MEDMEN ENTERPRISES INC.

UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE 13 WEEKS ENDED SEPTEMBER 28, 2019

AND

THREE MONTHS ENDED SEPTEMBER 30, 2018

(Expressed in United States Dollars Unless Otherwise Stated)

MEDMEN ENTERPRISES INC.
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MEDMEN ENTERPRISES INC.
Unaudited Interim Condensed Consolidated Statements of Financial Position
September 28, 2019 and June 29, 2019
(Amounts Expressed in United States Dollars Unless Otherwise Stated)

		September 28, 2019	June 29, 2019
ASSETS			
Current Assets:			
Cash and Cash Equivalents		$ 42,236,178	$ 33,753,751
Restricted Cash		12,141	55,618
Accounts Receivable		3,151,631	1,487,430
Current Portion of Prepaid Rent - Related Party	*Note 20(d)*	-	1,580,205
Prepaid Expenses	*Note 3*	8,472,119	14,147,213
Derivative Assets	*Note 15*	2,448,562	5,213,126
Income Taxes Receivable		2,994,072	3,459,019
Biological Assets	*Note 4*	2,754,899	3,076,158
Inventory	*Note 5*	40,456,695	29,176,192
Assets Held for Sale	*Note 6*	8,453,664	-
Other Current Assets	*Note 6*	22,947,187	18,913,039
Due from Related Party	*Note 20(b)*	5,403,130	4,921,455
Total Current Assets		139,330,278	115,783,206
Non-Current Assets:			
Prepaid Rent - Related Party, Net of Current Portion	*Note 20(d)*	-	4,327,077
Property and Equipment, Net	*Note 7*	399,493,631	220,989,461
Intangible Assets, Net	*Note 9*	179,209,136	175,552,837
Goodwill		91,933,531	85,560,531
Other Assets	*Note 10*	39,439,999	32,417,123
Total Non-Current Assets		710,076,297	518,847,029
TOTAL ASSETS		**$ 849,406,575**	**$ 634,630,235**
LIABILITIES AND SHAREHOLDERS' EQUITY			
LIABILITIES:			
Current Liabilities:			
Accounts Payable and Accrued Liabilities		$ 53,849,166	$ 49,794,041
Income Taxes Payable		24,453,535	16,873,177
Other Current Liabilities	*Note 11*	11,758,575	10,550,240
Derivative Liabilities	*Note 12*	4,215,065	9,343,485
Current Portion of Lease Liabilities	*Note 13*	17,570,252	2,502,813
Current Portion of Notes Payable	*Note 14*	13,146,816	20,229,641
Due to Related Party	*Note 20(b)*	4,922,968	5,640,817
Total Current Liabilities		129,916,377	114,934,214
Non-Current Liabilities:			
Lease Liabilities, Net of Current Portion	*Note 13*	276,134,636	95,726,766
Other Non-Current Liabilities	*Note 11*	49,835,098	30,877,794
Deferred Tax Liabilities		24,500,321	24,578,609
Senior Secured Convertible Credit Facility	*Note 15*	115,767,928	90,270,837
Notes Payable, Net of Current Portion	*Note 14*	74,851,057	77,392,749
Total Non-Current Liabilities		541,089,040	318,846,755
TOTAL LIABILITIES		**671,005,417**	**433,780,969**
SHAREHOLDERS' EQUITY:			
Share Capital		629,761,969	556,651,469
Contributed Surplus		69,776,751	63,026,656
Accumulated Deficit		(435,078,733)	(383,622,726)
Total Equity Attributable to Shareholders of MedMen Enterprises Inc.		264,459,987	236,055,399
Non-Controlling Interest	*Note 16(d)*	(86,058,829)	(35,206,133)
TOTAL SHAREHOLDERS' EQUITY		**178,401,158**	**200,849,266**
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		**$ 849,406,575**	**$ 634,630,235**

Nature of Operations *(Note 1)*
Commitments and Contingencies *(Note 19)*
Subsequent Events *(Note 22)*

The accompanying notes are an integral part of these unaudited interim condensed consolidated financial statements.

MEDMEN ENTERPRISES INC.
Unaudited Interim Condensed Consolidated Statements of Operations and Comprehensive Loss
13 Weeks Ended September 28, 2019 and Three Months Ended September 30, 2018
(Amounts Expressed in United States Dollars Unless Otherwise Stated)

		2019	2018
Revenue		$ 43,974,745	$ 21,460,195
Cost of Goods Sold		22,150,013	9,809,333
Gross Profit Before Fair Value Adjustments		21,824,732	11,650,862
Realized Fair Value of Inventory Sold		(10,997,772)	-
Unrealized Gain (Loss) on Changes in Fair Value of Biological Assets	*Note 4*	6,386,921	(1,947,936)
Gross Profit		17,213,881	9,702,926
Expenses:			
General and Administrative		49,066,463	65,739,450
Sales and Marketing		5,783,728	4,800,233
Depreciation and Amortization	*Notes 7 and 9*	11,280,064	2,450,320
Total Expenses		66,130,255	72,990,003
Loss from Operations		(48,916,374)	(63,287,077)
Other Expense (Income):			
Interest Expense		11,618,049	2,410,032
Interest Income		(369,342)	-
Amortization of Debt Discount and Loan Origination Fees		2,931,805	58,758
Change in Fair Value of Derivatives	*Notes 12 and 15*	(132,895)	(773,929)
Unrealized Gain on Changes in Fair Value of Investments	*Note 6*	(11,480,321)	-
Unrealized Loss on Changes in Fair Value of Contingent Consideration	*Note 11(b)*	2,743,443	-
Other Expense	*Notes 14 and 15*	20,438,042	105,627
Total Other Expense		25,748,781	1,800,488
Loss Before Provision for Income Taxes		(74,665,155)	(65,087,565)
Provision for Income Taxes		7,970,304	1,408,658
Net Loss and Comprehensive Loss		(82,635,459)	(66,496,223)
Net Loss and Comprehensive Loss Attributable to Non-Controlling Interest	*Note 16(d)*	(51,159,144)	(54,018,293)
Net Loss and Comprehensive Loss Attributable to Shareholders of MedMen Enterprises Inc.		**$ (31,476,315)**	**$ (12,477,930)**
Loss Per Share - Basic and Diluted:			
Attributable to Shareholders of MedMen Enterprises Inc.		**$ (0.16)**	**$ (0.27)**
Weighted-Average Shares Outstanding - Basic and Diluted		**191,711,038**	**46,948,133**

The accompanying notes are an integral part of these unaudited interim condensed consolidated financial statements.

MEDMEN ENTERPRISES INC.
Unaudited Interim Condensed Consolidated Statements of Changes in Shareholders’ Equity
13 Weeks Ended September 28, 2019 and Three Months Ended September 30, 2018 (As Restated – See Note 18)
(Amounts Expressed in United States Dollars Unless Otherwise Stated)

		Number of Shares / Units		$ Amount				TOTAL EQUITY		
		Share Capital	*Super Voting Shares*	Share Capital	Super Voting Shares	Contributed Surplus	Accumulated Deficit	ATTRIBUTABLE TO SHAREHOLDERS OF MEDMEN	Non-Controlling Interest	TOTAL SHAREHOLDERS’ EQUITY
BALANCE AS OF JUNE 30, 2018 (As Restated - See Note 18)		***45,215,976***	***1,630,590***	**$ 129,145,994**	**$ -**	**$ 47,091,271**	**$ (67,616,023)**	**$ 108,621,242**	**$ 87,029,016**	**$ 195,650,258**
Net Loss and Comprehensive Loss		-	-	-	-	-	(12,477,930)	(12,477,930)	(54,018,293)	(66,496,223)
Non-Controlling Interest		-	-	-	-	-	-	-	200,000	200,000
Issuance of Subordinate Voting Shares for Cash Received, Net of Fees		*15,681,818*	-	61,579,231	-	-	-	61,579,231	-	61,579,231
Derivative Liability Incurred on Issuance of Equity		-	-	(7,458,304)	-	-	-	(7,458,304)	-	(7,458,304)
Issuance of MedMen Corp Redeemable Shares for Conversion of Convertible Debentures		-	-	3,802,381	-		-	3,802,381	-	3,802,381
Issuance of Subordinate Voting Shares for Redemption of MedMen Corp Redeemable Shares		*9,942,348*	-	13,588,780	-	-	-	13,588,780	(13,588,780)	-
Issuance of LLC Redeemable Units for Acquisition of Treadwell Simpson Partnership		-	-	-	-	-	-	-	39,141,780	39,141,780
Exercise of Warrants		-	-	6,116,506	-	-	-	6,116,506	-	6,116,506
Issuance of MedMen Corp Redeemable Shares for Licensing Rights		-	-	-	-	-	-	-	343,678	343,678
Share-Based Compensation		-	-	-	-	4,782,415	-	4,782,415	6,401,121	11,183,536
BALANCE AS OF SEPTEMBER 30, 2018		***70,840,142***	***1,630,590***	**$ 206,774,588**	**$ -**	**$ 51,873,686**	**$ (80,093,953)**	**$ 178,554,321**	**$ 65,508,522**	**$ 244,062,843**
BALANCE AS OF JUNE 29, 2019		***173,010,922***	***1,630,590***	**$ 556,651,469**	**$ -**	**$ 63,026,656**	**$ (383,622,726)**	**$ 236,055,399**	**$ (35,206,133)**	**$ 200,849,266**
Net Loss and Comprehensive Loss		-	-	-	-	-	(31,476,315)	(31,476,315)	(51,159,144)	(82,635,459)
Controlling Interest Equity Transactions:										
At-the-Market Equity Financing Program, Net	*Note 16(c)*	*4,940,800*	-	8,894,012	-	-	-	8,894,012	-	8,894,012
Shares Issued for Cash		*14,634,147*	-	30,000,000	-	-	-	30,000,000	-	30,000,000
Shares Issued to Settle Debt	*Note 14*	*1,231,280*	-	2,441,912	-	-	-	2,441,912	-	2,441,912
Relative Fair Value of Convertible Debt - Debt Modification	*Note 15*	-	-	-	-	3,382,197	-	3,382,197	-	3,382,197
Redemption of MedMen Corp Redeemable Shares	*Note 16(d)*	*8,382,618*	-	20,196,142	-	-	(19,979,692)	216,450	(216,450)	-
Shares Issued for Other Assets		*225,494*	-	448,882	-	-	-	448,882	-	448,882
Shares Issued for Acquisition Costs	*Note 8*	*214,716*	-	421,497	-	-	-	421,497	-	421,497
Shares Issued for Business Acquisition	*Note 8*	*5,112,263*	-	9,833,000	-	-	-	9,833,000	-	9,833,000
Stock Grants for Compensation	*Note 17*	*364,948*	-	875,055	-	-	-	875,055	-	875,055
Share-Based Compensation	*Note 17*	-	-	-	-	3,367,898	-	3,367,898	-	3,367,898
Non-Controlling Interest Equity Transactions:										
Distributions		-	-	-	-	-	-	-	(310,633)	(310,633)
Share-Based Compensation	*Note 17*	-	-	-	-	-	-	-	833,531	833,531
BALANCE AS OF SEPTEMBER 28, 2019		***208,117,188***	***1,630,590***	**$ 629,761,969**	**$ -**	**$ 69,776,751**	**$ (435,078,733)**	**$ 264,459,987**	**$ (86,058,829)**	**$ 178,401,158**

The accompanying notes are an integral part of these consolidated financial statements.

