

MedMen Reports Third Quarter Fiscal 2020 Financial Results – Designated News Release

- *Third quarter revenue of \$45.9 million, up 41% year over year*
- *Corporate SG&A decreased by 35% sequentially and 51% from the prior year period*
- *Strengthened balance sheet through combination of equity, debt and sale of non-core assets*
- *Achieved first month of positive after-tax cash flow across retail footprint*
- *Appointed Tom Lynch as Interim Chief Executive Officer and Chief Restructuring Officer and Tim Bossidy as Interim Chief Operating Officer*
- *Announced new board of director member, Niki Christoff, who currently serves as SVP of Strategy and Government Relations at Salesforce and held previous executive roles at Uber and Google*

LOS ANGELES--(BUSINESS WIRE)--May 27, 2020--MedMen Enterprises Inc. (“MedMen” or the “Company”) (CSE: MMEN) (OTCQX: MMNFF) today released its consolidated financial results third quarter 2020 ended March 28, 2020. All financial information in this press release is reported in U.S. dollars, unless otherwise indicated.

Management Commentary

“We continued to make significant progress during the third quarter by delivering top-line growth, reducing our corporate overhead and attracting capital to support our strategic plan,” said MedMen Interim Chief Executive Officer Tom Lynch. “We are encouraged by the steps the business has taken to focus on disciplined growth and profitability amidst a challenging and unprecedented global environment. Through the strength of the MedMen brand and the capital partners that continue to support the Company, we are well-positioned to execute on our goal of being the leading cannabis retailer.”

Third Quarter Fiscal 2020 Review

Financials:

- **Revenue:** Systemwide revenue across MedMen's operations in California, Nevada, New York, Illinois and Florida increased to \$45.9 million for the quarter, up 41% year-over-year
- **Corporate SG&A:** Corporate SG&A totaled \$17.3 million, a 35% decrease from previous quarter, and 51% decrease from the prior year period. Subsequent to the quarter end, the Company further reduced corporate SG&A through an additional approximate 25% reduction in corporate headcount. In aggregate, the Company has reduced overall corporate SG&A by over \$100 million on an annualized basis since the initial cost cutting efforts began in the fiscal second quarter of 2019.
- **Adjusted EBITDA:** The Company reported an Adjusted EBITDA loss of \$20.7 million for the quarter, an improvement over the Adjusted EBITDA loss of \$35.1 million in the previous quarter. The Company’s cultivation and manufacturing facilities contributed to \$12.9 million of the total Adjusted EBITDA loss.

- **Adjusted Retail EBITDA:** Across its national retail footprint, the Company recorded a four-wall Adjusted EBITDA margin after local taxes and distribution expenses of 5%, compared to an 8% loss in the previous quarter, primarily driven by reduced payroll costs and local taxes.
- **Retail Cash Flow:** For the month of March, the Company recorded positive after-tax cash flow (including estimated state, local and federal taxes) across its national retail footprint due to gross margin improvements, cost optimization initiatives and reduction in local taxes. The Company's two highest-performing stores, Evanston, IL and West Hollywood, CA, combined for an after-tax cash flow margin of 17% during the month of March.
- **Balance Sheet:** As of March 28, 2020, current assets totaled \$123.9 million and included cash and cash equivalents of \$31.8 million
- **Capital Markets:** During the quarter, the Company raised \$7.8 million in gross proceeds under the equity offering announced in December 2019, received \$12.5 million in additional gross proceeds under its GGP senior secured convertible note facility and generated gross proceeds of \$17.0 million through the sale of non-core assets

Retail Highlights:

