



# Investor Presentation

---

31 August 2018

# MMJ

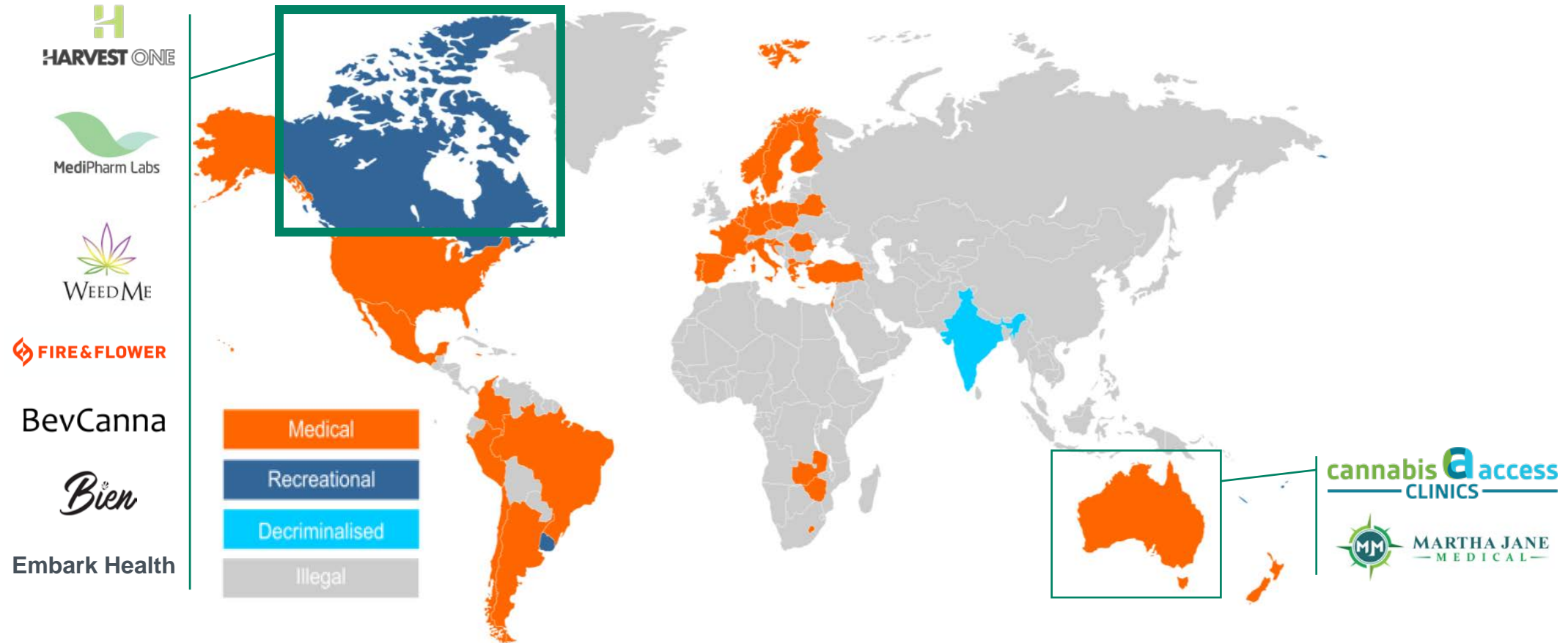
## Global cannabis investment company

- Listed on the ASX and trades with the code “MMJ”
  - Circa 16,000 shareholders; none are substantial (i.e. no single holding of 5% or more)
  - 27.5 cents per share NTA at 30 June 2018
- Sydney HQ
  - Global network of cannabis industry contacts and deal flow
- Portfolio of minority interests
  - Investing up to \$5 million per opportunity
  - Targeting investments in private companies, early stage through to pre-IPO
- Performance measured by MOIC

*Note: “MOIC” is multiple on invested capital (pre-tax and transaction costs). “NTA” means net tangible assets.*