MEDMEN ENTERPRISES INC.
Unaudited Interim Condensed Consolidated Statements of Cash Flows
13 Weeks Ended September 28, 2019 and Three Months Ended September 30, 2018
(Amounts Expressed in United States Dollars Unless Otherwise Stated)

		2019	2018
CASH FLOW FROM OPERATING ACTIVITIES:			
Net Loss and Comprehensive Loss		$ (82,635,459)	$ (66,496,223)
Adjustments to Reconcile Net Loss and Comprehensive Loss			
to Net Cash Used in Operating Activities:			
Unrealized Gain on Changes in Fair Value of Biological Assets	*Note 4*	(6,386,921)	-
Deferred Tax (Recovery) Expense		(78,288)	
Interest Expense		11,618,049	-
Realized Fair Value of Inventory Sold		10,997,772	-
Depreciation and Amortization	*Notes 7 and 9*	15,009,625	2,661,950
Accretion of Debt Discount and Loan Origination Fees	*Notes 14 and 15*	2,931,805	58,758
Change in Fair Value of Contingent Consideration	*Note 11(b)*	2,743,443	-
Accretion of Deferred Gain on Sale of Property	*Note 13*	(252,084)	-
Unrealized Gain on Changes in Fair Value of Investments	*Note 6*	(11,480,321)	-
Loss on Extinguishment of Debt	*Notes 14 and 15*	20,852,426	-
Share-Based Compensation	*Note 17*	5,076,484	11,183,536
Shares Issued for Acquisition Costs	*Note 8*	421,497	-
Change in Fair Value of Derivatives	*Notes 12 and 15*	(132,895)	(773,929)
Changes in Operating Assets and Liabilities:			
Accounts Receivable		(1,664,201)	5,746
Prepaid Rent - Related Party		-	473,750
Prepaid Expenses		5,675,094	(9,885,821)
Income Taxes Receivable		464,947	-
Biological Assets		(4,289,592)	1,947,936
Inventory		(10,875,503)	(4,905,117)
Other Current Assets		(558,609)	-
Due from Related Party		(481,675)	(877,618)
Other Assets		(7,022,876)	3,342,671
Accounts Payable and Accrued Liabilities		2,199,410	16,624,543
Income Taxes Payable		7,580,358	-
Other Current Liabilities		(2,950,720)	436,778
Due to Related Party		(717,849)	(4,060,138)
NET CASH USED IN OPERATING ACTIVITIES		**(43,956,083)**	**(50,263,178)**
CASH FLOWS FROM INVESTING ACTIVITIES:			
Purchases of Property and Equipment	*Note 7*	(10,237,002)	(21,654,267)
Internally Developed Software Cost Capitalized	*Note 9*	(1,580,400)	-
Purchase of Investments	*Note 6*	-	(6,500,000)
Proceeds from Sale of Property	*Note 13*	20,400,000	-
Distributions		(310,633)	-
Acquisition of Businesses, Net of Cash Acquired	*Note 8*	(1,000,000)	(6,625,000)
Additions to Restricted Cash		43,477	4,752,612
NET CASH USED IN INVESTING ACTIVITIES		**7,315,442**	**(30,026,655)**
CASH FLOWS FROM FINANCING ACTIVITIES:			
Exercise of Warrants for MedMen Corp Redeemable Shares		-	6,116,506
Issuance of Subordinate Voting Shares for Cash		38,894,012	61,579,231
Proceeds from Issuance of Senior Secured Convertible Credit Facility	*Note 15*	25,000,000	-
Proceeds from Issuance of Notes Payable	*Note 14*	-	2,473,339
Principal Repayments of Notes Payable	*Note 14*	(10,193,715)	(5,740,630)
Lease Liability Payments	*Note 13*	(5,863,079)	-
Interest Paid on Notes Payable and Senior Secured Convertible Credit Facility		(2,204,356)	-
Debt Issuance Costs	*Note 15*	(509,794)	-
Contributions - Non-Controlling Interest	*Note 16(d)*	-	200,000
NET CASH PROVIDED BY FINANCING ACTIVITIES		**45,123,068**	**64,628,446**
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS		**8,482,427**	**(15,661,387)**
Cash and Cash Equivalents, Beginning of Period		33,753,751	79,159,970
CASH AND CASH EQUIVALENTS, END OF PERIOD		**$ 42,236,178**	**$ 63,498,583**

The accompanying notes are an integral part of these unaudited interim condensed consolidated financial statements.

1. NATURE OF OPERATIONS

MedMen Enterprises Inc. ("MedMen Enterprises" or the "Company"), formerly known as Ladera Ventures Corp., was incorporated under the Business Corporations Act (British Columbia) on May 21, 1987. The Company's Class B Subordinate Voting Shares are listed on the Canadian Securities Exchange under the symbol "MMEN", on the OTCQX under the symbol "MMNFF", on the Frankfurt Stock Exchange under the symbol "OJS.F", on the Stuttgart Stock Exchange under the symbol "OJS.SG", on the Munich Stock Exchange under the symbol "OJS.MU" and on the Berlin Stock Exchange under the symbol "OJS.BE". The head office and principal address of the Company is 10115 Jefferson Boulevard, Culver City, California 90232. The Company's registered and records office address is 885 West Georgia Street, Suite 2200, Vancouver, British Columbia Canada V6C 3E8. The Company operates through its wholly-owned subsidiaries, MM CAN USA, Inc., a California corporation ("MM CAN" or "MedMen Corp"), and MM Enterprises USA, LLC, a Delaware limited liability company ("MM Enterprises USA").

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of Preparation

The unaudited interim condensed consolidated financial statements of the Company have been prepared in accordance with International Accounting Standards ("IAS") 34, *"Interim Financial Reporting"* ("IAS 34"), using accounting policies consistent with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations of the IFRS Interpretations Committee ("IFRIC").

The unaudited interim condensed consolidated financial statements do not include all of the information required for full annual financial statements. The accounting policies and critical estimates applied by the Company in these unaudited interim condensed consolidated financial statements are the same as those applied in the Company's audited consolidated financial statements as of and for the 52 weeks ended June 29, 2019, except as described beginning in Note 2(e). Unless otherwise stated, these policies have been consistently applied to all periods presented. These unaudited interim condensed consolidated financial statements should be read in conjunction with the annual consolidated financial statements.

These unaudited interim condensed consolidated financial statements were authorized for issuance by the Board of Directors of the Company on November 26, 2019.

(b) Basis of Measurement

These unaudited interim condensed consolidated financial statements have been prepared on the going concern basis, under the historical cost convention, except for certain financial instruments and biological assets, which are measured at fair value.

(c) Functional Currency

The Company and its subsidiaries' functional currency, as determined by management, is the United States ("U.S.") dollar. These unaudited interim condensed consolidated financial statements are presented in U.S. dollars. All references to "C$" refer to Canadian dollars.

(Amounts Expressed in United States Dollars Unless Otherwise Stated)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

(d) Basis of Consolidation

These unaudited interim condensed consolidated financial statements as of and for the 13 weeks ended September 28, 2019 include the accounts of the Company, its wholly-owned subsidiaries and entities over which the Company has control as defined in IFRS 10. Subsidiaries over which the Company has control are fully consolidated from the date control commences until the date control ceases. Control exists when the Company is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. In assessing control, potential voting rights that are currently exercisable are taken into account. All intercompany balances and transactions are eliminated on consolidation.

The following are MM Enterprises USA's wholly-owned and majority-owned subsidiaries and entities over which the Company has control that are included in these unaudited interim condensed consolidated financial statements as of and for the 13 weeks ended September 28, 2019, 52 weeks ended June 29, 2019 and three months ended September 30, 2018:

Corporate Entities

Entity		Location	Purpose
MedMen Enterprises Inc.	*(7)*	Canada	Parent Company
MM CAN USA, Inc.	*(8)*	California	Manager of MM Enterprises USA, LLC
MM Enterprises USA, LLC	*(11)*	Delaware	Operating Entity

Management Entities

Subsidiaries		Location	Purpose
LCR Manager, LLC	*(19)*	Culver City, California	Management Company

(Amounts Expressed in United States Dollars Unless Otherwise Stated)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

(d) Basis of Consolidation *(Continued)*

Cultivation Entities

Subsidiaries		Location	Purpose
Project Mustang Development, LLC The MedMen of Nevada 2, LLC MMNV2 Holdings I, LLC MMNV2 Holdings II, LLC MMNV2 Holdings III, LLC MMNV2 Holdings IV, LLC MMNV2 Holdings V, LLC	*(13)* *(13)* *(13)* *(13)* *(13)* *(13)* *(13)*	Northern Nevada	Cultivation and Production Facility
Manlin DHS Development, LLC Desert Hot Springs Green Horizon, Inc.	*(13)* *(10)*	Desert Hot Springs, CA	Cultivation and Production Facility
Project Compassion Venture, LLC	*(11)*	Utica, NY	Cultivation and Production Facility
EBA Holdings, Inc.	*(17)*	Arizona	Cultivation and Production Facility
Kannaboost Technology, Inc. CSI Solutions, LLC	*(17)* *(16)*	Arizona	Cultivation and Production Facility
MME Florida, LLC	*(15)*	Eustis, Florida	Cultivation and Production Facility

Real Estate Entities

Subsidiaries		Location	Purpose
MMOF Venice Parking, LLC	*(9)*	Venice Beach - Lincoln Blvd.	Parking Lot
MME RE AK, LLC	*(9)*	Venice Beach - Abbot Kinney	Building
MMOF RE SD, LLC	*(9)*	San Diego - Kearny Mesa	Building
MMOF RE Vegas 2, LLC	*(13)*	Las Vegas - The Strip	Building
MMOF RE Fremont, LLC	*(13)*	Las Vegas - Downtown Arts District	Building
MME RE BH, LLC	*(9)*	Los Angeles - Beverly Hills	Building
NVGN RE Holdings, LLC	*(13)*	Nevada	Genetics R&D Facility/ Warehouse

(Amounts Expressed in United States Dollars Unless Otherwise Stated)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

(d) Basis of Consolidation *(Continued)*

Retail Entities

Subsidiaries		Location	Purpose
CYON Corporation, Inc.	*(8)*	Los Angeles - Beverly Hills	Dispensary
BH Fund II Group, LLC	*(9)*		
MMOF Downtown Collective, LLC	*(9)*	Los Angeles - Downtown	Dispensary
Advanced Patients' Collective	*(8)*		
DT Fund II Group, LLC	*(8)*		
Nature's Cure, Inc.	*(1) (2) (8)*	Los Angeles - LAX Airport	Dispensary
LAX Fund II Group, LLC	*(1) (2) (9)*		
Manlin LLC	*(1) (3) (9)*	Los Angeles - West Hollywood	Dispensary
Farmacy Collective	*(1) (4) (10)*		
The Source Santa Ana	*(1) (5) (8)*	Orange County - Santa Ana	Dispensary
SA Fund Group RT			
MMOF San Diego Retail, Inc.	*(9)*	San Diego - Kearny Mesa	Dispensary
San Diego Retail Group II, LLC	*(8)*		
Venice Caregiver Foundation, Inc.	*(1) (6) (8)*	Venice Beach - Abbot Kinney	Dispensary
MMOF Venice, LLC	*(9)*	Venice Beach - Lincoln Blvd.	Dispensary
The Compassion Network, LLC	*(8)*		
MMOF PD, LLC	*(9)*	Palm Desert	Dispensary
MMOF Palm Desert, Inc.	*(8)*		
MMOF SM, LLC	*(9)*	Santa Monica	Dispensary
MMOF Santa Monica, Inc.	*(8)*		
MMOF Fremont, LLC	*(13)*	Las Vegas - Downtown Arts District	Dispensary
MMOF Fremont Retail, Inc.	*(12)*		
MME SF Retail, Inc.	*(8)*	San Francisco	Dispensary
MMOF Vegas, LLC	*(13)*	Las Vegas - North Las Vegas	Dispensary
MMOF Vegas Retail, Inc.	*(12)*		
MMOF Vegas 2, LLC	*(13)*	Las Vegas - Cannacopia	Dispensary
MMOF Vegas Retail 2, Inc.	*(12)*		
MME VMS, LLC	*(9)*	San Jose	Dispensary
Viktoriya's Medical Supplies, LLC	*(9)*		
Project Compassion Venture, LLC	*(11)*		
Project Compassion Capital, LLC	*(11)*		
Project Compassion NY, LLC	*(11)*		
MedMen NY, Inc.	*(14)*	New York (Manhattan / Syracuse / Lake Success / Buffalo)	Dispensaries
MME IL Group LLC	*(18)*	Oak Park, Illinois	Dispensary
Future Transactions Holdings, LLC	*(18)*		
MME Seaside, LLC	*(9)*	Seaside, California	Dispensary
PHSL, LLC	*(9)*		
MME Sorrento Valley, LLC	*(9)*	San Diego – Sorrento Valley	Dispensary
Sure Felt, LLC	*(9)*		
Rochambeau, Inc.	*(8)*	Emeryville, California	Dispensary
Kannaboost Technology, Inc.	*(17)*	Scottsdale and Tempe, Arizona	Dispensaries
CSI Solutions, LLC	*(16)*		
MME AZ Group, LLC	*(16)*	Mesa, Arizona	Dispensary
EBA Holdings, Inc.	*(17)*		
MattnJeremy, Inc. d/b/a One Love beach Club	*(8)*	Long Beach, California	Dispensary

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

(d) Basis of Consolidation *(Continued)*

(1) *Subsidiary over which the Company has control. See "Note 2(e) – Basis of Consolidation" for further information. All intercompany balances and transactions are eliminated on consolidation.*

(2) *Nature's Cure, Inc. is owned by MedMen Opportunity Fund II, LP and under control of the Company through a management agreement.*

(3) *Manlin, LLC contains the operations of the MedMen West Hollywood dispensary ("WeHo"). The Company had a management agreement with i5 Holdings Ltd. ("i5") to manage WeHo, which was owned by i5, an entity controlled or owned by Captor Capital. On January 25, 2019, the Company acquired the non-controlling interest from i5.*

(4) *Farmacy Collective contains the operations of WeHo. The Company had a management agreement with i5 to manage WeHo, which was owned by i5, an entity controlled or owned by Captor Capital. On January 25, 2019, the Company acquired the non-controlling interest from i5.*

