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ASX RELEASE

7 November 2019

Net Tangible Asset Backing 31 October 2019

MMJ Group Holdings Limited (ASX:MMJ) ("MMJ"), an Australian-listed company that specialises in managing a portfolio of investments along the cannabis value-chain, attaches an announcement in relation to ASX Listing Rule 4.12.

Investor and Media Enquiries

Announcement authorised for release to ASX by:
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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.



7 November 2019

Net tangible asset backing – 31 October 2019

MMJ Group Holdings Limited (ASX: MMJ) ("MMJ") is required to announce its net tangible assets ("NTA") per share pursuant to Listing Rule 4.12. Accordingly, MMJ announces that its NTA per share as at 31 October 2019 was 30.52 cents (pre-tax) and 28.53 cents (post-tax)¹.

MMJ's investment portfolio as at 31 October 2019 is detailed in Appendix One.

¹ Net Tangible Asset Value per share – net tangible assets per share before and after tax on unrealised gains on investment portfolio

Appendix One

1. The year to date performance of MMJ's NTA is detailed below²:

Table One

MMJ Historical Performance - financial year to date							
		30-Jun-18	30-Jun-19	31-Jul-19	31-Aug-19	30-Sep-19	31-Oct-19
Share price \$	AUD	0.335	0.245	0.285	0.235	0.245	0.195
NTA Post Tax \$	AUD	0.2860	0.3718	0.3321	0.3265	0.2901	0.2853
NTA Pre Tax \$	AUD	0.2900	0.3874	0.3445	0.3378	0.3006	0.3052
Net Return - pre tax NTA - year to date		n/a	33.6%	(11.1)%	(12.8)%	(22.4)%	(21.2)%
Premium/(discount) of share price to pre tax NTA		15.5%	(36.8)%	(17.3)%	(30.4)%	(18.5)%	(36.1)%

Table Two

MMJ's investment performance since inception detailed in the following table^{3, 4}:

MMJ Historical Performance - period ended 31 October 2019					
	1 month	3 months	Financial year to date	12 months	Since inception
Pre tax return	2%	(11)%	(21)%	14%	4%
Benchmark	(7)%	(31)%	(39)%	(38)%	(27)%
Out/(under) performance	9%	20%	18%	51%	31%

2. MMJ's investment portfolio (as at 31 October 2019) is detailed in Table Three:

Table Three

Investment	CSE/TSXV/T SX Code	Investment date	Country	Company type	Investment structure	Business	Book Value (unaudited) 31-Oct-19 AUDm	Weight	
Harvest One	HVT	Apr-17	Canada	Public	Shares	Health and wellness products	18.0	25%	28%
WeedMD Inc.	WMD.WM and WMD.	Sep-19	Canada	Public	Notes and warrants	Cultivation	6.4	9%	10%
MediPharm Labs	LABS	Jun-18	Canada	Public	Warrants	Extraction	3.6	5%	6%
BevCanna	BEV	Jun-18	Canada	Private	Shares	Beverages	0.4	1%	1%
Fire & Flower	FAF	Apr-18	Canada	Public	Shares + warrants	Retail stores	1.0	1%	2%
Listed investments							29.4	41%	46%
Weed Me		Dec-17	Canada	Private	Shares and warrants	Cultivation	7.7	11%	12%
Embark Health		Jul-18	Canada	Private	Shares and Warrants	Extraction	15.5	22%	24%
Volero		May-19	Canada	Private	Shares and warrants	Vapes	2.7	4%	4%
Sequoya		Jul-19	Canada	Private	Convertible note (including warrants) and shares	Extraction	3.3	5%	5%
VitaGenne		Nov-18	USA	Private	Shares	Hemp CBD	1.4	2%	2%
Bien		Jun-18	Canada	Private	Shares + warrants	Research and development	0.8	1%	1%
Cannabis Access		Apr-18	Australia	Private	Shares	Clinics	1.1	1%	2%
Hemple		Mar-19	Australia	Private	Shares	Hemp CBD	1.3	2%	2%
Martha Jane Medical		May-18	Australia	Private	Shares	Extraction	0.6	1%	1%
Unlisted investments							34.3	48%	54%
Total portfolio excluding cash							63.7	89%	100%
Cash							8.2	11%	
Total							71.9	100%	

3. MMJ holds the following shares and warrants in listed investees:

Table Four

Investment	No. of shares	Number of notes	No. of warrants	Exercise price of warrants	Warrants expiry
Harvest One	55,557,994	-	-	n/a	
MediPharm Labs	-	-	941,176	1.20	4 Oct 2020
BevCanna	859,500	-	-	n/a	
Fire & Flower	890,000	-	1,250,000	1.05	20 Feb 2020
WeedMD	-	60,000	3,750,000	1.80	25 Sep 2022

² The results for 30 June 2018 and 30 June 2019 are for the year ended on those dates

³ MMJ uses the Alternative Harvest ETF (ticker symbol MJ) as its investment benchmark for the MMJ portfolio as it is a highly liquid portfolio trading in the North American market (where most of MMJ's holdings are based). MJ is listed on the New York Stock Exchange

⁴ Inception is 30 June 2018 being the date when MMJ commenced accounting for investments as an investment entity

4. Valuation of Assets

MMJ values its cannabis investments by applying the following principles:

- a) Listed securities – the book value is based on the closing share prices for public companies at period end, converted into Australian dollars at the relevant prevailing foreign exchange rates.
- b) Unlisted securities - the book value is based on the most recent material funding round share prices for private companies converted into Australian dollars at the relevant prevailing foreign exchange rates.

The 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 Net Asset Value or NAV is calculated after deducting a provision for company tax on any net unrealised gains that may arise on such a theoretical disposal.

MMJ does not hedge the carrying value of existing investments denominated in non-AUD currencies.

MMJ's financial statements are subject to statutory audit or review by our independent auditor BDO Audit (WA) Pty Ltd, at 31 December and 30 June each year.

Note:

1. *All information within this release is unaudited unless stated otherwise.*
2. *The book value includes shares, convertible notes, options and unlisted warrants.*
3. *The book value (presented in the Table Three) is based on the closing share prices for public companies at the relevant date. The book value (presented in the Table Three) 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).*