# Current investment focus is on Canada

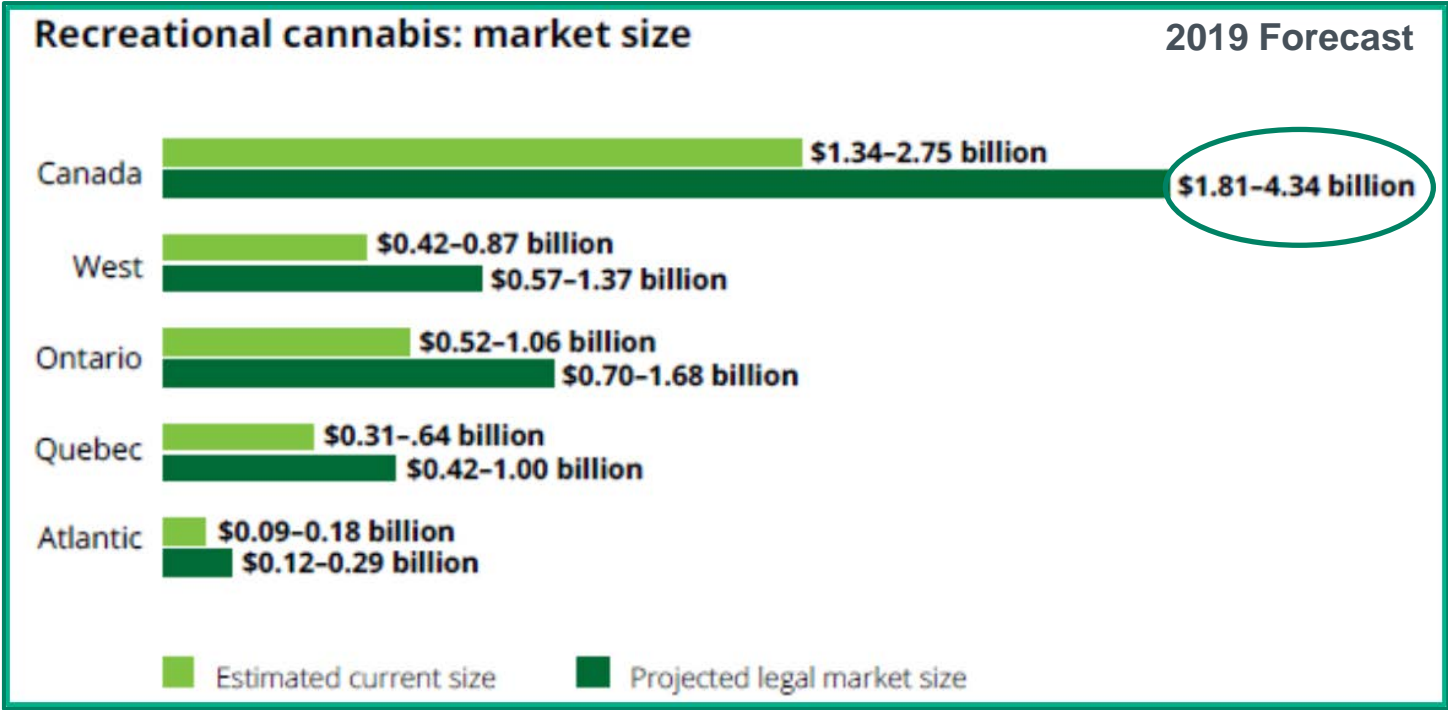
Canada is the first G7 nation to federally legalise recreational cannabis



*Note: Recreational cannabis will be legal in Canada from 17 October 2018. Recreational cannabis is legal in 9 states and the District of Columbia in the US (but prohibited federally).*