(5) *The Source Santa Ana contains the operations of the MedMen Santa Ana dispensary ("Santa Ana"). The Company had a management agreement with i5 to manage Santa Ana, which was owned by i5, an entity controlled or owned by Captor Capita. On January 25, 2019, the Company acquired the non-controlling interest from i5.*

(6) *Venice Caregivers Foundation, Inc. is owned by MedMen Opportunity Fund II, LP and under control of the Company through a management agreement.*

(7) *British Columbia, Canada Corporation*

(8) *California Corporation*

(9) *California Limited Liability Company*

(10) *California Non-Profit Corporation*

(11) *Delaware Limited Liability Company*

(12) *Nevada Corporation*

(13) *Nevada Limited Liability Company*

(14) *New York Corporation*

(15) *Florida Limited Liability Company*

(16) *Arizona Limited Liability Company*

(17) *Arizona Corporation*

(18) *Illinois Liability Company*

(18) *Illinois Liability Company*

(19) *Delaware Limited Liability Company, 70% owned*

(e) Assets Held for Sale

The Company classifies assets held for sale in accordance with IFRS 5, *"Non-Current Assets Held for Sale and Discontinued Operations"*. When a company makes the decision to sell an asset or to stop some part of its business, the Company assesses if such assets should be classified as an asset held for sale. To classify as an asset held for sale, the asset or disposal group must be available for immediate sale in its present condition and sale must be highly probable within one year from the date of classification. Assets held for sale are measured at the lower of its carrying amount or fair value less cost to sell unless the asset held for sale meets the exceptions as denoted by IFRS 5. As of September 28, 2019, the Company classified investments as an asset held for sale and recorded the investment at fair value. See *"Note 6 - Other Current Assets"* and *"Note 22 - Subsequent Events; (b) Sale of Interests"*.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

(f) Revenue Recognition

The Company accounts for its revenues under IFRS 15, *"Revenue from Contracts with Customers"*. Revenue is recognized in a manner that depicts the transfer of promised goods or services to a customer and at an amount that reflects the consideration expected to be received in exchange for transferring those goods or services. This is achieved by applying the following five steps: i) identify the contract with a customer; ii) identify the performance obligations in the contract; iii) determine the transaction price; iv) allocate the transaction price to the performance obligations in the contract; and v) recognize revenue when (or as) the entity satisfies a performance obligation. Below are the Company's current revenue categories:

Dispensary Revenue

The Company recognizes revenue from the sale of cannabis for a fixed price upon delivery of goods to customers at the point of sale since at this time performance obligations are satisfied.

Delivery Revenue

The Company recognizes revenue from the sale of cannabis delivered to its customer for a fixed price upon delivery of goods to customers at the point of delivery since at this time performance obligations are satisfied.

Cultivation and Wholesale

The Company recognizes revenue from the sale of cannabis for a fixed price upon the shipment of cannabis goods as the Company has transferred to the buyer the significant risks and rewards of ownership of the goods and the Company does not retain either continuing material involvement to the degree usually associated with ownership nor effective control over the goods sold and the amount of revenue can be measured reliably and collectible and the costs incurred in respect of the transaction is reliably measured.

(g) Recent Adoption of Accounting Pronouncements Effective June 30, 2019

(i) IFRS 16 Leases

In January 2016, the IASB issued IFRS 16, "*Leases*", which replaces IAS 17, "*Leases*" and related interpretations. The standard introduces a single lessee accounting model and requires lessees to recognize assets and liabilities for all leases with a term exceeding 12 months, unless the underlying asset is insignificant. A lessee is required to recognize a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. The Company adopted the standard on June 30, 2019 using the modified retrospective method, which provides lessees a method for recording existing leases at adoption with no restatement of prior comparative periods.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

(g) Recent Adoption of Accounting Pronouncements Effective June 30, 2019 *(Continued)*

(i) IFRS 16 Leases *(Continued)*

The Company elected to apply the following recognition exemptions and practical expedients, as described under IFRS 16:

i) recognition exemption of short-term leases;

ii) recognition exemption of low-value leases;

iii) application of a single discount rate to a portfolio of leases with similar characteristics on transition;

iv) exclusion of initial direct costs from the measurement of the right-of-use assets upon transition;

v) application of hindsight in determining the applicable lease term at the date of transition; and

vi) election to not separate non-lease components from lease components, and instead account for each lease component and any associated non-lease components as a single lease component.

The majority of the Company's property leases, which were previously treated as operating leases, were impacted by IFRS 16. The adoption of IFRS 16 has resulted in:

i) higher non-current assets related to the initial recognition of the present value of the Company's unavoidable future lease payments as right-of-use assets under property and equipment, adjusted by the amount of any prepaid or accrued lease payments relating to the lease recognized in the consolidated statement of financial position as of June 30, 2019;

ii) higher current and non-current liabilities related to the concurrent recognition of lease liabilities, which are measured at the present value of the remaining fixed lease payments, discounted by our weighted-average incremental borrowing rate of 10.7% as of June 30, 2019;

iii) replacement of rent expense previously recorded in cost of goods sold and general and administrative expense with depreciation expense of these right-of-use assets and higher finance costs related to the accretion and interest expense of the corresponding lease liabilities; and

iv) variable lease payments that do not depend on an index or rate and non-lease components are expensed as incurred.

The new standard does not change the amount of cash transferred between the lessor and lessee but impacts the presentation of the operating and financing cash flows presented on the Company's consolidated statement of cash flows by decreasing operating cash flows and increasing financing cash flows.

(Amounts Expressed in United States Dollars Unless Otherwise Stated)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

(g) Recent Adoption of Accounting Pronouncements Effective June 30, 2019 *(Continued)*

(i) IFRS 16 Leases (Continued)

Adjustments to opening balances resulting from the initial adoption of IFRS 16, with the effects on transition being recognized directly to retained earnings is as follows:

	As Previously Reported under IAS 17	IFRS 16 Transition Adjustments	As Reported under IFRS 16
Prepaid Rent	$ 7,985,050	(5,907,282)	$ 2,077,768
Property and Equipment, Net	$ 220,989,461	170,177,771	$ 391,167,232
Lease Liabilities	$ (98,229,579)	(164,270,489)	$ (262,500,068)

A reconciliation of the operating lease commitments as of June 29, 2019 to the opening balance of lease liabilities at the date of adoption is as follows:

Operating Lease Commitments as of June 29, 2019	$ 487,305,268
Lease Liabilities Recognized as of June 30, 2019	98,229,579
Effect of Discounting Using the Leasee's Incremental Borrowing Rate	(323,034,779)
Lease Liabilities Recognized as of June 30, 2019	**$ 262,500,068**

As a result of adopting IFRS 16, the Company updated its lease accounting policies as follows:

In accordance with IFRS 16, the satisfaction of a performance obligation under IFRS 15 is applied to sale and leaseback transactions. As the seller-lessee, the Company measures the right-of-use asset arising from the transaction at the proportion of the previous carrying amount of the asset that relates to the right of use retained. The Company only recognizes the gain or loss that relates to the rights transferred to the buyer-lessor. Adjustments are made to measure the sale proceeds at fair value in which any below-market terms are accounted for as a prepayment of lease payments and any above-market terms are accounted for as an additional financing cost. Adjustments for any off-market terms are on the more readily determinable basis of the difference between the fair value of the consideration for the sale and the fair value of the asset, and the difference between the present value of the contractual payments for the lease and the present value of lease payments at market rates.

A lease is recognized as a right-of-use asset and corresponding liability at the commencement date. Each lease payment included in the lease liability is apportioned between the repayment of the liability and interest expense. The interest expense is recognized over the lease period to produce a constant periodic rate of interest on the remaining balance of the liability. Lease liabilities represent the net present value of fixed lease payments; variable lease payments based on an index, rate, or subject to a fair market value renewal condition; amounts expected to be payable by the lessee under residual value guarantees; the exercise price of a purchase option if the lessee is reasonably certain to exercise that option; and payments of penalties for terminating the lease, if it is probable that the lessee will exercise that option.

(Amounts Expressed in United States Dollars Unless Otherwise Stated)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

(g) Recent Adoption of Accounting Pronouncements Effective June 30, 2019 *(Continued)*

(i) IFRS 16 Leases *(Continued)*

The Company's lease liability is recognized net of lease incentives receivable. The lease payments are discounted using the interest rate implicit in the lease or, if that rate cannot be determined, the lessee's incremental borrowing rate. The period over which the lease payments are discounted is the expected lease term, including renewal and termination options that the Company is reasonably certain to exercise.

Payments associated with short-term leases and leases of low-value assets are recognized as an expense on a straight-line basis in general and administrative expenses in the interim condensed consolidated statement of operations and comprehensive loss. Short-term leases are defined as leases with a lease term of 12 months or less. Variable lease payments that do not depend on an index, rate, or subject to a fair market value renewal condition are expensed as incurred and recognized in costs of goods sold and general and administrative expenses.

Right-of-use assets are measured at cost, which is calculated as the amount of the initial measurement of lease liability plus any lease payments made at or before the commencement date, any initial direct costs and related restoration costs. The right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term or economic life, which ranged between 10 to 20 years. Depreciation is recognized from the commencement date of the lease.

3. PREPAID EXPENSES

As of September 28, 2019 and June 29, 2019, prepaid expenses were comprised of the following:

	September 28, 2019	June 29, 2019
Prepaid Expenses	$ 6,082,614	$ 9,559,123
Prepaid Rent	97,801	2,077,768
Prepaid Insurance	2,291,704	2,510,322
Total Prepaid Expenses	**$ 8,472,119**	**$ 14,147,213**

4. BIOLOGICAL ASSETS

Biological assets consist of live cannabis plants. A reconciliation of the beginning and ending balances of biological assets for the 13 weeks ended September 28, 2019 was as follows:

Balance at Beginning of Period	$ 3,076,158
Costs Incurred Prior to Harvest to Facilitate Biological Transformation	3,632,023
Unrealized Gain on Changes in Fair Value of Biological Assets	6,386,921
Transferred to Inventory Upon Harvest	(10,340,203)
Balance at End of Period	**$ 2,754,899**

(Amounts Expressed in United States Dollars Unless Otherwise Stated)

4. BIOLOGICAL ASSETS *(Continued)*

On average, the growing time for a full harvest approximates 16 weeks. As listed below, key estimates are involved in the valuation process of the cannabis plants. The Company's estimates are subject to changes that could result in future gains or losses on biological assets. Changes in estimates could result from volatility of sales prices, changes in yields, and variability of the costs necessary to complete the harvest. Prior to harvest, all production costs are expensed.

Biological assets are valued in accordance with IAS 41. The Company capitalizes the direct and indirect costs incurred related to the biological transformation of the biological assets between the point of initial recognition and the point of harvest. The Company then measures the biological assets at fair value less cost to sell ("FVLCTS") up to the point of harvest, which becomes the initial basis for the cost of finished goods inventories after harvest. Any subsequent post-harvest costs are capitalized to inventory to the extent that cost is less than net realizable value. The fair value of biological assets is considered a Level 3 categorization in the IFRS fair value hierarchy.

The significant estimates and inputs used to assess the fair value of biological assets include the following assumptions:

- The selling prices (which are based on average market prices in the states where the Company operated during the 13 weeks ended September 28, 2019);
- The cost to complete the cannabis production process post-harvest and the cost to sell;
- The stage of plant growth; and
- Expected yields from each cannabis plant.

The estimates of growing cycle, harvest yield and costs per gram are based on the Company's historical results. The estimate of the selling price per gram is based on the Company's historical sales in addition to the Company's expected sales price going forward.

The Company measures the yield of cannabis in active milligrams extracted from a plant. A plant typically produces a total of approximately 87.8 grams, which is comprised of THC and CBD. As of September 28, 2019 and June 29, 2019, biological assets were, on average, 41% and 38%, respectively, complete based on the number of days remaining to harvest. As of September 28, 2019 and June 29, 2019 the estimated FVLCTS of dry cannabis was $1.64 and $2.07, respectively, per gram. As of September 28, 2019, it is expected that the Company's biological assets will ultimately yield approximately 2,249 kilograms of cannabis.

The Company has quantified the sensitivity of the inputs in relation to the biological assets as of September 28, 2019 and June 29, 2019 and estimates the following effect on fair value:

Significant Inputs and Assumptions	Range of Inputs	Sensitivity	Effect on Fair Value as of: September 28, 2019	June 29, 2019
Selling Price Per Active Gram	$3.25 to $4.79 (September 28) $3.26 to $5.61 (June 29)	Increase 5% Decrease 5%	$ 144,273 $ (144,273)	$ 166,119 $ (166,119)
Estimated Yield Per Cannabis Plant	9.78 to 111.95 grams (September 28) 38.41 to 111.56 grams (June 29)	Increase 5% Decrease 5%	$ 137,745 $ (137,745)	$ 153,808 $ (153,808)

In addition to the above, management has made the following estimate in the valuation of biological assets:

- The average selling price of whole flower is $4.99 per gram.