- **California:** California retail revenue totaled \$29.6 million for the third quarter, representing a 19% increase from the same period last year. On a same-store basis, California retail stores are up 5% from the same period last year. The Beverly Hills, Santa Ana, LAX, Abbot Kinney and Downtown Los Angeles locations were up 13%, 28%, 27%, 13% and 14%, respectively, compared to the same period last year.
- **Illinois:** The Company currently operates two stores in Illinois with locations in Oak Park and Evanston. Illinois became the Company's second highest-grossing market during the quarter, with retail revenue totaling \$6.7 million for the quarter, representing a 282% sequential increase over the second quarter, despite limited store hours due to product shortages across the state. Subsequent to the quarter end, the Company secured additional vendor support for increased product in anticipation of expanded store hours.
- **Nevada:** Nevada retail revenue totaled \$4.7 million for the third quarter, representing a 5% increase from same period last year. During the quarter, the Company temporarily shut down retail operations in its Downtown Las Vegas and Paradise locations due to COVID-19.
- **Florida:** The Company operated eight retail locations in Florida during the third quarter. Due to improvements at its Eustis facility, the Company was able to enhance its inventory levels, leading to a 33% sequential revenue increase over the second quarter. Subsequent to the quarter end, the Company temporarily closed five of the eight locations to redirect limited product to higher traffic locations.
- **Massachusetts:** The Company's Fenway location is pending final regulatory approval and construction is anticipated to begin in calendar year 2020. In Newton, Massachusetts MedMen has signed a lease on a retail location and now is awaiting regulatory approvals.
- **New York:** The Company operates four medical dispensaries in the state, with a flagship location on Fifth Avenue near Bryant Park.

- **Arizona:** The Company is currently in the process of divesting its Arizona footprint, which includes three retail locations and various cultivation and manufacturing operations.
- **COVID-19:** On March 11, 2020, the World Health Organization declared COVID-19 a global pandemic and recommended containment and mitigation measures worldwide. While the ultimate severity of the outbreak and its impact on the economic environment is uncertain, the Company is monitoring the situation closely and is taking necessary steps to ensure the safety of its employees and customers. Despite being deemed as an essential retailer in its core markets, the Company has experienced a negative impact on sales in certain markets as a result of shelter-at-home orders, social distancing efforts, caps on maximum allowable people within a retail establishment, declining tourism and required modifications to store operations. Certain markets, such as California and Nevada, experienced a greater impact on sales due to reduced foot traffic in certain locations. Other markets, such as Illinois, Florida and New York have not been significantly impacted by COVID-19 and in some cases, stores in those markets have generated increased sales subsequent to the quarter end.

Capital Markets and Financing Activities:

- **Credit Facility:** On March 30, 2020, the Company announced it closed on \$12.5 million in additional gross proceeds under its \$250.0 million senior secured convertible debt facility (the “Facility”) led by funds affiliated with Gotham Green Partners (collectively, “GGP”). Subsequent to the quarter end, GGP funded an additional \$2.5 million under the Facility. In aggregate, GGP and co-investors have invested \$150.0 million into the Company under the Facility to date.
- **Equity Investment:** On January 14, 2020, the Company announced the closing of its \$20.0 million offering of Class B Subordinate Voting Shares at a price per share of \$0.43. Of the total offering, \$7.8 million was received by the Company during the quarter.
- **Definitive Agreement on Sale of Non-Core Asset:** On February 25, 2020 the Company entered into definitive agreements to assign its rights to acquire a licensed cultivation and manufacturing facility in Hillcrest, Illinois (“Hillcrest Facility”) for total gross proceeds of \$17.0 million (“Hillcrest Transaction”). The Company previously received the right to acquire the Hillcrest Facility as part of its merger termination agreement with PharmaCann, LLC (“PharmaCann”).
- **Secured Term Loan Amendment:** On January 14, 2020, the Company announced the execution and closing of definitive documentation for amendments to the terms and conditions of the \$77.8 million senior secured term loan with funds managed by Stable Road and its affiliates.

Corporate Governance:

- **MedMen 2020 Annual General Meeting Results:** The Annual General Meeting of MedMen shareholders was held on February 21, 2020 in Toronto, Canada under Executive Chairman, Ben Rose. Shareholders adopted all the resolutions submitted for approval. Shareholders re-elected Ben Rose, Adam Bierman and Jay Brown to the Board of Directors and added new members Mel Elias, Cameron Smith, and Chris Ganan. Jay

Brown subsequently resigned from the Board of Directors on March 24, 2020. MNP LLP was re-appointed as the auditors of the Company.