# Canada is a large cannabis market

Up to CAD\$6.1 billion of legal cannabis sales expected in 2019



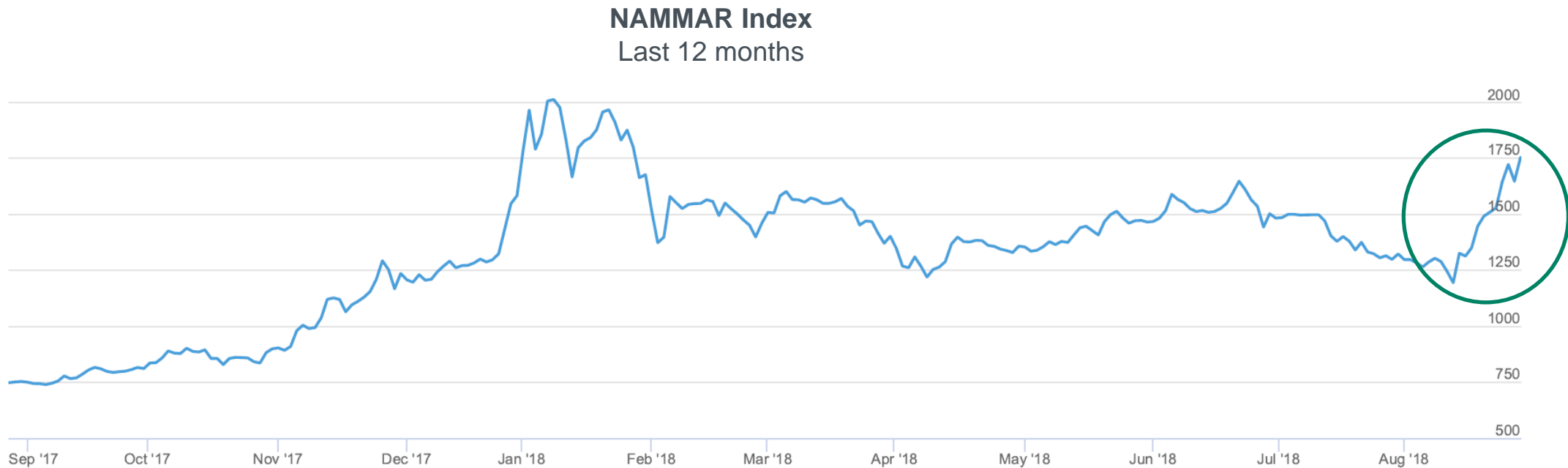
+ CAD\$0.8-\$1.8 billion medical cannabis sales

= Up to CAD\$6.1 billion total legal cannabis sales in 2019

Source: Deloitte 2018 cannabis report “A society in transition, an industry ready to bloom”. Projected legal market size is based on forecast sales in 2019.

# Demand for North American cannabis companies

Re-rating of public cannabis company share prices is underway



- The North American Marijuana Index (Bloomberg: NAMMAR Index) tracks the performance of a basket of North American publicly listed companies with significant business activities in the cannabis industry
- The index is calculated as a gross total return index in CAD and adjusted quarterly

# Portfolio construction

Risk/return managed across three investment stages



- Investing up to \$5 million per opportunity
- 12-18 month typical buy and hold period
- MMJ shareholder returns driven by liquidity events (e.g. IPO, M&A, public company share sales)

# Portfolio returns

1.6x MOIC

<i>Unaudited figures</i>	Investment Date	Company type	Country	Cannabis business	Investment structure	Basic Ownership	Invested Capital AUD\$m	Market Value AUD\$m*	MOIC (unrealised)	Weighting (invested capital)
Harvest One (TSXV:HVT)	Apr-17	Public	Canada	Conglomerate	53.33m shares	30.2%	27.9	45.4	1.6x	63.4%
MediPharm Labs	Jun-18	Private	Canada	Oil production	Shares + warrants	6.9%	5.1	5.3	1.0x	11.5%
Weed Me	Dec-17	Private	Canada	Cultivation	Convertible note + warrants	16.1%	2.0	5.2	2.6x	4.7%
Fire & Flower	Apr-18	Private	Canada	Retail stores	Shares + warrants	1.7%	1.0	1.7	1.7x	2.3%
BevCanna	Jun-18	Private	Canada	Beverages	Shares	3.5%	0.8	1.3	1.7x	1.7%
Bien	Jun-18	Private	Canada	Powders	Shares + warrants	13.7%	0.7	0.7	1.0x	1.6%
Embark Health	Jul-18	Private	Canada	Extraction	Shares	2.5%	0.2	0.2	1.0x	0.3%
Cannabis Access	Apr-18	Private	Australia	Clinics	Shares	17.4%	1.0	1.0	1.0x	2.3%
Martha Jane Medical	May-18	Private	Australia	Extraction	Shares	12.5%	0.6	0.6	1.0x	1.4%
PhytoTech Therapeutics**	Dec-14	Private	Israel	R&D	Shares + loans	100.0%	4.7	8.4	1.8x	10.8%
Total							44.0	69.8	1.6x	100%

\*Market value is based on recent closing share prices for public companies and most recent funding round valuations for private companies (CAD:AUD\$1.05).

\*\*PTL has been sold by MMJ to Harvest One, subject to MMJ shareholder approval.

Note: "MOIC" is multiple on invested capital (pre-tax and transaction costs).