(Amounts Expressed in United States Dollars Unless Otherwise Stated)

5. INVENTORY

As of September 28, 2019 and June 29, 2019, inventory consisted of the following:

	September 28, 2019	June 29, 2019
Raw Materials	$ 5,251,317	$ 3,787,858
Work-in-Process	14,544,698	7,273,358
Finished Goods	20,660,680	18,114,976
Total Inventory	**$ 40,456,695**	**$ 29,176,192**

During the 13 weeks ended September 28, 2019, inventory expensed to cost of goods sold was $10,248,850. During the three months ended September 30, 2018, inventory expensed to cost of goods sold was $9,809,333.

6. OTHER CURRENT ASSETS

As of September 28, 2019 and June 29, 2019, other current assets were comprised of the following:

	September 28, 2019	June 29, 2019
Investments	$ 16,045,448	$ 13,018,791
Excise Tax Receivable	6,029,436	5,721,945
Notes Receivable	700,000	-
Other Current Assets	172,303	172,303
Total Other Current Assets	**$ 22,947,187**	**$ 18,913,039**

A reconciliation of the beginning and ending balances of investments for the 13 weeks ended September 28, 2019 was as follows:

Balance at Beginning of Period	$ 13,018,791
Unrealized Gain on Changes in Fair Value of Investments	11,480,321
Transfer to Assets Held For Sale	(8,453,664)
Total Investments at End of Period	**$ 16,045,448**

The fair value of certain investments included in other current assets are considered a Level 2 categorization in the IFRS fair value hierarchy. These investments are measured at fair value using the recent sale price. The fair value of the other investments included in other current assets are considered a Level 3 categorization in the IFRS fair value hierarchy. Investments in the Level 3 categorization of the IFRS fair value hierarchy are measured at fair value using a market approach and/or probability approach that are based on unobservable inputs. The significant estimates and inputs used to assess the fair value of Level 3 investments include the following assumptions:

- Long-term revenues based upon the investments historical and/or future expected revenues; and
- Business enterprise valuation multiples selected considering adjustments for size, growth, profitability and the results of ranking analysis; and
- Probabilities Weighted Expected Return

(Amounts Expressed in United States Dollars Unless Otherwise Stated)

6. OTHER CURRENT ASSETS *(Continued)*

The Company has quantified the sensitivity of the inputs in relation to the investments as of September 28, 2019 and June 29, 2019 and estimates the following effect on fair value:

Significant Inputs and Assumptions	Range of Inputs	Sensitivity	September 28, 2019	June 29, 2019
Long-Term Revenues and Business Enterprise Valuation Multiples	$7.50 million to $12.72 million 1.75 to 4.25 multiple	Increase 5% Decrease 5%	$ 464,000 $ (464,000)	$ 1,138,000 $ (1,138,000)
Probability Weighted Expected Return	10% to 60%	Increase 5% Decrease 5%	$ 1,391,358 $ (1,391,358)	$ - $ -

7. PROPERTY AND EQUIPMENT

A reconciliation of the beginning and ending balances of property and equipment for the 13 weeks ended September 28, 2019 is as follows:

	Land and Buildings	Right-of-Use Asset Real Estate (1)	Right-of-Use Land (1)	Furniture and Fixtures	Leasehold Improvements	Equipment and Software	Construction in Progress	TOTAL
Cost								
Balance as of June 29, 2019	$ 16,262,905	$ 99,344,083	$ -	$ 14,525,330	$ 28,779,274	$ 34,990,655	$ 40,143,696	$ 234,045,943
Additions	-	-	-	79,625	623,226	806,600	8,727,551	10,237,002
IFRS 16 Transition (1)	-	127,464,783	36,805,706	-	-	-	-	164,270,489
Non-Cash Additions	-	17,679,314	3,492,763	-	-	-	-	21,172,077
Disposals and Transfers	(12,177,127)	5,338,355	-	-	348,479	(3,682,670)	2,473,339	(7,699,624)
Balance as of September 28, 2019	**$ 4,085,778**	**$249,826,535**	**$ 40,298,469**	**$ 14,604,955**	**$ 29,750,979**	**$ 32,114,585**	**$ 51,344,586**	**$422,025,887**
Accumulated Depreciation								
Balance as of June 29, 2019	$ (217,746)	$ (2,645,412)	$ -	$ (1,593,045)	$ (2,790,135)	$ (5,810,144)	$ -	$ (13,056,482)
Depreciation	(72,398)	(6,595,441)	(148,003)	(441,687)	(1,657,509)	(2,240,486)	-	(11,155,524)
Disposals and Transfers	261,962	184,762	-	-	3,841	1,229,185	-	1,679,750
Balance as of September 28, 2019	**$ (28,182)**	**$ (9,056,091)**	**$ (148,003)**	**$ (2,034,732)**	**$ (4,443,803)**	**$ (6,821,445)**	**$ -**	**$ (22,532,256)**
Net Book Value								
June 29, 2019	**$ 16,045,159**	**$ 96,698,671**	**$ -**	**$ 12,932,285**	**$ 25,989,139**	**$ 29,180,511**	**$ 40,143,696**	**$220,989,461**
September 28, 2019	**$ 4,057,596**	**$240,770,444**	**$ 40,150,466**	**$ 12,570,223**	**$ 25,307,176**	**$ 25,293,140**	**$ 51,344,586**	**$399,493,631**

(1) *See "Note 13 – Lease Liabilities" for further information.*

Depreciation expense of $11,155,524 and $1,519,649 was recorded for the 13 weeks ended September 28, 2019 and three months ended September 30, 2018, respectively, of which $3,729,561 and $211,630, respectively, is included in cost of goods sold.

During the 13 weeks ended September 28, 2019 and three months ended September 30, 2018, borrowing costs totaling $876,096 and nil, respectively, were capitalized using an average capitalization rate of 8.8% and nil, respectively. In addition, during the 13 weeks ended September 28, 2019 and three months ended September 30, 2018, total labor-related costs of $436,164 and nil, respectively, were capitalized to Construction in Progress, of which $136,386 and nil, respectively, was share-based compensation.

(Amounts Expressed in United States Dollars Unless Otherwise Stated)

8. ACQUISITIONS

MattnJeremy, Inc., d/b/a One Love Beach Club

On September 3, 2019, the Company completed the acquisition of MattnJeremy, Inc., d/b/a One Love Beach Club ("One Love"), a licensed medical and recreational cannabis dispensary located in Long Beach, California.

The Company acquired all of the issued and outstanding shares of One Love for aggregate consideration of $12,708,000 which is comprised of $1,000,000 in cash at closing, $1,000,000 deferred payment to be paid six months after closing, $1,000,000 deferred payment to be paid one year after closing and the issuance of 5,112,263 Subordinate Voting Shares with an aggregate value of $9,833,000 at closing. Pursuant to a Lock-Up Agreement with the sellers, the shares cannot be sold or transferred for a period of one year from the closing date. As consideration for the lock up of the shares, the Company agreed to issue additional shares if the value of the shares decline prior to the expiration of the lock up period. The shares were valued at the present value of the $10,000,000 over a one year period. The deferred payments were present valued at $1,875,000 and were included in other current liabilities in the consolidated statement of financial position as of September 28, 2019. In addition, the Company may have a working capital adjustment based upon the closing inventory. In no case will the Company be required to pay additional consideration. However, if the working capital adjustment is negative, the Company will be not be required to pay some deferred payments.

The following table summarizes the consideration for the acquisition:

Cash Paid	$	1,000,000
Present Value of Deferred Payments		1,875,000
Contingent Consideration - Subordinate Voting Shares		9,833,000
Total Consideration	**$**	**12,708,000**

The purchase price allocation for the acquisition, as set forth in the table below, reflects various preliminary fair value estimates and analyses that are subject to change within the measurement period as valuations are finalized. The primary areas of the preliminary purchase price allocation that are not yet finalized relate to the fair values of certain tangible assets, the valuation of intangible assets acquired, and residual goodwill. The Company expects to continue to obtain information to assist in determining the fair value of the net assets acquired at the acquisition date during the measurement period. Measurement period adjustments that the Company determines to be material will be applied retrospectively to the period of acquisition in the Company's consolidated financial statements and, depending on the nature of the adjustments, other periods subsequent to the period of acquisition could be affected. The Company expects to finalize the accounting for the acquisition by August 31, 2020.

The following table summarizes the preliminary accounting estimates of the acquisition with a purchase price of $12,708,000:

Inventory	$	405,000
Intangible Assets:		
Customer Relationships		830,000
Dispensary License		5,100,000
Total Identifiable Net Assets		6,335,000
Goodwill		6,373,000
Net Assets Acquired	**$**	**12,708,000**

(Amounts Expressed in United States Dollars Unless Otherwise Stated)

8. ACQUISITIONS *(Continued)*

MattnJeremy, Inc., d/b/a One Love Beach Club *(Continued)*

The goodwill arising from the acquisition represents expected synergies, future income and growth, and other intangibles that do not qualify for separate recognition. Generally speaking, the goodwill related to dispensaries acquired within a state adds to the footprint of the MedMen dispensaries within the state, giving our customers more access to our branded stores.

If the acquisition had been completed on June 30, 2019, the Company estimates it would have recorded increases in revenues and net income of approximately $52,000 and $10,000, respectively.

Acquisition costs expensed during the 13 weeks ended September 28, 019 include amounts paid in cash and equity. Of the acquisition costs paid in equity, the Company issued 214,716 Subordinate Voting Shares valued at $1.96 per share, the trading price of the Subordinate Voting Shares on the date of issuance for $421,497.

For the 13 weeks ended September 28, 2019, One Love contributed $275,000 in revenues and $247,000 in net loss.

9. INTANGIBLE ASSETS

A reconciliation of the beginning and ending balances of intangible assets for the 13 weeks ended September 28, 2019 is as follows:

	Definite Life Intangible Assets Subject to Amortization					
	Dispensary Licenses	**Customer Relationships**	**Management Agreement**	**Capitalized Software**	**Intellectual Property** (1)	**Total Intangible Assets**
Cost						
Balance as of June 29, 2019	$ 153,064,574	$ 23,625,200	$ 6,000,000	$ 3,084,097	$ 6,026,411	$ 191,800,282
Additions	-	-	-	1,580,400	-	1,580,400
Business Acquisitions	5,100,000	830,000	-	-	-	5,930,000
Balance as of September 28, 2019	**$ 158,164,574**	**$ 24,455,200**	**$ 6,000,000**	**$ 4,664,497**	**$ 6,026,411**	**$ 199,310,682**
Accumulated Amortization						
Balance as of June 29, 2019	$ (9,825,484)	$ (5,524,583)	$ (366,667)	$ (530,711)	$ -	$ (16,247,445)
Amortization	(2,509,058)	(1,045,093)	(50,000)	(249,950)	-	(3,854,101)
Balance as of September 28, 2019	**$ (12,334,542)**	**$ (6,569,676)**	**$ (416,667)**	**$ (780,661)**	**$ -**	**$ (20,101,546)**
Net Book Value						
June 29, 2019	**$ 143,239,090**	**$ 18,100,617**	**$ 5,633,333**	**$ 2,553,386**	**$ 6,026,411**	**$ 175,552,837**
September 28, 2019	**$ 145,830,032**	**$ 17,885,524**	**$ 5,583,333**	**$ 3,883,836**	**$ 6,026,411**	**$ 179,209,136**

(1) *Intellectual Property is not currently in use and is therefore not being amortized.*

During the 13 weeks ended September 28, 2019, additions to intangible assets consisted of dispensary license and customer relationships totaling $5,930,000 from acquisitions and $1,580,400 from internally developed software costs capitalized.

Intellectual property is not being amortized as it is not ready for use. The Company recorded amortization expense of $3,854,101 and $1,142,301 for the 13 weeks ended September 28, 2019 and three months ended September 30, 2018, respectively. During the 13 weeks ended September 28, 2019, $201,254 of share-based compensation was capitalized to capitalized software.

(Amounts Expressed in United States Dollars Unless Otherwise Stated)

10. OTHER ASSETS

As of September 28, 2019 and June 29, 2019, other assets consisted of:

	September 28, 2019	June 29, 2019
Long-Term Security Deposits for Leases	$ 10,696,986	$ 10,565,957
Other Long-Term Security Deposits	27,393,013	20,501,166
Other Assets	1,350,000	1,350,000
Total Other Assets	**$ 39,439,999**	**$ 32,417,123**

11. OTHER CURRENT LIABILITIES AND OTHER NON-CURRENT LIABILITIES

As of September 28, 2019 and June 29, 2019, other current liabilities consisted of:

	September 28, 2019	June 29, 2019
Accrued Construction Commitments	$ 1,082,476	$ 6,903,860
Accrued Interest Payable	5,394,622	2,819,594
Contingent Consideration	3,058,054	774,000
Other Current Liabilities (1)	2,223,423	52,786
Total Other Current Liabilities	**$ 11,758,575**	**$ 10,550,240**

(1) Other current liabilities include $1,875,000 of deferred payments from an acquisition. See "Note 8 – Acquisitions" for further information.