- **Management Changes:** Effective February 1, 2020, Adam Bierman, Co-Founder and Chief Executive Officer stepped down as Chief Executive Officer and the Board of Directors named the Company's Chief Technology Officer, Ryan Lissack, as Interim Chief Executive Officer. On March 30, 2020, the Company appointed Tom Lynch as Interim Chief Executive Officer and Chief Restructuring Officer, succeeding Ryan Lissack. Tim Bossidy was appointed as Interim Chief Operating Officer.
- **Super Voting Shares:** As part of his resignation, former Chief Executive Officer, Adam Bierman, agreed to surrender his Class A Super Voting shares. Following expiration of the limited proxy granted by Andrew Modlin to Ben Rose, MedMen will only have one class of outstanding shares, Class B subordinate voting shares, each of which entitle the holder to one vote.
- **Board Additions:** During the quarter, the Company announced three additions to its Board of Directors
 - Mel Elias, former President and CEO of The Coffee Bean & Tea Leaf
 - Cameron Smith, a private angel investor and advisor focused on health food
 - Errol Schweizer, former Vice President of Grocery at Whole Foods Market

Subsequent Events:

- **Board of Directors:** Effective May 26, 2020, the Company appointed Niki Christoff to its Board of Directors. Ms. Christoff currently serves as a Senior Vice President of Strategy and Government Relations at Salesforce, where she has held the role since 2017. Prior to joining Salesforce, Ms. Christoff served as Senior Director of Public Policy at Uber. Ms. Christoff also held a number of positions at Google over a span of eight years, including most recently, serving as Director of Global Communications and Public Affairs. In 2019, Ms. Christoff was named one of Fortune's "25 Most Powerful Women in Politics."

Transition to United States Generally Accepted Accounting Principles ("U.S. GAAP"):

The Company is required by the U.S. Securities and Exchange Commission ("SEC") to test whether it continues to qualify as a foreign private issuer as of the last business day of every fiscal second quarter. As of December 28, 2019, the Company no longer met the qualification as a foreign private issuer as a result of more than 50% of the Company's outstanding voting securities being held by residents of the United States. Effective June 27, 2020, MedMen will be considered a United States domestic issuer and non-accelerated filer under the rules of the SEC. Accordingly, the Company will prepare its audited consolidated financial statements for the 52 weeks ended June 27, 2020 in accordance with U.S. GAAP, with such change being applied retrospectively. The extent of the impact of this change in accounting framework has not yet been quantified by the Company.

ADDITIONAL INFORMATION

Additional information relating to the Company's fiscal third quarter 2020 results is available on SEDAR at www.sedar.com in the Company's Interim Financial Statements and Management Discussion & Analysis ("MD&A") for the quarter.

MedMen refers to certain non-IFRS financial measures such as Earnings Before Interest, Taxes, Depreciation and Amortization (EBITDA), adjusted EBITDA (defined as earnings before interest, taxes, depreciation, amortization, less certain non-cash equity compensation expense, including one-time transaction fees and all other non-cash items), four-wall retail gross margins, Retail Cash Flow and Corporate SG&A. These measures do not have any standardized meaning prescribed by IFRS and may not be comparable to similar measures presented by other issuers.

Please see the "Supplemental Information (Unaudited) Regarding Non-IFRS Financial Measures" at the end of this press release and the MD&A for more detailed information regarding non-IFRS financial measures.

CONFERENCE CALL AND WEBCAST:

MedMen Enterprises will host a conference call and audio webcast with Interim Chief Executive Officer Tom Lynch and Chief Financial Officer Zeeshan Hyder today at 5:00 pm Eastern to discuss the financial results in further detail.

Webcast Information:

A live audio webcast of the call will be available on the Events and Presentations section of MedMen's website at: <https://investors.medmen.com/events-and-presentations/default.aspx> and will be archived for replay.

