

MMJ Group Holdings Ltd

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MMJ Group books 33% investment return for FY2019

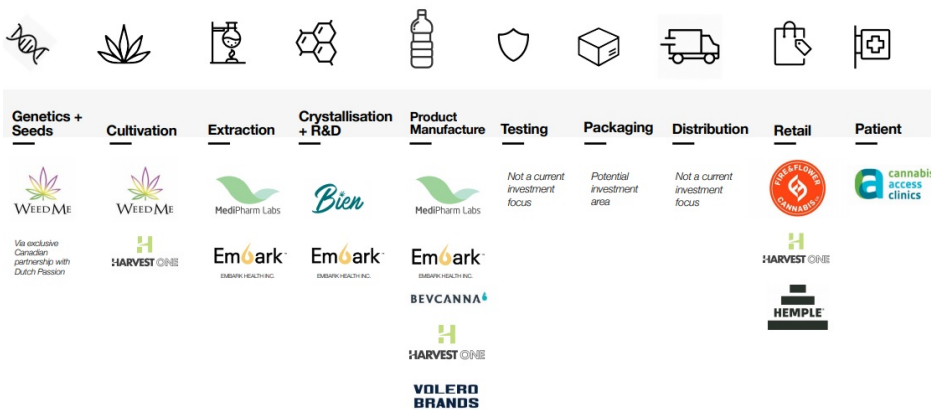
MMJ Group Holdings Ltd's (ASX:MMJ) portfolio of investments ended the financial year with a total value of \$95.5 million, representing a 33% investment return for the year.

The portfolio had three listed investments valued at \$49.5 million, nine unlisted investments valued at \$19.4 million, and \$26.6 million in cash and other investment receivables.

WATCH: MMJ Group focuses on strategic vision to be leading cannabis investment company

The \$99.5 million portfolio equates to a net tangible asset value per share before tax of 38.74 cents.

MMJ's investments sit across most of the cannabis and hemp value chain with a focus on potential market leaders, consolidators, and takeover targets.

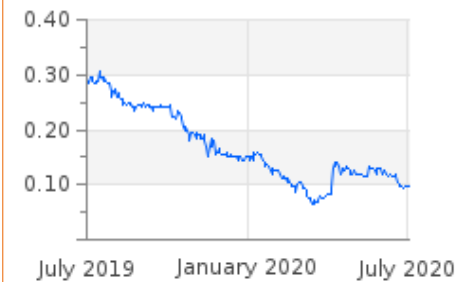


READ: MMJ Group reveals NTA nearly double that of market cap

Price: 0.098

Market Cap: \$22.54 m

1 Year Share Price Graph



Share Information

Code: MMJ

Listing: ASX

52 week High Low
0.31 0.062

Sector: Cannabis

Website: www.mmjgh.com.au

Company Synopsis:

MMJ Group Holdings Ltd (ASX:MMJ), formerly known as MMJ Phytotech Ltd, owns a portfolio of minority investments and aims to invest across the full range of emerging cannabis-related sectors. The company is listed on the Australian Securities Exchange.

action@proactiveinvestors.com.au

Investment	CSE/TSX Code	Investment date	Country	Company type	Investment structure	Business	Book Value (unaudited) 30-Jun-19 AUDm
Harvest One	HVT	Apr-17	Canada	Public	Shares	Health and wellness products	44.1
MediPharm Labs	LABS	Jun-18	Canada	Public	Warrants	Extraction	4.1
Fire & Flower	FAF	Apr-18	Canada	Public	Shares + warrants	Retail stores	1.3
Listed investments							49.5
Weed Me		Dec-17	Canada	Private	Shares and warrants	Cultivation	6.5
Embark Health		Jul-18	Canada	Private	Shares and Warrants	Extraction	3.7
BevCanna		Jun-18	Canada	Private	Shares	Beverages	1.4
Volero		May-19	Canada	Private	Shares and warrants	Vapes	2.7
VitaGenne		Nov-18	USA	Private	Shares	Hemp CBD	1.4
Bien		Jun-18	Canada	Private	Shares + warrants	Research and development	1.1
Cannabis Access		Apr-18	Australia	Private	Shares	Research and development Clinics	1.0
Hemple		Mar-19	Australia	Private	Shares	Hemp CBD	1.0
Martha Jane Medical		May-18	Australia	Private	Shares	Extraction	0.6
Unlisted investments							19.4
Total portfolio excluding cash							68.9
Cash and other investment receivables							26.6
Total							95.5