As of September 28, 2019 and June 29, 2019, other non-current liabilities, net of current portion, consisted of:

	September 28, 2019	June 29, 2019
Deferred Gain on Sale of Assets (1)(2)	$ 10,428,019	$ 10,680,104
Senior Secured Convertible Credit Facility Amendment Fee (3)	18,750,000	-
Contingent Consideration	20,657,079	20,197,690
Total Other Non-Current Liabilities, Net of Current Portion	**$ 49,835,098**	**$ 30,877,794**

(1) See "Note 13 – Lease Liabilities" for further information.

(2) The current portion of Deferred Gain on Sale of Assets of $1,008,337 is recorded in Accounts Payable and Accrued Liabilities.

(3) See "Note 15 – Senior Secured Convertible Credit Facility" for further information.

(Amounts Expressed in United States Dollars Unless Otherwise Stated)

11. OTHER CURRENT LIABILITIES AND OTHER NON-CURRENT LIABILITIES *(Continued)*

(a) Accrued Construction Commitments

As part of the sale and leaseback transactions (see *"Note 13 – Lease Liabilities"* for further information) the Company is responsible to pay for future development costs. Accordingly, the Company recorded accrued construction commitments of $8,927,697 on the transaction close date. As of September 28, 2019, the commitment balance was $1,082,476. The provision for future development costs represents the estimated remaining construction cost related to previously sold land and/or building structures, including all direct and indirect costs expected to be incurred during the remainder of the servicing period, net of expected recoveries. The provision is reviewed periodically and, when the estimate is known to be different from the actual costs incurred or expected to be incurred, an adjustment is made to the provision for future development costs and a corresponding adjustment is made to general and administrative expense.

(b) Contingent Consideration

Contingent consideration recorded relates to business acquisitions and an asset acquisition. Certain contingent considerations are based upon the potential earn out of a location's revenue in the following year it is opened and is measured at fair value using a discounted cash flow model that is based on unobservable inputs. The other contingent consideration is based upon fair value of the additional shares required to be paid upon the expiration of the lockup and is based upon the fair market value of the Company's trading stock and is considered a Level 1 categorization in the IFRS fair value hierarchy. The determination of the fair value of the contingent consideration payable related to the ear out is primarily based on the Company's expectations of the amount of revenue to be achieved within the specified time period of the agreement. The fair value of contingent consideration is considered a Level 3 categorization in the IFRS fair value hierarchy. The significant estimates and inputs used to assess the fair value of contingent consideration include the following assumptions:

- The revenues expected to be generated which range from $4,262,000 to $7,000,000; and
- The discount rate, which was estimated to be 9.1% - 15.0%.

The Company has quantified the sensitivity of the inputs in relation to the contingent consideration as of September 28, 2019 and June 29, 2019 and estimates the following effect on fair value:

Significant Inputs and Assumptions	Range of Inputs	Sensitivity	Effect on Fair Value as of: September 28, 2019	Effect on Fair Value as of: June 29, 2019
Projected Revenues	$4,262,000 to $7,000,000	Increase 5%	$ 1,490,865	$ 1,490,865
		Decrease 5%	$ (1,490,865)	$ (1,490,865)
Discount Rate	9.1% - 15.0%	Increase 5%	$ (191,135)	$ (191,135)
		Decrease 5%	$ 191,135	$ 191,135

(Amounts Expressed in United States Dollars Unless Otherwise Stated)

12. DERIVATIVE LIABILITIES

A reconciliation of the beginning and ending balance of derivative liabilities for the 13 weeks ended September 28, 2019 is as follows:

Balance as of June 29, 2019	**$**	**9,343,485**
Change in Fair Value of Derivative Liabilities		(5,128,420)
Balance as of September 28, 2019	**$**	**4,215,065**

Fair value was measured based on Level 1 inputs on the fair value hierarchy since there are quoted prices in active markets for these warrants. The Company used the closing price of the publicly-traded warrants to estimate fair value of the derivative liability as of September 28, 2019.

13. LEASE LIABILITIES

A reconciliation of the beginning and ending balance of lease liabilities for the 13 weeks ended September 28, 2019 is as follows:

		2019
Balance as of June 29, 2019	$	98,229,579
IFRS 16 Transition		164,270,489
Lease Additions		29,644,921
Interest Expense		7,422,978
Payments of Principal and Interest		(5,863,079)
Balance as of September 28, 2019		293,704,888
Less Current Portion of Lease Liabilities		(17,570,252)
Lease Liabilities, Net of Current Portion	**$**	**276,134,636**

Certain lease agreements include monthly lease payments compounded annually at various rates up to 3.0%, which are included in the determination of the present value of total lease payments.

During the 13 weeks ended September 28, 2019, the Company entered into sale and leaseback transactions with Treehouse Real Estate Investment Trust (the “REIT”), a related party, resulting in total gross proceeds of $20,400,000. A net loss of $136,128 was recognized in relation to these transactions as a result of off-market terms within the lease.

On transition to IFRS 16, the Company has not reassessed historical sale and leaseback transactions and did not perform any retrospective adjustments. Gains on sale previously recorded under IAS 17 continue to be amortized over the remaining term of the lease. As of September 28, 2019, the total deferred gain recorded for historical sale and leaseback transactions was as follows:

Balance as of June 29, 2019	$	11,688,441
Accretion		(252,084)
Balance as of September 28, 2019		11,436,357
Less Current Portion of Deferred Gain		(1,008,337)
Deferred Gain on Sale of Assets, Net of Current Portion	**$**	**10,428,020**

(Amounts Expressed in United States Dollars Unless Otherwise Stated)

14. NOTES PAYABLE

As of September 28, 2019 and June 29, 2019, notes payable consisted of the following:

	September 28, 2019	June 29, 2019
Promissory notes dated between January 15, 2019 through March 29, 2019, issued for deferred payments on acquisitions, which mature on varying dates from August 3, 2019 to June 30, 2020 and bear interest at rates ranging from 8.0% to 30.0% per annum.	$ 20,000,000	$ 26,750,000
Secured promissory notes dated April 23, 2018 and May 13, 2018, issued to refinance property acquisition loans, which mature on October 31, 2019 and May 18, 2019, respectively, and bear interest at a rate of 15% per annum.	750,000	6,050,000
Non-revolving, senior secured term note dated October 1, 2018, issued to accredited investors, which matures on October 1, 2020, bears interest at a fixed rate of 7.5% per annum and requires monthly payments of all accrued and unpaid interest in amounts that may vary until the maturity date.	77,675,000	77,675,000
Promissory notes dated November 7, 2018, issued to Lessor for tenant improvements as part of sales and leaseback transactions, which mature on November 7, 2028, bear interest at a rate of 10.0% per annum and require minimum monthly payments of $15,660 and $18,471.	2,446,533	2,484,357
Other	19,884	21,120
Total Notes Payable	100,891,417	112,980,477
Less Unamortized Debt Issuance Costs and Loan Origination Fees	(12,893,544)	(15,358,087)
Net Amount	$ 87,997,873	$ 97,622,390
Less Current Portion of Notes Payable	(13,146,816)	(20,229,641)
Notes Payable, Net of Current Portion	**$ 74,851,057**	**$ 77,392,749**

During the 13 weeks ended September 28, 2018, the Company entered into an agreement with a note holder to issue 1,231,280 Subordinate Voting shares valued on the closing trading price of the agreement valued at $2,441,912. The remaining principal and interest at the agreement date was $2,306,912 and $135,000, respectively. The Company recorded a loss on extinguishment of debt of $413,570. The loss was recorded in other expenses on the interim condensed consolidated statement of operations and comprehensive loss.

A reconciliation of the beginning and ending balances of notes payable for the 13 weeks ended September 28, 2019 is as follows:

Balance at Beginning of Period	$ 97,622,390
Cash Payments	(10,193,715)
Issuance of Shares for Repayment of Note Payable	(1,893,342)
Loan Fees	(61,500)
Interest Expense Incurred	2,320,267
Interest Accrued to Accounts Payable and Accrued Liabilities	(2,320,267)
Accretion of Debt Discount	2,524,040
Balance at End of Period	**$ 87,997,873**

(Amounts Expressed in United States Dollars Unless Otherwise Stated)

15. SENIOR SECURED CONVERTIBLE CREDIT FACILITY

As of September 28, 2019 and June 29, 2019, senior secured convertible credit facility consisted of the following:

	Tranche	September 28, 2019	June 29, 2019
Convertible senior secured note dated April 23, 2019, issued to accredited investors, which matures on April 23, 2022 and bears interest at LIBOR plus 6.00% per annum.	1	$ 20,000,000	$ 20,000,000
Convertible senior secured note dated May 22, 2019, issued to accredited investors, which matures on May 22, 2022 and bears interest at LIBOR plus 6.00% per annum.	1	80,000,000	80,000,000
Convertible senior secured note dated July 12, 2019, issued to accredited investors, which matures on July 12, 2022 and bears interest at LIBOR plus 6.00% per annum.	2	25,000,000	-
Total Drawn on Senior Secured Convertible Credit Facility		125,000,000	100,000,000
Add Fair Value of Forced Conversion Option		3,714,394	4,670,284
Less Unamortized Debt Issuance Costs and Loan Origination Fees		-	(5,329,676)
Less Unamortized Conversion Option		(12,946,466)	(9,069,771)
Net Amount		115,767,928	90,270,837
Less Current Portion of Senior Secured Convertible Credit Facility		-	-
Senior Secured Convertible Credit Facility, Net of Current Portion		**$ 115,767,928**	**$ 90,270,837**

A reconciliation of the beginning and ending balances of senior secured convertible credit facility for the 13 weeks ended September 28, 2019 is as follows:

Balance at Beginning of Period	$ 90,270,837
Amounts Drawn on Tranche 2	25,000,000
Cash Paid for Debt Issuance Costs (Tranche 2)	(448,294)
Accretion of Debt Discount Prior to Amendment	165,932
Forced Conversion Option Recognized on Tranche 2	677,516
Conversion Option Recognized as Equity on Tranche 2	(2,837,365)
Extinguishment of Convertible Facility Resulting from Significant Modifications	(112,828,626)
Fair Value of Amended Convertible Facility	125,000,000
Conversion Option Classified as Equity on Amended Convertible Facility	(13,188,299)
Forced Conversion Option Recognized on Amended Convertible Facility	3,714,394
Interest Expense Incurred	1,874,804
Interest Accrued to Accounts Payable and Accrued Liabilities	(1,874,804)
Accretion of Debt Discount	241,833
Balance at End of Period	**$ 115,767,928**

On March 22, 2019, the Company signed a binding term sheet for a senior secured convertible credit facility (the “Convertible Facility”) of up to $250,000,000 from funds managed by Gotham Green Partners (“GGP”), an investor in the global cannabis industry. As of September 28, 2019, the Company has drawn down $100,000,000 from Tranche 1 and $25,000,000 from Tranche 2.

15. SENIOR SECURED CONVERTIBLE CREDIT FACILITY *(Continued)*

On July 10, 2019, the Company signed a binding term sheet for amendments to the Credit Facility led by GGP. The Company subsequently entered into an amendment to amend certain provisions of the Senior Secured Convertible Credit Facility on August 12, 2019. The Company agreed to pay GGP 15% of the $125,000,000 drawn down prior to entering into the amendment as an amendment fee. The amendment fee was calculated at $18,750,000 and included in other non-current liabilities in the interim condensed consolidated statement of financial position. The amendment fee will be added to the draw on Tranche 3 and may be cancelled in the event that either: the obligations, excluding the amendment fee, are paid in full, whether by prepayment or when due; or the lender elects to convert a portion of the obligations and the price per share is greater than $2.95. The amendments to the Convertible Facility were deemed to be significant modifications in accordance with IFRS 9. As a result of the amendments, the Company extinguished the existing Convertible Facility at its carrying value on the date of modification and recorded the amended Convertible Facility at its fair value. The result was a loss on modification of debt in the amount of $20,438,856. The loss was recorded in other expenses on the interim condensed consolidated statement of operations and comprehensive loss. The balance of the amended Convertible Facility will be funded through additional tranches as follows:

- Tranche 3: An aggregate amount of $50,000,000 will be available to the Company,
- Tranche 4: An aggregate amount of $75,000,000 will be available to the Company.