# Harvest One is a turnaround opportunity

New CEO appointed to improve the performance of MMJ's largest investment

## Harvest One Cannabis

Share price (CAD\$/share), last 12 months



- Harvest One is a **turnaround opportunity**
  - New CEO started on 3 July 2018 (only 2 months ago)
    - Strategic plan yet to be announced
  - CAD\$58m of cash; no debt



Grant Froese  
New CEO

- Canadian retail industry leader
- 38-year career at Loblaw Companies Limited, Canada's food and pharmacy leader
- Grant has led all levels of operations and merchandising and has had oversight of information technology, supply chain, digital/e-commerce businesses, marketing, and brands



# Portfolio divestments

1.9x MOIC achieved in 2018 to date

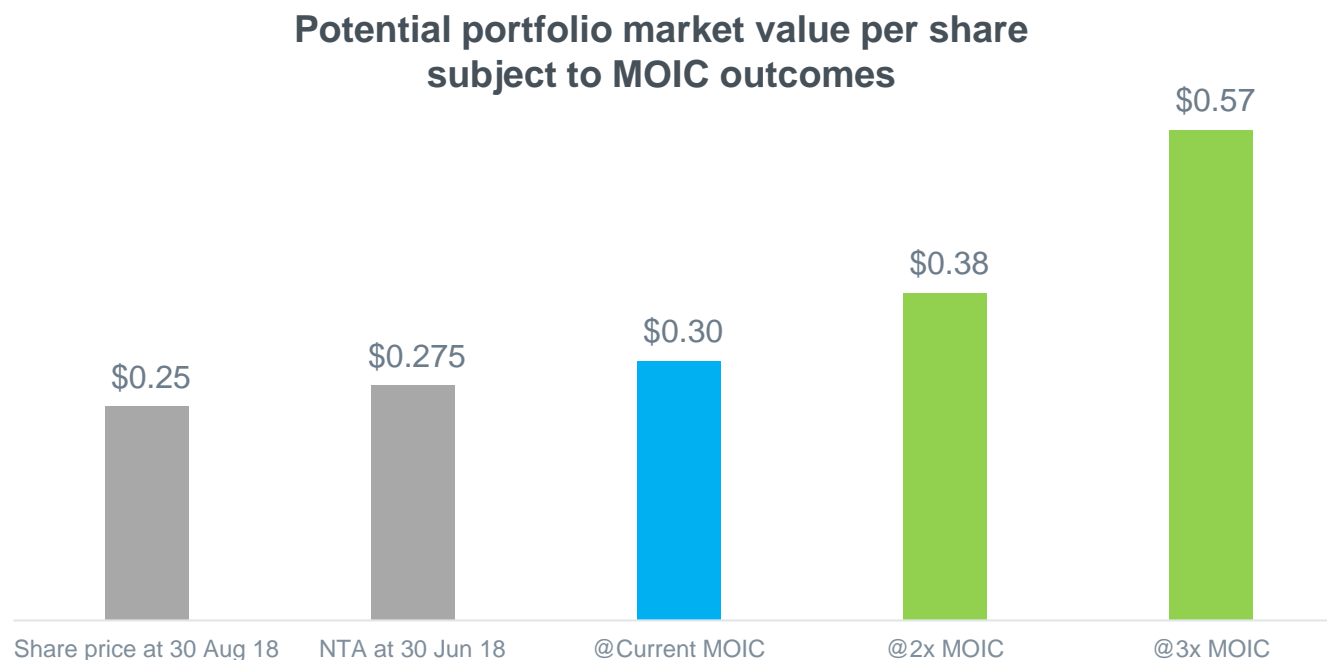
Investee	Investment Date	Divestment Date	Divestment Type	Invested Capital (cost)	Divestment Consideration	MOIC
Cannabis Wheaton Income	Jan-18 (Dosecann Inc)	May-18	Full	CAD\$2.5m	CAD\$5.7m	2.3x
e-Sense Lab	Nov-17	May-18	Full	AUD\$0.5m	AUD\$0.4m	0.8x
PhytoTech Therapeutics*	Dec-14	Jun-18	Full	AUD\$4.7m	CAD\$8m	1.8x
Total				AUD\$7.8m	AUD\$14.8m	1.9x

- Sale of PhytoTech Therapeutics\* will provide corporate working capital to MMJ
- Future investments are expected to be funded from other portfolio divestments
  - All investments in the portfolio are available for sale, at the right price

\* Subject to MMJ shareholder approval at a General Meeting to be held in Sydney on 28 September 2018. Sale consideration comprises CAD\$1m cash plus CAD\$7m Harvest One shares. CAD:AUD\$1.05.  
Note: "MOIC" is multiple on invested capital (pre-tax and transaction costs).

