

MMJ Group Holdings Ltd

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MMJ Group portfolio holdings "in much better position" than they were one quarter ago

MMJ Group Holdings Ltd (ASX:MMJ) portfolio holdings are in a much better position than they were one quarter ago with more cash on hand and solid plans for achieving shareholder liquidity, according to MMJ's investment portfolio report as at March 31, 2021.

The company has provided a detailed update on its various investments:

Embark Health

Embark has engaged an investment bank to pursue a direct listing of its shares.

The company has built out a solid sales order book and has shipped significant product in February and March.

Embark is encouraged by the uptake from various provincial cannabis retail commissions and is expecting to see continued growth.

On the product side, MMJ has seen positive feedback for Embark's Hank line of concentrates and hash pre-rolls.

Embark sells a premium product with a premium price. If the market accepts these prices and product continues to move off the shelves in a timely fashion without resorting to significant discounting, then Embark will have established a new price point for the market.

This would be greatly beneficial to Embark's larger ambitions.

Harvest One

Harvest One has successfully closed its recent equity financing and now has cash to deploy into new sales and marketing efforts.

With this financing, the company has concluded its strategic review and is now positioned with an improved cost structure, strong core product focus, and streamlined management.

Harvest One has also indicated that they are pursuing the US market for LivRelief and Dream Water (both the products will be non-infused OTC).

Given the enthusiasm for the US market, this is an intelligent way to get exposure to a larger market without touching the plant.

Weed Me

Weed Me's entry into vapes has gone exceptionally well, and the company has launched or is launching products in BC, AB, NB, and MB.

Price: 0.105

Market Cap: \$24.15 m

1 Year Share Price Graph



Share Information

Code: MMJ

Listing: ASX

| | | |
|----------------|-------------|------------|
| 52 week | High | Low |
| | 0.21 | 0.089 |

Sector: Cannabis

Website: www.mmjgh.com.au

Company Synopsis:

MMJ Group Holdings Ltd (ASX:MMJ) is a global cannabis investment company with a focus on adding to its portfolio of investments across Australia, Canada and Europe. The company's core business is holding minority investments across the full range of emerging cannabis-related sectors including healthcare, technology, infrastructure, processing, cultivation, and retail.

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The company's significant month-over-month sales growth trajectory appears to have continued into the first three months of 2021.

This occurred despite some provincial cannabis commissions having slowed purchases overall until inventory draws down.

As it stands, Weed Me has hit monthly limits for production - however this limit will be removed at the end of April as new plant space becomes operational.

The expansion should provide a new ceiling for the company's sales and marketing efforts.

Overall outlook

While cannabis stocks have pulled back from their recent highs amid concerns about US federal legalisation taking longer than expected, actual financial results from companies on the ground are up nicely year over year.

MMJ also continues to see an industry that is still in its growth phase but maturing in terms of management competence and capital structures employed.

Some of MMJ's publicly listed portfolio companies used the recent bounce to secure capital and de-risk their balance sheets and many of MMJ's private holdings are preparing to go public.

The recently announced acquisition of Supreme by Canopy Growth is also an indication that larger players are consolidating weaker players using their stronger balance sheets.

Overall, MMJ's portfolio holdings are in a much better position than they were one quarter ago with more cash on hand and solid plans for achieving shareholder liquidity.

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