All convertible notes will have a maturity date of 36 months from the Closing Date (the “Maturity Date”), with a 12-month extension feature available to the Company on certain conditions, including payment of an extension fee of 1.0% of the principal amount under the outstanding Convertible Facility. The Convertible Facility will bear interest from their date of issue at LIBOR plus 6.0% per annum. During the first 12 months, interest may be paid-in-kind (“PIK”) at the Company’s option such that any amount of PIK interest will be added to the outstanding principal of the Convertible Facility. The Company shall have the right after the first year, to prepay the outstanding principal amount of the Convertible Facility prior to maturity, in whole or in part, upon payment of 105% of the principal amount in the second year and 103% of the principal amount thereafter.

The Convertible Facility (including all accrued interest and fees thereon) will be convertible, at the option of the holder, into Subordinate Voting Shares at any time prior to the close of business on the last business day immediately preceding the Maturity Date. The conversion price for each tranche of the convertible notes, as amended, is as follows:

- Tranche 1 convertible notes: The conversion price per share is equal to $2.55.
- Tranche 2 convertible notes: The conversion price per share is equal to $2.17.
- Tranche 3 and 4 convertible notes: the lesser of (i) the 20 trading day weighted-average trading price (“VWAP”) of the Subordinate Voting Shares as of the trading day immediately preceding the date the applicable tranche is called by the Company, (ii) the 20 trading day VWAP of the Subordinate Voting Shares as of the trading day immediately preceding the date of issue of the applicable tranche, and (iii) $2.55.

The Convertible Credit Facility allows for the Company to force the conversion of up to 75% of the then outstanding convertible notes if the VWAP of the Subordinate Voting Shares (converted to U.S. dollars) is at least $6.20, as amended, for any 20 consecutive trading day period, at a conversion price per Subordinate Voting Share equal to $6.20, as amended. If 75% of the then outstanding Convertible Facility is converted by the Company, the term of the remaining 25% of the then outstanding Convertible Facility will be extended by 12 months (if such extended period is longer than the maturity date of such Convertible Facility), subject to an outside date of 48 months from the Closing Date.

(Amounts Expressed in United States Dollars Unless Otherwise Stated)

15. SENIOR SECURED CONVERTIBLE CREDIT FACILITY *(Continued)*

Upon issuance of Convertible Facility pursuant to any tranche, the lenders will be issued share purchase warrants of the Company ("Warrants"), each of which would be exercisable to purchase one Subordinate Voting Share for 36 months from the date of issue. The number of Warrants to be issued will represent an approximate 50% Warrant coverage for each tranche. The exercise prices for each tranche of Warrants are as follows:

- Tranche 1 Warrants:
  - 75% of such Warrants have an exercise price per share equal to $3.72.
  - 25% of such Warrants have an exercise price per share equal to $4.29.
- Tranche 2 Warrants:
  - 75% of such Warrants have an exercise price per share equal to $3.16.
  - 25% of such Warrants have an exercise price per share equal to $3.65.
- Tranche 3 and 4 Warrants:
  - 75% of such Warrants will have an exercise price per share equal to a 30% premium to the 20 trading day VWAP of the Subordinate Voting Shares as of the trading day immediately preceding the date of the issuance of the Tranche 3 and 4 convertible notes (as reported on the Canadian Securities Exchange (the "CSE") and converted to U.S. dollars).
  - 25% of such Warrants will have an exercise price per share equal to the lesser of (A) a 50% premium to the 20 trading day VWAP of the Subordinate Voting Shares as of the trading day immediately preceding the date of the issuance of the Tranche 3 and 4 convertible notes (as reported on the CSE and converted to U.S. dollars).

The following table summarizes Warrants issued to the lenders and outstanding as of September 28, 2019:

Tranche	Exercise Price	Number of Warrants
1	$3.72	9,749,861
	$4.29	3,249,954
Total Tranche 1		**12,999,815**
2	$3.16	2,967,708
	$3.65	857,336
Total Tranche 2		**3,825,044**
		16,824,859

Under IAS 32, the conversion option and warrants were recorded as equity instruments that the Company valued based on the difference between the face value of each Note issued and the net proceeds received.

While the Notes are outstanding, the lenders will be entitled to the collective rights (a) to nominate an individual to the board of directors of the Company, and (b) to appoint a representative to attend all meetings of the board of directors in a non-voting observer capacity.

(Amounts Expressed in United States Dollars Unless Otherwise Stated)

15. SENIOR SECURED CONVERTIBLE CREDIT FACILITY *(Continued)*

The Notes and the Warrants, and any Subordinate Voting Shares issuable as a result of a conversion of the Notes or exercise of the Warrants, will be subject to a four-month hold period from the date of issuance of such Notes or such Warrants, as applicable, in accordance with applicable Canadian securities laws.

Closing of any tranche of the Credit Facility subsequent to Tranche 1 is subject to certain conditions being satisfied including, but not limited to, there is no event of default, reconfirmation of representations and warranties and compliance with applicable covenants and agreements.

As noted above, the Senior Secured Convertible Credit Facility has a prepayment option, a forced conversion option and an extension option. These options meet the definition of a derivative. The Company has performed its analysis on these derivative features at inception and at September 28, 2019 and determined that the fair value of the repayment option derivative and the extension option derivative were nil. The Company determined the fair value of the forced conversion option was more than nil and accordingly recorded a derivative asset. The Company used a Barrier Option Pricing Model taking into account the fair value of the Company's Subordinate Voting Shares on the date of grant and into the future encompassing a wide range of possible future market conditions to estimate the fair value of the derivative asset at issuance and at each reporting date. This Barrier Option Pricing Model uses Level 3 inputs in its valuation model. The key Level 3 inputs used by management to determine the fair value are the expected future volatility in the price of the Company's Class B Subordinate Voting Shares, the risk-free interest rate and the expected life of the forced conversion option.

For the 13 weeks ended September 28, 2019, the fair value of the forced conversion option derivative asset was determined using the Barrier Option Pricing Model using the following assumptions at the time of issuance and at each reporting period:

	September 28, 2019	**June 29, 2019**
Weighted-Average Stock Price	C$2.40	C$3.32
Weighted-Average Probability	22.3%	22.3%
Weighted-Average Risk-Free Interest Rate	1.5% - 1.6%	1.7% - 2.2%
Weighted-Average Life (in years)	2.8 - 3.0	2.8 - 3.0
Volatility	78.3% - 86.9%	87.7% - 88.9%

A reconciliation of the beginning and ending balance of the derivative assets for the 13 weeks ended September 28, 2019 is as follows:

Balance as of June 29, 2019	**$ 5,213,126**
Initial Recognition of Derivative Asset Prior to Amendment - Tranche 2	677,516
Change in Fair Value of Derivative Asset Prior to Amendment	(3,729,693)
Extinguishment of Derivative Asset Resulting from Significant Modifications to Convertible Facility	(2,160,949)
Initial Recognition of Derivative Asset Resulting From Significant Modification to Convertible Facility	3,714,394
Change in Fair Value of Derivative Asset Subsequent to Amendment	(1,265,832)
Balance as of September 28, 2019	**$ 2,448,562**

16. SHAREHOLDERS' EQUITY

(a) Authorized

The authorized share capital of the Company is comprised of the following:

(i) Unlimited Number of Class B Subordinate Voting Shares

Holders of Subordinate Voting Shares are entitled to notice of and to attend at any meeting of the shareholders of the Company, except a meeting of which only holders of another particular class or series of shares of the Company will have the right to vote. At each such meeting, holders of Subordinate Voting Shares are entitled to one vote in respect of each Subordinate Voting Share held. As long as any Subordinate Voting Shares remain outstanding, the Company will not, without the consent of the holders of the Subordinate Voting Shares by separate special resolution, prejudice or interfere with any right attached to the Subordinate Voting Shares. Holders of Subordinate Voting Shares are entitled to receive as and when declared by the directors of the Company, dividends in cash or property of the Company.

(ii) Unlimited Number of Class A Super Voting Shares

Holders of Super Voting Shares are not entitled to receive dividends. They are entitled to notice of and to attend at any meeting of the shareholders of the Company, except a meeting of which only holders of another particular class or series of shares of the Company have the right to vote. At each such meeting, holders of Super Voting Shares are entitled to 1,000 votes in respect of each Super Voting Share held. As long as any Super Voting Shares remain outstanding, the Company will not, without the consent of the holders of the Super Voting Shares by separate special resolution, prejudice or interfere with any right or special right attached to the Super Voting Shares.

(iii) Unlimited Number of Preferred Shares

The Preferred Shares may be issued at any time or from time to time in one or more series. The board of directors of the Company may, by resolution, alter its Notice of Articles of the Company to create any series of Preferred Shares and to fix before issuance, the designation, rights, privileges, restrictions and conditions to attach to the Preferred Shares of each series, including the rate, form, entitlement and payment of preferential dividends, the dates and place for payment thereof, the redemption price, terms, procedures and conditions of redemption, if any, voting rights and conversion rights, if any, and any sinking fund, purchase fund or other provisions attaching to the Preferred Shares of such series; provided, however, that no Preferred Shares of any series shall be issued until the Company has filed an alteration to its Notice of Articles with the British Columbia Registrar of Companies.

(Amounts Expressed in United States Dollars Unless Otherwise Stated)

16. SHAREHOLDERS' EQUITY *(Continued)*

(b) Issued and Outstanding

A reconciliation of the beginning and ending issued and outstanding shares for the 13 weeks ended September 28, 2019 is as follows:

MEDMEN ENTERPRISES INC.	Subordinate Voting Shares	Super Voting Shares
Balance as of June 29, 2019	**173,010,922**	**1,630,590**
At-the-Market Equity Financing Program, Net	4,940,800	-
Shares Issued for Cash	14,634,147	-
Shares Issued to Settle Debt	1,231,280	-
Redemption of MedMen Corp Redeemable Shares	8,382,618	-
Other Assets	225,494	-
Acquisition Costs	214,716	-
Business Acquisition	5,112,263	-
Stock Grants for Compensation	364,948	-
Balance as of September 28, 2019	**208,117,188**	**1,630,590**

MM CAN USA INC.	MedMen Corp Redeemable Shares	MedMen Corp Voting Shares
Balance as of June 29, 2019	**319,193,215**	**173,010,922**
Redemption of MedMen Corp Redeemable Shares	(8,382,618)	8,382,618
Issuance of Tracking Shares	-	26,723,648
Balance as of September 28, 2019	**310,810,597**	**208,117,188**

MM ENTERPRISES USA, LLC	LLC Redeemable Units	LLC Non-Redeemable Units
Balance as of June 29, 2019	**725,016**	**492,204,137**
Issuance of Tracking Shares	-	26,723,648
Balance as of September 28, 2019	**725,016**	**518,927,785**

(c) At-the-Market Equity Financing Program

On April 10, 2019, the Company entered into an equity distribution agreement with Canaccord Genuity Corp. pursuant to which the Company may, from time to time, sell Subordinate Voting Shares for aggregate gross proceeds of up to C$60,000,000. The At-the-Market Equity Financing Program (the "ATM Program") is designed to enable the Company to issue Subordinate Voting Shares from treasury at a lower cost than traditional offerings, without discount and at prevailing trading prices. The Company intends to use the net proceeds from the sale of Subordinate Voting Shares under the ATM Program principally for general and administrative expenses, working capital needs and other general corporate purposes. During the 13 weeks ended September 28, 2019, the Company issued 4,940,800 Subordinate Voting Shares under the ATM Program for net proceeds of approximately $8,894,000.

(Amounts Expressed in United States Dollars Unless Otherwise Stated)

16. SHAREHOLDERS' EQUITY *(Continued)*

(d) Non-Controlling Interest

Non-controlling interest represents the net assets of the subsidiaries the holders of the Subordinate Voting Shares do not directly own. The net assets of the non-controlling interest are represented by the holders of the MedMen Corp Redeemable Shares and the holders of the LLC Redeemable Units of MM Enterprises USA. Non-controlling interest also represents the net assets of the entities the Company does not directly own but controls through a management agreement. As of September 28, 2019 and June 29, 2019, the holders of the MedMen Corp Redeemable Shares represent approximately 60% and 65%, respectively, of the Company and holders of the LLC Redeemable Units represent approximately 0.14% and 0.15%, respectively, of the Company.