BevCanna becomes public company in July 2019

As per the table above, MMJ's publicly listed portfolio holdings at June 30, 2019 were Harvest One Inc (CVE:HVT), Medipharm Labs Inc (CVE:LABS) and Fire & Flower Holdings (CVE:FAF).

Notably, one of the unlisted investments, BevCanna went public on the Canadian Stock Exchange on 2 July under the ticker BEV.

A number of the portfolio's remaining private companies are in the market seeking additional funding to continue accelerating their businesses.

READ: MMJ Group reveals share buyback plan and appoints Embark Ventures as investment manager

In early June 2019, MMJ revealed a share buy-back and updated the market on its dividend policy.

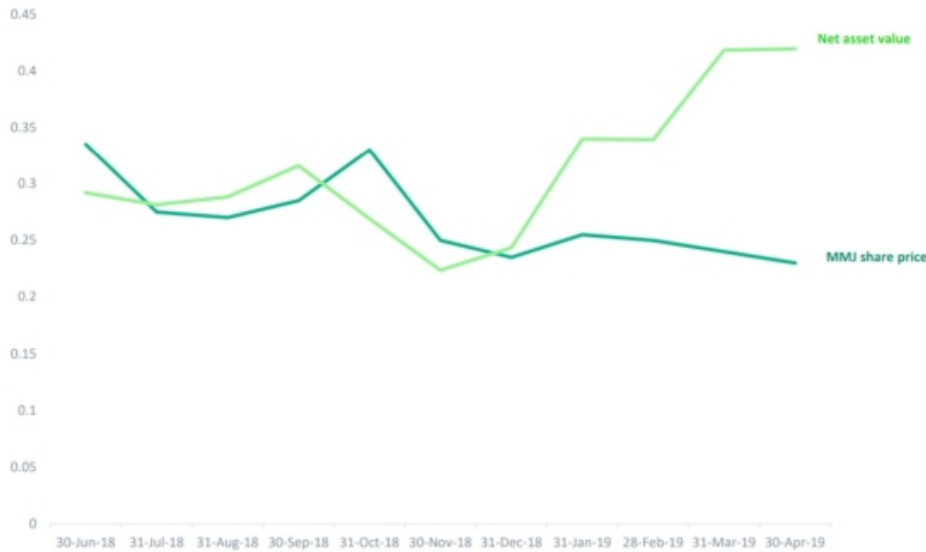
The company plans to buy-back up to 10 million shares on-market over the next 12 months as part of its active approach to capital management.

Given the discount the shares are trading to NTA, the board have determined that an on-market buyback of MMJ shares is a meaningful value accretive use of its funds.

Regarding the dividend policy, MMJ intends to distribute 20% of its annual profit after tax excluding unrealised gains and losses on investments from FY20 onwards.

The dividend would be payable within three months of each half year after the completion of the half year and annual financial statements.

It is MMJ's intention that the dividend would benefit from available franking credits held by the company.



Goal is to trade at a premium to NAV

MMJ will hold a general meeting on this week on July 19 seeking approval for the appointment of Embark Ventures as the manager of its investments.

The 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.

A major goal that aims to be achieved in this transition is for the MMJ share price to trade at a premium to its net asset value represented by its NTA.

Embark Ventures believes it can achieve this goal through deal sourcing, leveraging off its related companies and sector experience, and by returning profits to shareholders.

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Contact us +61 (0)2 9280 0700 action@proactiveinvestors.com.au

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