# Potential market value per share

MMJ is focused on generating a portfolio MOIC of 2-3x over the next 12 months



*Note: "MOIC" is multiple on invested capital (pre-tax and transaction costs). "NTA" means net tangible assets. Chart assumes no change in current shares on issue.*

# Management incentives aligned with shareholders

Performance rights linked solely to MMJ's share price

MMJ share price (20-day VWAP) required for vesting of  
CEO/CFO performance rights (PRs)



# Outlook

Significant developments are expected across the entire portfolio

Investment	Outlook for the rest of 2018
Harvest One	<ul style="list-style-type: none"><li>• Refer to the Harvest One Investor Presentation released by MMJ to the ASX on 28 August 2018</li><li>• Complete the acquisition of PhytoTech Therapeutics from MMJ, subject to MMJ shareholder approval on 28 September 2018</li><li>• New CEO expected by MMJ to use the strong balance sheet (circa CAD\$58m of cash, no debt) to turnaround Harvest One and grow</li></ul>
MediPharm Labs	<ul style="list-style-type: none"><li>• List on the TSXV in September 2018 with the code “LABS”</li><li>• Build out the capacity of their cannabis oil manufacturing facility</li><li>• Receive a Sales Licence later this year</li></ul>
Weed Me	Build out their cannabis cultivation facility subject to receiving a Sales Licence (application in process) and future funding
Fire & Flower	Open retail cannabis stores subject to obtaining provincial licenses (applications are in process), in Alberta and Saskatchewan in October, corresponding with the legalisation of recreational cannabis in Canada
BevCanna	Build their cannabis beverages manufacturing facility subject to becoming an ACMPR Licensed Producer (application in process) and future funding
Bien	<ul style="list-style-type: none"><li>• Ramp up sales of their licensed CBD and THC powder products in California</li><li>• Submit an ACMPR Licensed Producer application to Health Canada in compliance with the expected future requirements for a Standard Processing licence</li></ul>
Embark Health	Build their cannabis product manufacturing facility subject to becoming a Licensed Dealer (application in process) and future funding
Cannabis Access	Open Cannabis Access Clinics in Brisbane, Adelaide and Perth (current clinics are in Sydney and Melbourne)
Martha Jane Medical	Build their cannabis extracts business subject to obtaining a manufacturing licence (application in process) and future funding

# Disclaimer

## DISCLAIMER

This presentation has been prepared by MMJ PhytoTech Limited (the “Company” or “MMJ”) (ABN 91 601 236 417). It does not purport to contain all the information that a prospective investor may require in connection with any potential investment in the Company. You should not treat the contents of this presentation, or any information provided in connection with it, as financial advice, financial product advice or advice relating to legal, taxation or investment matters.

No representation or warranty (whether express or implied) is made by the Company or any of its officers, advisers, agents or employees as to the accuracy, completeness or reasonableness of the information, statements, opinions or matters (express or implied) arising out of, contained in or derived from this presentation or provided in connection with it, or any omission from this presentation, nor as to the attainability of any estimates, forecasts or projections set out in this presentation.

This presentation is provided expressly on the basis that you will carry out your own independent inquiries into the matters contained in the presentation and make your own independent decisions about the affairs, financial position or prospects of the Company. The Company reserves the right to update, amend or supplement the information at any time in its absolute discretion (without incurring any obligation to do so).

Neither the Company, nor its related bodies corporate, officers, their advisers, agents and employees accept any responsibility or liability to you or to any other person or entity arising out of this presentation including pursuant to the general law (whether for negligence, under statute or otherwise), or under the Australian Securities and Investments Commission Act 2001, Corporations Act 2001, Competition and Consumer Act 2010 or any corresponding provision of any Australian state or territory legislation (or the law of any similar legislation in any other jurisdiction), or similar provision under any applicable law. Any such responsibility or liability is, to the maximum extent permitted by law, expressly disclaimed and excluded.

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 the Company.

## FUTURE MATTERS

This presentation contains reference to certain intentions, expectations, future plans, strategy and prospects of the Company.

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 the Company may be influenced by a number of factors, many of which are outside the control of the Company. No representation or warranty, express or implied, is made by the Company, 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 the Company’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. The Company does not warrant or represent that the actual results, performance or achievements will be as expected, planned or intended.