A reconciliation of the beginning and ending balances for non-controlling interest for the 13 weeks ended September 28, 2019 is as follows:

Balance at Beginning of Period	$ (35,206,133)
Share-Based Compensation	833,531
Distributions	(310,633)
Redemption of MedMen Corp Redeemable Shares	(216,450)
Share of Loss	(51,159,144)
Balance at End of Period	**$ (86,058,829)**

As of September 28, 2019 and June 29, 2019, non-controlling interest included the following amounts before intercompany eliminations:

	September 28, 2019	June 29, 2019
Current Assets	$ 85,284,129	$ 76,539,678
Non-Current Assets	433,299,779	338,979,686
Total Assets	**$ 518,583,908**	**$ 415,519,364**
Current Liabilities	$ 65,901,131	$ 53,070,423
Non-Current Liabilities	555,514,866	422,672,544
Total Liabilities	**$ 621,415,997**	**$ 475,742,967**

For the 13 weeks ended September 28, 2019 and three months ended September 30, 2018, non-controlling interest included the following amounts before intercompany eliminations:

	13 Weeks Ended September 28, 2019	Three Months Ended September 30, 2018
Revenues	$ 29,603,297	$ 19,856,033
Net Loss and Comprehensive Loss Attributable to Non-Controlling Interest	$ (51,159,144)	$ (54,018,293)

(Amounts Expressed in United States Dollars Unless Otherwise Stated)

17. SHARE-BASED COMPENSATION

The Company has a stock and equity incentive plan (the "Incentive Plan") under which the Company may issue various types of equity instruments to any employee, officer, consultant, advisor or director. The types of equity instruments issuable under the Incentive Plan encompass, among other things, stock options, stock grants, restricted stock grants, LTIP, P units and warrants (together, "Awards"). To the extent that the Company has not appointed a Compensation Committee, all rights and obligations under the Incentive Plan shall be those of the full Board of Directors or the Boards delegated executive. The maximum number of Awards that may be issued under the Incentive Plan shall be determined by the Compensation Committee or the Board of Directors or the Board of Directors delegated executive in the absence of a Compensation Committee. Any shares subject to an Award under the Incentive Plan that are forfeited, canceled, expire unexercised, are settled in cash, or are used or withheld to satisfy tax withholding obligations, shall again be available for Awards under the Incentive Plan. Vesting of Awards will be determined by the Compensation Committee or Board of Directors in absence of one. The exercise price for Awards (if applicable) will generally not be less than the fair market value of the Award at the time of grant and will generally expire after 10 years.

A summary of share-based compensation expense for the 13 weeks ended September 28, 2019 and three months ended September 30, 2018 is as follows:

	2019	2018
Stock Options	$ 1,687,273	$ 4,472,779
LTIP Units	833,531	6,401,121
Stock Grants for Services	875,055	-
Restricted Stock Grants	1,680,625	309,636
Total Share-Based Compensation	**$ 5,076,484**	**$ 11,183,536**

(a) Stock Options

A reconciliation of the beginning and ending balance of stock options outstanding for the 13 weeks ended September 28, 2019 is as follows:

	Number of Stock Options	Weighted-Average Exercise Price
Balance as of June 29, 2019	**13,538,102**	**$4.31**
Granted	3,858,807	$1.90
Forfeited	(1,053,774)	$4.07
Balance as of September 28, 2019	**16,343,135**	**$3.20**

(Amounts Expressed in United States Dollars Unless Otherwise Stated)

17. SHARE-BASED COMPENSATION *(Continued)*

(a) Stock Options *(Continued)*

The following table summarizes the stock options that remain outstanding as of September 28, 2019:

Security Issuable	Exercise Price	Expiration Date	Stock Options Outstanding		Stock Options Exercisable
Subordinate Voting Shares	$3.26	February 2029	316,085	*(3)*	105,362
Subordinate Voting Shares	$3.41	August 2021	32,974	*(4)*	20,609
Subordinate Voting Shares	$3.84	July 2023	200,000	*(6)*	200,000
Subordinate Voting Shares	$4.14	May 2028	3,961,681	*(5)*	2,717,582
Subordinate Voting Shares	$4.05	August 2028	61,950	*(7)*	-
Subordinate Voting Shares	$4.05	August 2028	376,746	*(7)*	-
Subordinate Voting Shares	$4.03	October 2028	35,000	*(5)*	-
Subordinate Voting Shares	$5.71	October 2028	1,091,495	*(5)*	325,388
Subordinate Voting Shares	$3.42	January 2029	935,643	*(5)*	125,355
Subordinate Voting Shares	$2.60	None	1,585,288	*(1)*	-
Subordinate Voting Shares	$2.64	None	1,714,699	*(1)*	-
Subordinate Voting Shares	$3.36	February 2029	311,763	*(2)*	34,640
Subordinate Voting Shares	$3.06	April 2029	615,527	*(5)*	78,785
Subordinate Voting Shares	$2.79	April 2029	376,444	*(5)*	19,333
Subordinate Voting Shares	$2.36	May 2029	108,000	*(5)*	4,875
Subordinate Voting Shares	$2.66	June 2029	233,000	*(5)*	4,781
Subordinate Voting Shares	$2.17	June 2029	724,645	*(8)*	724,645
Subordinate Voting Shares	$2.02	July 2029	1,543,948	*(5)*	-
Subordinate Voting Shares	$1.99	August 2029	719,852	*(5)*	-
Subordinate Voting Shares	$1.55	September 2029	752,690	*(5)*	-
Subordinate Voting Shares	$2.00	None	645,705	*(1)*	-
			16,343,135		**4,361,355**

(1) *Issued to certain officers of the Company under the Company's stock and incentive plan. Such options will vest contingent upon achievement of certain price targets in respect of the Subordinate Voting Shares, whereby 1,585,288 of such options, one third will vest when the price of the Subordinate Voting Shares reaches US$10 in the open market, another third will vest when such share price reaches US$15 in the open market and another third will vest when such share price reaches US$20 in the open market, and 1,714,699 of such options, one third will vest when the price of the Subordinate Voting Shares reaches US$15 in the open market, another third will vest when such share price reaches US$30 in the open market and another third will vest when such share price reaches US$60 in the open market. In addition 645,705 of such options, 215,235 will vest when the price of the Subordinate Voting Shares reaches C$15 in the open market, another 215,235 will vest when such share price reaches C$30 in the open market and another 215,235 will vest when such share price reaches CS$60 in the open market. These options have no expiration date. Such share price will be determined as a 5-day volume weighted-average trading price on any exchange on which the Subordinate Voting Shares are traded.*

(2) *Issued to a certain officer of the Company under the Company's stock and incentive plan. Such options expire in ten years from the date of grant and 1/36th of the options will vest upon each successive month after the grant date.*

(3) *Issued to a consultant in connection with services rendered under the Company's stock and incentive plan. Such options expire in one year from the date of grant and 1/12th of the options will vest upon each successive month after March 1, 2019.*

(4) *Issued to certain directors of the Company under the Company's stock and incentive plan. Such options expire in August 2021 and 1/8th of the options will vest upon each successive month after the grant date.*

(5) *Issued to employees of certain subsidiaries of the Company under the Company's stock and incentive plan. Such options expire in ten years from the date of grant and have the following vesting conditions: Such option will vest over a period of four years from the employees hire date as 1/4th of the options vest on the first anniversary of the hire date and, 1/48th of the options will vest upon each successive month after the first anniversary of the employee's hire date for a period of three years.*

(6) *Issued to a consultant in connection with services rendered under the Company's stock and incentive plan. Such options fully vest on the grant date. Such options expire in five years from the grant date.*

(7) *Issued to certain directors of the Company under the Company's stock and incentive plan. 61,950 of such options vest at the end of the first year of service and 376,746 of such options vests at the end of three years of service. All options expire in ten years from the date of grant.*

(8) *Issued to a certain officer of the Company under the Company's stock and incentive plan. Such options expire in ten years from the date of grant and were vested immediately upon the grant date.*

(Amounts Expressed in United States Dollars Unless Otherwise Stated)

17. SHARE-BASED COMPENSATION *(Continued)*

(a) Stock Options *(Continued)*

For the 13 weeks ended September 28, 2019 and 52 weeks ended June 29, 2019, the fair value of stock options granted with a fixed exercise price was determined using the Black-Scholes option-pricing model with the following assumptions at the time of grant:

	13 Weeks Ended September 28, 2019	52 Weeks Ended June 29, 2019
Weighted-Average Risk-Free Annual Interest Rate	1.76%	1.95%
Weighted-Average Expected Annual Dividend Yield	0.00%	0.00%
Weighted-Average Expected Stock Price Volatility	82.16%	87.83%
Weighted-Average Expected Life of Stock Options	7.50 years	6.15 years
Weighted-Average Estimated Forfeiture Rate	40.00%	33.00%

Stock price volatility was estimated by using the average historical volatility of comparable companies from a representative peer group of publicly-traded cannabis companies. The expected life represents the period of time that stock options granted are expected to be outstanding. The risk-free rate was based on Bank of Canada zero coupon bond with a remaining term equal to the expected life of the options.

For the 13 weeks ended September 28, 2019 and 52 weeks ended June 29, 2019, the fair value of stock options granted with vesting contingent upon achievement of certain price targets was determined using a Monte Carlo simulation model taking into account the fair value of the Company's Subordinate Voting Shares on the date of grant and into the future encompassing a wide range of possible future market conditions. The following assumptions were used at the time of grant:

	13 Weeks Ended September 28, 2019	52 Weeks Ended June 29, 2019
Weighted-Average Stock Price	C$2.02	C$4.10
Weighted-Average Probability	6.6%	6.0%
Weighted-Average Term in Years	3	3
Weighted-Average Volatility	83.3%	72.0%

During the 13 weeks ended September 28, 2019 and 52 weeks ended June 29, 2019, the weighted-average fair value of stock options granted was $1.21 per option and $2.67 per option, respectively. As of September 28, 2019 and June 29, 2019, stock options outstanding have a weighted-average remaining contractual life of 9.2 and 9.1 years, respectively.

In the fourth quarter of the 52 weeks ended June 29, 2019, the Company modified the Company's stock option plan for all outstanding employee stock options, modifying the vesting period to begin on the date of hire. All future grants to employees will be granted using the modified vesting. Previously, the vesting period commenced on the grant date. The Company analyzed the impact of the modification on its financials and determined the modification accelerated the vesting and expense recognition. The Company determined the amount of additional expense recognized for this modification did not have a significant impact on its statements of operations and comprehensive loss and financial position as of and for the 52 weeks ended June 29, 2019.

(Amounts Expressed in United States Dollars Unless Otherwise Stated)

17. SHARE-BASED COMPENSATION *(Continued)*

(b) LTIP Units and LLC Redeemable Units

A reconciliation of the beginning and ending balances of the LTIP Units and LLC Redeemable Units issued for compensation outstanding is as follows:

	LTIP Units		LLC
	Issued and Outstanding	Vested	Redeemable Units
Balance as of June 29, 2019	**25,627,265**	**5,175,244**	**725,016**
Vesting of LTIP Units	-	590,744	-
Balance as of September 28, 2019	**25,627,265**	**5,765,988**	**725,016**

(c) Restricted Stock Grants

During the 13 weeks ended September 28, 2019, the Company granted an entitlement to restricted Subordinate Voting Shares totaling 1,963,859 to certain officers and directors.

A reconciliation of the beginning and ending balance of restricted stock grants outstanding for the 13 weeks ended September 28, 2019 is as follows:

	Issued and Outstanding	Vested	
Balance as of June 29, 2019	**1,018,861**	**2,962**	
Granted	1,963,856	358,851	(1)
Balance as of September 28, 2019	**2,982,717**	**361,813**	

(1) *Restricted stock grants will vest as follows:*

- *1,761,933 of the restricted stock grants on July 30, 2019 will vest on July 30, 2021, the second anniversary of the grant date.*
- *173,656 of the restricted stock grants on August 30, 2019 will vest monthly over one year, beginning August 30, 2019.*
- *28,270 of the restricted stock grants vested immediately.*

Generally, restricted stock vests monthly for those that have time vesting. Certain restricted stock granted has vesting which is based on market conditions. For restricted stock that has no market condition vesting, the fair value was determined using the trading value of the Subordinate Voting Shares on the date of grant. For the restricted stock that has market condition vesting, these shares were valued using a Monte Carlo simulation model taking into account the trading value of the Company's Subordinate Voting Shares on the date of grant and into the future encompassing a wide range of possible future market conditions.

For the 13 weeks ended September 28, 2019, there were no restricted stock grants with a market vesting condition.

(Amounts Expressed in United States Dollars Unless Otherwise Stated)

17. SHARE-BASED COMPENSATION *(Continued)*

(d) Warrants

A reconciliation of the beginning and ending balance of warrants outstanding for the 13 weeks ended September 28, 2019 is as follows:

	Number of Warrants Outstanding			
	Subordinate Voting Shares	MedMen Corp Redeemable Shares	Total	Weighted-Average Exercise Price
Balance as of June 29, 2019	**12,999,815**	**17,234,540**	**30,234,355**	**4.48**
Issued	3,825,044	-	3,825,044	$3.28
Balance as of September 28, 2019	**16,824,859**	**17,234,540**	**34,059,399**	**$4.35**

The following table summarizes the warrants that remain outstanding as of September 28, 2019:

Security Issuable	Exercise Price	Number of Warrants	Expiration Date
MedMen Corp Redeemable Shares	$4.97	16,211,284	April 1, 2021
MedMen Corp Redeemable Shares	$4.73	1,023,256	April 3, 2021
Total MedMen Corp Redeemable Shares		**17,234,540**	
Subordinate Voting Shares	$3.72	1,949,973	April 23, 2022
Subordinate Voting Shares	$4.29	649,991	April 23, 2022
Subordinate Voting Shares	$3.72	7,799,888	May 22, 2022
Subordinate Voting Shares	$4.29	2,599,963	May 22, 2022
Subordinate Voting Shares	$3.16	2,868,783	July 12, 2022
Subordinate Voting Shares	$3.65	956,261	July 12, 2022
Total Subordinate Voting Shares		**16,824,859**	
Total Warrants Outstanding		**34,059,399**	

As of September 28, 2019 and June 29, 2019, warrants outstanding have a weighted-average remaining contractual life of 24.9 months and 27.9 months, respectively.