Calling Information:

Toll Free Dial-In Number: (844) 559-7829
International Dial-In Number: (647) 689-5387
Conference ID: 7361758

ABOUT MEDMEN:

MedMen is North America's premium cannabis retailer with flagship locations in Los Angeles, Las Vegas, Chicago and New York. Through a robust selection of high-quality products, including MedMen-owned brands [statemade], LuxLyte and MedMen Red, and a team of cannabis-educated associates, MedMen has defined the next generation discovery platform for cannabis and all its benefits. MedMen's industry-leading technology enables a fully compliant, owned-and-operated delivery service and MedMen Buds, a loyalty program. MedMen believes that a world where cannabis is legal and regulated is safer, healthier and happier. Learn more at www.medmen.com.

Cautionary Note Regarding Forward-Looking Information and Statements

This press release contains certain “forward-looking information” within the meaning of applicable Canadian securities legislation and may also contain statements that may constitute “forward-looking statements” within the meaning of the safe harbor provisions of the United States Private Securities Litigation Reform Act of 1995. Such forward-looking information and forward-looking statements are not representative of historical facts or information or current condition, but instead represent only MedMen’s beliefs and assumptions regarding future events, plans or objectives, many of which, by their nature, are inherently uncertain and outside of MedMen’s control. Generally, such forward-looking information or forward-looking statements can be identified by the use of forward-looking terminology such as “target of”, “objectives”, “plans”, “expects” or “does not expect”, “is expected”, “budget”, “scheduled”, “estimates”, “forecasts”, “intends”, “anticipates” or “does not anticipate”, or “believes”, or variations of such words and phrases or may contain statements that certain actions, events or results “may”, “could”, “would”, “might” or “will be taken”, “will continue”, “will occur” or “will be achieved”. The forward-looking information and forward-looking statements contained herein may include, but are not limited to, expectations regarding the timing and results of the Company’s focus on retail operations, divestiture of its Arizona footprint, continued cost cutting efforts, emphasis on four-wall economics, and other considerations that could impact achieving positive EBITDA.

This forward-looking information is based on certain assumptions made by management and other factors used by management in developing such information.

Although MedMen believes that the assumptions and factors used in preparing, and the expectations contained in, the forward-looking information and statements are reasonable, undue reliance should not be placed on such information and statements, and no assurance or guarantee can be given that such forward-looking information and statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such information and statements. The forward-looking information and forward-looking statements contained in this press release are made as of the date of this press release, and MedMen does not undertake to update any forward-looking information and/or forward-looking statements that are contained or referenced herein, except in accordance with applicable securities laws. All subsequent written and oral forward-looking information and statements attributable to MedMen or persons acting on its behalf are expressly qualified in its entirety by this notice.

Non-IFRS Measures

This press release uses certain non-IFRS measures. Management uses non-IFRS financial measures, in addition to IFRS financial measures, to understand and compare operating results across accounting periods, for financial and operational decision-making, for planning and forecasting purposes and to evaluate the Company’s financial performance. These measures include EBITDA, which is defined as net income or loss adjusted for net interest and other financing costs, provision for income taxes, and amortization and depreciation, and Retail Cash Flow which is defined as net income adjusted for amortization and depreciation.

Management believes that these non-IFRS financial measures assess the Company’s ongoing business in a manner that allows for meaningful comparisons and analysis of trends in the

business, as they facilitate comparing financial results across accounting periods and to those of peer companies. Management also believes that these non-IFRS financial measures enable investors to evaluate the Company's operating results and future prospects in the same manner as management. These non-IFRS financial measures may also exclude expenses and gains that may be unusual in nature, infrequent or not reflective of the Company's ongoing operating results.

As there are no standardized methods of calculating these non-IFRS financial measures, the Company's methods may differ from those used by others, and accordingly, the use of these measures may not be directly comparable to similarly titled measures used by others. Accordingly, these non-IFRS financial measures are intended to provide additional information and should not be considered in isolation or as a substitute for measures of performance prepared in accordance with IFRS.

MEDMEN ENTERPRISES INC.