## US DISCLOSURE

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”). The Company’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.

# Portfolio Companies

---

# Harvest One

## Conglomerate



- Listed on the TSX Venture Exchange (TSXV:HVT), Vancouver HQ, and owns:
  - United Greeneries (UG)
    - Access to Cannabis for Medical Purposes Regulations (ACMPR) Licensed Producer
    - Licensed Dealer: can import narcotics into Canada, including Gelpell® CBD capsules and export medical cannabis products to other markets with favourable medical cannabis regulations, including Germany
  - Satipharm: Swiss-based production of Gelpell® CBD capsules
  - Dream Water: natural liquid sleep shot – potential to develop and distribute CBD-based products – CAD\$6m of annual revenue from current product line
- No debt and CAD\$58m of cash available to fund growth; acquiring PhytoTech Therapeutics from MMJ (subject to MMJ shareholder approval on **28 Sep 2018**)
- **Web site:** harvestone.com





# MediPharm Labs

## Oil production

- Based in Barrie, Ontario
- Canada's largest medical cannabis oil production facility that will support 100,000kg of annual dry cannabis processing
- ACMPR Licensed Producer for the production of cannabis oil
- Expects to receive a Sales Licence later this year
- Strongly positioned to capitalise on Canadian medical cannabis oil market sales growth, both for domestic patients and for export
- Also owns majority share of MediPharm Labs Australia, in Wonthaggi Victoria - cannabis manufacturing license application is in process
- To list on the TSXV with the code "LABS" in **September 2018**
- **Web site:** [medipharmlabs.com](http://medipharmlabs.com)



# Weed Me

## Cultivation

- Based in Pickering, Ontario
- ACMPR Licensed Producer
- 20,000 sqft, state-of-the-art indoor cannabis cultivation facility
- 3-acre footprint with the capacity to grow to roughly 220,000 sqft of indoor growing (40,000kg/year cannabis production capacity, subject to further funding)
- Expects to receive a Sales Licence later this year
- **Web site:** weedme.ca

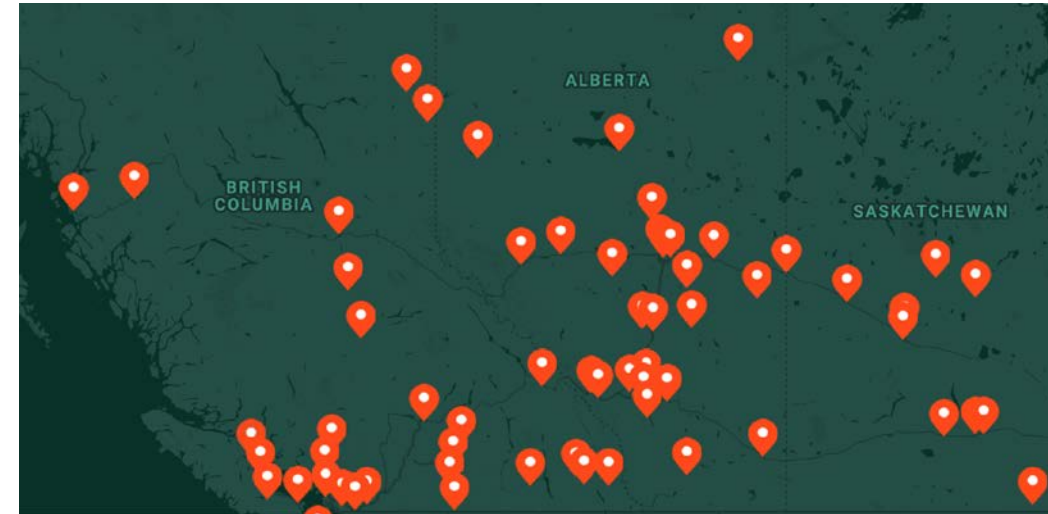


*Weed Me co-founders Terry Kulaga (left) and Benny Presman (right) in front of their licensed cultivation facility in Pickering, Ontario*

# Fire & Flower

## Retail stores

- Based in Edmonton, Alberta
- Corporate-owned retail stores, specialising in elevating cannabis products and education-based programming
- To establish stores across Canada, in provinces where private retailing of cannabis is permitted
- Founded by experienced legal cannabis entrepreneurs
- Leadership team carries extensive experience in launching successful businesses
- **Web site:** [fireandflower.ca](https://fireandflower.ca)



