internationally and within Australia

Investment	TSXV Code	Investment date	Country	Company type	Investment structure	Business	Book Value AUD\$m (unaudited) 13-May-19 AUDm
Harvest One	HVT	Apr-17	Canada	Public	Shares	Health and wellness products	47.6
MediPharm Labs	LABS	Jun-18	Canada	Public	Warrants	Extraction	5.7
Fire & Flower	FAF	Apr-18	Canada	Public	Shares + warrants	Retail stores	1.7
Listed investments							55.0
Weed Me		Dec-17	Canada	Private	Shares and warrants	Cultivation	6.4
Embark Health		Jul-18	Canada	Private	Shares and Warrants	Extraction	3.6
VitaGenne		Nov-18	USA	Private	Shares	Hemp CBD	1.4
BevCanna		Jun-18	Canada	Private	Shares	Beverages	1.3
Cannabis Access		Apr-18	Australia	Private	Shares	Clinics	1.0
Hemple		Mar-19	Australia	Private	Shares	Hemp CBD	1.0
Bien		Jun-18	Canada	Private	Shares + warrants	Research and development	1.1
Martha Jane Medical		May-18	Australia	Private	Shares	Extraction	0.6
Unlisted investments							16.5
Total portfolio excluding cash							71.5

"Book value" is unaudited and based on the most recent closing share prices for public companies. The most recent funding round share prices for private companies has been converted into Australian dollars at the relevant prevailing foreign exchange rates. Market value also includes the unrealised gain from the positive difference between the most recent share exercise price of unexercised warrants (where applicable).

(Excludes the investment in Volero announced on 16 May 2019)



Appendix - Investment Case Studies



Harvest One (HVT)

Investment Case Studies



- ▶ MMJ acquired two cannabis businesses in 2015, United Greeneries Holdings Ltd and Satipharm AG
- ▶ These assets were sold to HVT in April 2017 through a Reverse Takeover for HVT shares and cash
- ▶ MMJ's holding in HVT was reduced from 60% - through a series of share issues, exercise of convertible debt, and consideration paid for acquisitions - to MMJ's current holding of 26%
- ▶ In the past 12 months HVT management has been renewed through appointment of new CEO and board-level appointments
- ▶ MMJ has generated a pre-tax return of 33% per annum, representing 2.5 times capital invested



Dosecann

Investment Case Studies



- ▶ Dosecann was a Canadian consumer healthcare company focused on developing a suite of cannabis-based health and wellness products for supply to key markets globally
- ▶ In January 2018, MMJ invested CAD2.5 million in Dosecann by way of convertible debentures at an attractive pre-money valuation of CAD11.5 million with attaching warrants
- ▶ In April 2018, Cannabis Wheaton Income Corp (TSX-V: CBW) ("Cannabis Wheaton") acquired 100% of Dosecann payable in Cannabis Wheaton common shares
- ▶ MMJ accepted the takeover consideration (in form of shares and warrants issued by acquirer) and divested its entire investment again to reinvest in the private market
- ▶ MMJ generated multiple on invested capital of 2.2 times capital invested (pre-tax and transaction costs)