UNAUDITED INTERIM CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

MARCH 28, 2020 AND JUNE 29, 2019

(Amounts Expressed in United States Dollars Unless Otherwise Stated)

	March 28, 2020	June 29, 2019
ASSETS		
Current Assets:		
Cash and Cash Equivalents	\$ 31,802,450	\$ 3,180,450
Restricted Cash	9,873	-
Accounts Receivable	1,032,639	-
Current Portion of Prepaid Rent - Related Party	-	-
Prepaid Expenses	5,358,968	1,032,639
Derivative Assets	-	-
Income Taxes Receivable	3,165,363	-
Biological Assets	1,901,221	-
Inventory	19,396,885	2,165,363
Assets Held for Sale	46,807,244	-
Other Current Assets	10,590,123	1,901,221
Due from Related Party	3,851,589	-
Total Current Assets	<u>123,916,355</u>	<u>11,079,683</u>
Non-Current Assets:		
Prepaid Rent - Related Party, Net of Current Portion	-	-
Property and Equipment, Net	437,912,875	22,165,363

Intangible Assets, Net	162,456,527	17
Goodwill	61,322,038	8
Other Assets	25,792,912	3
Total Non-Current Assets	687,484,352	51
TOTAL ASSETS	\$ 811,400,707	\$ 63
LIABILITIES AND SHAREHOLDERS' EQUITY		
LIABILITIES:		
Current Liabilities:		
Accounts Payable and Accrued Liabilities	\$ 66,559,579	\$ 4
Income Taxes Payable	37,777,329	1
Other Current Liabilities	12,893,303	1
Derivative Liabilities	15,621,552	
Current Portion of Lease Liabilities	13,453,542	
Current Portion of Notes Payable	16,942,303	2
Liabilities Held for Sale	16,335,846	
Due to Related Party	4,922,970	
Total Current Liabilities	184,506,424	11
Non-Current Liabilities:		
Lease Liabilities, Net of Current Portion	305,939,495	9
Other Non-Current Liabilities	9,974,671	3
Deferred Tax Liabilities	26,407,392	2
Senior Secured Convertible Credit Facility	136,785,688	9
Notes Payable, Net of Current Portion	75,126,109	7
Total Non-Current Liabilities	554,233,355	31
TOTAL LIABILITIES	738,739,779	43
SHAREHOLDERS' EQUITY:		
Share Capital	700,322,430	55
Contributed Surplus	78,209,834	6
Accumulated Deficit	(523,157,889)	(38)
Total Equity Attributable to Shareholders of MedMen Enterprises Inc.	255,374,375	23
Non-Controlling Interest	(182,713,447)	(3)
TOTAL SHAREHOLDERS' EQUITY	72,660,928	20
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	\$ 811,400,707	\$ 63
MEDMEN ENTERPRISES INC.		

UNAUDITED INTERIM CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE LOSS
13 AND 39 WEEKS ENDED MARCH 28, 2020 AND MARCH 30, 2019

(Amounts Expressed in United States Dollars Unless Otherwise Stated)

	13 Weeks Ended	
	March 28, 2020	March 30, 2019
Revenue	\$ 45,941,160	\$ 32,548,000
Cost of Goods Sold	32,851,115	18,683,000
Gross Profit Before Fair Value Adjustments	13,090,045	13,865,000
Realized Fair Value of Inventory Sold	(1,948,273)	(5,655,000)
Unrealized Gain on Changes in Fair Value of Biological Assets	4,330,067	9,793,000
Gross Profit	15,471,839	18,003,000
Expenses:		
General and Administrative	38,075,000	59,960,000
Sales and Marketing	1,047,996	6,718,000
Depreciation and Amortization	14,653,049	4,512,000
Total Expenses	53,776,045	71,190,000
Loss from Operations	(38,304,206)	(53,186,000)
Other Expense (Income):		
Interest Expense	13,286,915	2,645,000
Interest Income	(126,089)	(123,000)
Amortization of Debt Discount and Loan Origination Fees	1,908,452	2,328,000
Change in Fair Value of Derivatives	(3,171,622)	3,861,000
Unrealized Gain on Changes in Fair Value of Investments and Assets Held for Sale	(86,124)	(1,100,000)
Unrealized Gain on Changes in Fair Value of Contingent Consideration	962,791	
Other Expense	2,199,360	(767,000)
Total Other Expense	14,973,683	6,844,000
Loss from Continuing Operations Before Provision for Income Taxes	(53,277,889)	(60,030,000)
Provision for Income Taxes	15,501,118	2,481,000