*Targeted store locations, subject to licensing, zoning and related approvals*

# BevCanna

## Beverages

- Based in Vancouver, BC
- Applying to become an ACMPR Licensed Producer
- To operate as a white label, end-to-end producer of CBD and THC beverages - in customer contract discussions with ACMPR Licensed Producers
- Currently focused on being a wholesaler to the Canadian medical cannabis market
- Positioned to capitalise on the recreational cannabis edibles category (that includes beverages) after the regulations have been set by Health Canada in 2019
- **Web site:** Coming soon



*Naturo Water Plant, Bridesville BC*

# Bien

## Powders



- Based in Calgary, Alberta
- Sells, under license, odourless and flavourless “micro-dosed” CBD and THC powders, currently in California
- To submit an ACMPR Licensed Producer application to Health Canada in compliance with the expected future requirements for a Standard Processing licence
- Plans to build its own manufacturing, distribution and marketing business in Canada in 2019, subject to Health Canada licensing
- **Web site:** [bienbrands.com](http://bienbrands.com)



*Sales recently commenced in California*

*Note: Bien's business model in California precludes handling the cannabis plant and/or seeking state licensing, to avoid status as a cannabis company. Bien is merely a branding/licensing company to the cannabis industry and its chain of custody is structured such that it never takes physical possession of the inventory.*

# Embark Health

## Extraction

- Based in Delta, BC
- Applying to Health Canada to become a Licensed Dealer
- Aiming to build a state-of-the-art THC, CBD, and CBG extraction facility to service Canada's cannabis markets, subject to further funding rounds
- Focused on producing and selling high margin products including cannabis edibles, vapes, creams, and pills
- Aiming to partner with ACMPR Licensed Producers to create initial supply to build out its own brands
- Managed by an experienced leadership team, including Dosecann Inc's ex-CFO
- **Web site:** Coming soon



# Cannabis Access

## Clinics



- Recently established Cannabis Access Clinics
  - 2 clinics (Sydney and Melbourne) are providing an end-to-end service for people to access medical cannabis
  - Establishing clinics in Perth, Brisbane and Adelaide
  - Patient consults are underway with approvals issued by the Therapeutic Goods Administration (TGA) and medicine dispensed to patients
- Operates an online portal ([cannabisaccess.com.au](https://cannabisaccess.com.au)) for healthcare professionals that showcases the products available in Australia and the conditions for which they are best suited
  - 500 Australian healthcare professionals (doctors and pharmacists) are already signed up to the online portal
- **Web sites:** [cannabisaccessclinics.com.au](https://cannabisaccessclinics.com.au) and [cannabisaccess.com.au](https://cannabisaccess.com.au)



*Cannabis Access Clinics – first clinics are in Sydney and Melbourne*



# Martha Jane Medical

## Extraction

- Holds an Australian medical cannabis licence for research purposes
- Progressing applications for all other classes of Australian cannabis licences
- 5-year MoU with University of Tasmania, utilising expertise and processes honed during the commercialisation of the Tasmanian opium poppy industry, to develop proprietary extraction processes for cannabis
- Aiming to design and construct a world class growing, extract and manufacturing facility and export high value cannabis-based products and medicines globally (subject to future funding rounds and licensing)
- **Web site:** [marthajanemedical.com](http://marthajanemedical.com)



*Pilot scale supercritical CO<sub>2</sub> extraction plant at the University of Tasmania is to be used by Martha Jane Medical to develop a proof of concept for a commercial scale cannabis extraction plant*

# PhytoTech Therapeutics (divested by MMJ to Harvest One)

Ownership by Harvest One is expected to generate synergies with Satipharm

- Phase 2 clinical trials on the efficacy of Satipharm CBD capsules
- Rights to exploit intellectual property (IP)
  - Worldwide (excluding Canada) rights to develop a pharmaceutical-grade product based on Gelpell®
  - Exclusive worldwide rights to exploit the Pro-Nano Lipospheres formulation, know-how and related patents (owned by Yissum Research Development Company of the Hebrew University of Jerusalem Ltd (Yissum))
- MMJ recently divested PhytoTech Therapeutics to Harvest One for CAD\$8m
  - Subject to MMJ shareholder approval at a meeting to be held on **28 September 2018**
  - Enables integration of operations with Satipharm, Harvest One's medical cannabis arm, which is expected to generate synergies and growth opportunities
  - Frees up MMJ's time and resources to focus on investment management