18. PRIOR PERIOD ADJUSTMENT

During the 52 weeks ended June 29, 2019, the Company identified a prior period adjustment in respect of accounting for deferred tax liabilities arising from its acquisitions during the prior years. As such, the Company has retrospectively restated its previously reported consolidated financial statements to reflect the understated amounts.

In addition, current taxes were adjusted based on gross profits in each entity and deferred tax provision was adjusted to actual as a result of the previously unrecorded deferred tax liabilities on prior year acquisitions.

(Amounts Expressed in United States Dollars Unless Otherwise Stated)

19. COMMITMENTS AND CONTINGENCIES

(a) Contingencies

The Company's operations are subject to a variety of local and state regulations. Failure to comply with one or more of these regulations could result in fines, restrictions on its operations, or losses of permits that could result in the Company ceasing operations. While management of the Company believes that the Company is in compliance with applicable local and state regulations as of September 28, 2019, marijuana regulations continue to evolve and are subject to differing interpretations. As a result, the Company may be subject to regulatory fines, penalties or restrictions in the future.

(b) Claims and Litigation

From time to time, the Company may be involved in litigation relating to claims arising out of operations in the normal course of business. As of September 28, 2019, there were no pending or threatened lawsuits that could reasonably be expected to have a material effect on the results of the Company's operations. As of September 28, 2019, there are also no proceedings in which any of the Company's directors, officers or affiliates is an adverse party to the Company or has a material interest adverse to the Company's interest.

A legal claim has been filed against the Company relating to a financial transaction and seeking damages of approximately $3.5 million. The claim is at a very early stage and the Company believes the likelihood of a loss contingency is remote. As a result, no amount has been set up for potential damages in these financial statements.

In late January 2019, the Company's former Chief Financial Officer ("CFO") filed a complaint against MM Enterprises USA in the Superior Court of California, County of Los Angeles, seeking damages for claims relating to his employment. The Company is currently defending against this lawsuit, which seeks damages for wrongful termination, breach of contract, and breach of implied covenant of good faith. The former CFO's employment agreement provided for the payment of severance in the event of termination without cause. The Company disputes the claims set forth in this lawsuit and believes that the outcome is neither probable nor estimable; therefore, no amounts have been accrued in relation to the claim.

20. RELATED PARTY TRANSACTIONS

(a) Key Management Compensation

Key management personnel are persons responsible for planning, directing and controlling activities of an entity, and include executive and non-executive directors. Compensation provided to key management for the 13 weeks ended September 28, 2019 and three months ended September 30, 2018 was as follows:

	2019	2018
Short-Term Employee Benefits, including Salaries, Fees and One-Time Bonuses Related to Reverse Take-Over	$ 825,059	$ 13,787,500
Share-Based Compensation - Directors	488,846	1,087,867
Share-Based Compensation - Executives	2,164,058	6,401,121
Total Key Management Compensation	**$ 3,477,963**	**$ 21,276,488**

(Amounts Expressed in United States Dollars Unless Otherwise Stated)

20. RELATED PARTY TRANSACTIONS *(Continued)*

(b) Related Party Balances

All related party balances due from or due to the Company as of September 28, 2019 and June 29, 2019 did not have any formal contractual agreements regarding payment terms or interest.

As of September 28, 2019 and June 29, 2019, amounts due from related parties were as follows:

Name and Relationship to Company	Transaction	September 28, 2019	June 29, 2019
MMOF GP II, LLC ("Fund LP II"), an entity which Mr. Adam Bierman, Mr. Andrew Modlin and Mr. Christopher Ganan each holds 33.33% indirect voting interest. The shareholders each hold 27.12% of indirect equity interest in Fund LP II, the General Partner of Fund II, which both hold equity interests in a subsidiary of the Company.	Management Fees	$ 1,820,904	$ 1,820,904
MedMen Opportunity Fund GP, LLC ("Fund LP"), an entity which Mr. Adam Bierman, Mr. Andrew Modlin and Mr. Christopher Ganan each holds 33.33% indirect voting interest. The shareholders each hold 24.22% of indirect equity interest in Fund LP, the General Partner of Fund I, which both hold equity interests in a subsidiary of the Company.	Management Fees	1,228,259	1,228,259
MedMen Canada Inc., a 50/50 joint venture partnership between the Company and Cronos Group Inc.	Advance	1,153,200	1,153,200
Other		1,200,767	719,092
Total Amounts Due from Related Parties		**$ 5,403,130**	**$ 4,921,455**

(Amounts Expressed in United States Dollars Unless Otherwise Stated)

20. RELATED PARTY TRANSACTIONS *(Continued)*

(b) Related Party Balances *(Continued)*

As of September 28, 2019 and June 29, 2019, amounts due to related parties were as follows:

Name and Relationship to Company	Transaction	September 28, 2019	June 29, 2019
Fund LP II, an entity which Mr. Adam Bierman, Mr. Andrew Modlin and Mr. Christopher Ganan each holds 33.33% indirect voting interest. The shareholders each hold 27.12% of indirect equity interest in Fund LP II, the General Partner of Fund II, which both hold equity interests in a subsidiary of the Company.	Working Capital, Construction and Tenant Improvements, Lease Deposits and Cash Used for Acquisitions	$ (1,093,896)	$ (1,093,896)
Fund LP, an entity which Mr. Adam Bierman, Mr. Andrew Modlin and Mr. Christopher Ganan each holds 33.33% indirect voting interest. The shareholders each hold 24.22% of indirect equity interest in Fund LP, the General Partner of Fund I, which both hold equity interests in a subsidiary of the Company.	Working Capital, Management Fees and Cash Used for Acquisitions	(2,862,647)	(2,862,647)
Other		(966,425)	(1,684,274)
Total Amounts Due to Related Parties		**$ (4,922,968)**	**$ (5,640,817)**

(c) Sale and Leaseback Transactions - Related Parties

During the 13 weeks ended September 28, 2019, the Company completed the sale of two properties to the REIT for gross proceeds, after repayment of debt, of approximately $20,400,000. The two properties included in the sale were:

- One cultivation and production facility located in Eustis, Florida.
- One retail storefront located in San Diego, California.

(d) Leases - Related Parties

In January 2017, Bloomfield Industries, Inc. entered into a 10-year lease agreement with UN East LLC, a related party, to occupy a temporary facility and for five acres of land for future development. The lease provides, among other things, for the issuance of a 10% initial members' equity interest in Project Compassion NY, LLC valued at $3,500,000.

The Company entered into lease agreements with the REIT and its wholly-owned subsidiaries, or have lease agreements which were assumed by the REIT, which commenced on various dates between March 2016 and September 2019, and provides for initial rent payments ranging between $19,367 and $354,167 per month that increase by 3% per annum.

21. SEGMENTED INFORMATION

The Company currently operates in one segment, retail cannabis operations. The Company's cultivation operations are not considered significant to the overall operations of the Company. Intercompany sales and transactions are eliminated in consolidation.

22. SUBSEQUENT EVENTS

The Company has evaluated subsequent events through November 26, 2019, which is the date these unaudited interim condensed consolidated financial statements were issued, and has concluded that the following subsequent events have occurred that would require recognition in the interim condensed consolidated financial statements or disclosure in the notes to the interim condensed consolidated financial statements.

(a) Business Acquisitions Amended or Terminated

PharmaCann, LLC

On October 11, 2018, the Company entered into a binding letter of intent with PharmaCann, LLC ("PharmaCann") to acquire all outstanding equity interests in PharmaCann in an all-stock transaction (the "PharmaCann Acquisition"), valued at $682 million based on the closing price of the Subordinate Voting Shares on October 9, 2018 (such value being subject to change based on the daily closing price of the Subordinate Voting Shares).

On October 8, 2019, the Company and PharmaCann announced the mutual agreement to terminate the Business Combination Agreement dated December 23, 2018. In conjunction with the termination, PharmaCann will pay a termination fee to the Company through a transfer of membership interests ("Transfer of Interest") in three entities holding the following four assets:

- Operational cultivation and production facility in Hillcrest, Illinois;
- Retail location in Evanston, Illinois;
- Retail license for Greater Chicago, Illinois; and
- License for vertically integrated facility in Virginia.

Contingent on the successful Transfer of Interests, the Company will forgive all amounts outstanding under its existing line of credit to PharmaCann, which totaled approximately $21,000,000, including accrued interest, as of September 28, 2019.

(b) Sale of Interests

(i) Old Pal LLC

On October 17, 2019, the Company entered into a securities transfer agreement to sell a portion of its interest in Old Pal LLC. The interests sold consist of 86.80 Class B Units, or 6.9% of the outstanding units, at a price per unit of $57,060, resulting in an aggregate sale price of $4,952,821. Following the transfer, the Company holds 38.50 Class B Units, or 3.1% of the outstanding units, in Old Pal LLC.

(ii) The Hacienda Company, LLC

On November 13, 2019, the Company executed an agreement, subject to customary closing conditions, to sell its investment in The Hacienda Company, LLC, which owns Lowell Herb Co. for an aggregate sale price of $3,503,843.

22. SUBSEQUENT EVENTS *(Continued)*

(b) Sale of Interests *(Continued)*

(iii) Treehouse Real Estate Investment Trust

On November 15, 2019, the Company received proceeds of $7,000,000 from a related party for the sale of 50% of its 70% interest in LCR Manager, LLC, the manager of the general partner of the REIT. On November 22, 2019, the Company entered into an agreement with the related party to sell the remaining 20% interest in LCR manager for approximately $5,500,000.

(c) Senior Secured Convertible Credit Facility

On October 29, 2019, the Company completed the second amendment of its existing Credit Facility with Gotham Green Partners (the "Amendment") wherein certain reporting and financial covenants were modified. The conversion of any portion of the obligations into shares is restricted until on or after October 29, 2020. As a result of the Amendment, the Company has the right to repay, in whole or in part, the outstanding Principal Amount of the Note together with accrued and unpaid Interest and feels, plus the Applicable Premium which is five percent (5%) of the Principal Amount being repaid before the second anniversary of the Closing Date, and thereafter (3%) of the Principal Amount being repaid. The amount of available credit in Tranche 3 and Tranche 4 was amended to $10,000,000 and $115,000,000, respectively. The aggregate amount available to be borrowed remains the same. Further, the Amendment accelerated the funding of Tranche 3 and provided that the funding of Tranche 4 will require the consent of both the Company and the lenders under the Facility.

On October 29, 2019, the Company issued notes in the principal amount of $18,750,000 with a conversion price of $1.28 per Subordinate Voting Share.

(d) Business Acquisitions Amended

On November 12, 2019, the Company entered into an agreement to amend a potential $15,000,000 cash earn out due in December 2020 for a previously announced acquisition to $10,000,000 in Class B Subordinate Voting Shares due in December 2019.

(e) Lock-Up Agreements

In December 2018 and January 2019, MMMG, Fund I and Fund II each negotiated and entered into separate lock-up agreements with MedMen Corp. in respect of the MedMen Corp Redeemable Shares held by such entities, which MedMen Corp Redeemable Shares are redeemable or exchangeable in accordance with their terms for Subordinate Voting Shares. MMMG, Fund I and Fund II held approximately 179 million MedMen Corp Redeemable Shares, 94 million MedMen Corp Redeemable Shares and 60 million MedMen Corp Redeemable Shares, respectively, as of the execution of such lock- up agreements. Such lock-up agreements provide that all of the MedMen Corp Redeemable Shares held by MMMG and approximately 105 million of the total number of MedMen Corp Redeemable Shares held by Fund I and Fund II will not be permitted to be sold, transferred or otherwise disposed of by such shareholders of MedMen Corp. until November 25, 2019, at which time, the restrictions on resale pursuant to such agreements are to be immediately lifted as to one-twelfth of the locked-up shares and thereafter in increments over an 11-month period as to the remaining locked-up shares. In the event that MMMG, Fund I or Fund II distribute their MedMen Corp Redeemable Shares to their respective members or partners, they are required to cause such MedMen Corp Redeemable Shares to remain subject to the same restrictions on resale.