

MMJ Group Holdings Ltd

13:59 20 Sep 2019

MMJ Group Holdings investment BevCanna enters supply agreement to produce high-purity cannabinoid-rich distillate

MMJ Group Holdings Ltd (ASX:MMJ) investment company BevCanna Enterprises Inc has entered into an exclusive supply agreement with Nextleaf Solutions Ltd (CSE:OILS) for the production of high-purity cannabinoid-rich distillate.

Nextleaf is the owner of five issued and 24 pending patents pertaining to the distillate, which is a key ingredient used in the manufacturing of standardised THC and CBD-infused products.

Exclusive licence has been granted to BevCanna by Nextleaf, for the use of its intellectual property (IP) related to water-soluble cannabinoids for the development, manufacturing and sale of BevCanna products.

This includes BevCanna's portfolio of house brands and white-label products developed by BevCanna for third parties.

"Proven reputation"

BevCanna chief commercialisation officer Emma Andrews said the company was very pleased to leverage Nextleaf's technology within its formulations, as it had a proven reputation for unique and differentiated intellectual property.

She added: "Its patented extraction process will allow our beverages to be made with odourless, tasteless cannabinoids, resulting in a superior taste and consumption experience - [it] is a natural complement to our premium spring water baste.

"Taste and reliability will be essential to growing this category."

Product development activities to expand

Performance milestones include commercialisation within 12 months of infused products and edibles being legalised in Canada, which is anticipated in October 2019.

The initial term of the agreement extends for three years after legalisation and extends for a subsequent five-year renewal period, unless terminated earlier.

Under BevCanna's recently issued research licence, product development activities will take a big step forward to include stability validation, sensory evaluation, and equipment testing, in preparation for scale-up toward full commercialisation.

Experience in creating iconic brands

Nextleaf chief executive officer Paul Pedersen said: "The BevCanna team brings a tremendous amount of experience in creating iconic beverage brands and consumer packaged goods, including Mike's Hard Lemonade, Vega, and Trace Beverages.

Price: 0.155

Market Cap: \$35.67 m

1 Year Share Price Graph



Share Information

Code: MMJ

Listing: ASX

52 week	High	Low
	0.31	0.15

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

"BevCanna's existing infrastructure, including a world-class bottling plant and spring water aquifer in British Columbia, is a great example of the calibre of partners we want to commercialise our IP through."

BevCanna recently shared two of its intended brands for commercialisation in Canada, including Anarchist Mountain Beverages, a line of THC-infused sparking spring water beverages with botanical flavour profiles inspired by the Pacific Northwest, and Gräv, a line of easy-drinking iced tea beverages with a balanced blend of THC and CBD.

Existing infrastructure

Based in British Columbia, Canada, BevCanna has a 100-acre outdoor cultivation site in the fertile Okanagan Valley as well as exclusive rights to a pristine spring water aquifer and a world-class, 40,000 square foot, HACCP-certified manufacturing facility with current bottling capacity of up to 72 million bottles per shift per year.

Nextleaf is the first publicly traded company to be issued a US patent for the industrial-scale extraction and purification of cannabinoids.

Once cannabis concentrates become legal across Canada on October 17 this year, the company plans to commercialise its intellectual property portfolio through IP licensing and business-to-business processing services.

Proactive Investors facilitate the largest global investor network across 4 continents in 4 languages. With a team of analysts, journalists & professional investors Proactive produce independent coverage on 1000's of companies across every sector for private investors, private client brokers, fund managers and international investor communities.

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

No investment advice

The Company is a publisher. You understand and agree that no content published on the Site constitutes a recommendation that any particular security, portfolio of securities, transaction, or investment strategy is suitable or advisable for any specific person. You understand that the Content on the Site is provided for information purposes only, and none of the information contained on the Site constitutes an offer, solicitation or recommendation to buy or sell a security. You understand that the Company receives either monetary or securities compensation for our services. We stand to benefit from any volume which any Content on the Site may generate.

You further understand that none of the information providers or their affiliates will advise you personally concerning the nature, potential, advisability, value, suitability or profitability of any particular security, portfolio of securities, transaction, investment, investment strategy, or other matter.

You understand that the Site may contain opinions from time to time with regard to securities mentioned in other products, including Company-related products, and that those opinions may be different from those obtained by using another product related to the Company. You understand and agree that contributors may write about securities in which they or their firms have a position, and that they may trade such securities for their own account. In cases where the position is held at the time of publication and such position is known to the Company, appropriate disclosure is made. However, you understand and agree that at the time of any transaction that you make, one or more contributors may have a position in the securities written about. You understand that price and other data is supplied by sources believed to be reliable, that the calculations herein are made using such data, and that neither such data nor such calculations are guaranteed by these sources, the Company, the information providers or any other person or entity, and may not be complete or accurate.

From time to time, reference may be made in our marketing materials to prior articles and opinions we have published. These references may be selective, may reference only a portion of an article or recommendation, and are likely not to be current. As markets change continuously, previously published information and data may not be current and should not be relied upon.

The Site does not, and is not intended to, provide investment, tax, accounting, legal or insurance advice, and is not and should not be construed as providing any of the foregoing. You should consult an attorney or other relevant professional regarding your specific legal, tax, investment or other needs as tailored to your specific situation.

In exchange for publishing services rendered by the Company on behalf of MMJ Group Holdings Ltd named herein, including the promotion by the Company of MMJ Group Holdings Ltd in any Content on the Site, the Company receives from said issuer annual aggregate cash compensation in the amount up to Twenty Five Thousand dollars (\$25,000).