Net Loss and Comprehensive Loss from Continuing Operations	(68,779,007)	(62,512,
Net Loss from Discontinued Operations, Net of Taxes	<u>(8,164,163)</u>	<u>(560,</u>
Net Loss and Comprehensive Loss	(76,943,170)	(63,072,
Net Loss and Comprehensive Loss Attributable to Non-Controlling Interest	<u>(37,009,149)</u>	<u>(39,336,</u>
Net Loss and Comprehensive Loss Attributable to Shareholders of MedMen Enterprises Inc.	<u>\$ (39,934,021)</u>	<u>\$ (23,736,</u>
Loss Per Share - Basic and Diluted:		
From Continuing Operations Attributable to Shareholders of MedMen Enterprises Inc.	<u>\$ (0.10)</u>	<u>\$ (0</u>
From Discontinued Operations Attributable to Shareholders of MedMen Enterprises Inc.	<u>\$ (0.03)</u>	<u>\$ (0</u>
Weighted-Average Shares Outstanding - Basic and Diluted	315,384,911	118,853,

MEDMEN ENTERPRISES INC.

UNAUDITED INTERIM CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

39 WEEKS ENDED MARCH 28, 2020 AND MARCH 30, 2019

(Amounts Expressed in United States Dollars Unless Otherwise Stated)

	39 Weeks Ended	
	March 28,	March 30,
	2020	2019
CASH FLOW FROM OPERATING ACTIVITIES:		
Net Loss and Comprehensive Loss from Continuing Operations	\$(222,148,142)	\$(192,209,428)
Adjustments to Reconcile Net Loss and Comprehensive Loss to Net Cash Used in Continued Operating Activities:		
Unrealized Gain on Changes in Fair Value of Biological Assets	(12,788,755)	(12,676,775)
Deferred Tax Expense	428,458	-
Interest Expense	37,152,380	-
Realized Fair Value of Inventory Sold	(7,425,278)	7,852,073
Depreciation and Amortization	43,050,999	11,277,031
Loss on Disposals of Non-Current Assets	1,475,381	1,635,598
Amortization of Debt Discount and Loan Origination Fees	9,123,700	4,562,915
Change in Fair Value of Contingent Consideration	(924,355)	-

Accretion of Deferred Gain on Sale of Property	(756,253)	(246,133)
Unrealized Gain on Changes in Fair Value of Investments and Assets Held for Sale	(16,600,605)	(2,294,000)
Loss on Extinguishment of Debt, Debt Modification and Liabilities	20,814,006	1,174,922
Share-Based Compensation	10,845,454	28,702,327
Shares Issued for Acquisition Costs	429,314	1,112,820
Change in Fair Value of Derivatives	(3,693,214)	(2,301,817)
Changes in Operating Assets and Liabilities:		
Accounts Receivable	159,139	(225,004)
Prepaid Rent - Related Party	-	1,263,333
Prepaid Expenses	8,452,369	(9,294,732)
Income Taxes Receivable	293,206	-
Biological Assets	20,636,748	733,280
Inventory	5,655,527	(11,734,517)
Other Current Assets	6,035,072	(7,051,088)
Due from Related Party	(151,788)	(6,620,425)
Other Assets	(13,346,268)	873,910
Accounts Payable and Accrued Liabilities	33,364,240	15,442,047
Income Taxes Payable	29,108,740	-
Other Current Liabilities	(722,678)	(12,611,720)
Due to Related Party	(5,607,959)	(4,217,624)
Other Non-Current Liabilities	-	1,705
NET CASH USED IN CONTINUED OPERATING ACTIVITIES	(57,140,562)	(186,851,302)
Net Cash Provided by Discontinued Operating Activities	2,896,876	2,635,686
NET CASH USED IN OPERATING ACTIVITIES	(54,243,686)	(184,215,616)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchases of Property and Equipment	(50,795,688)	(81,474,412)
Internally-Developed Software Costs Capitalized	(3,701,764)	-
Proceeds from Sale of Assets Held for Sale	21,947,796	-
Purchase of Investments	-	(8,919,791)
Proceeds from Sale of Property	21,875,000	96,373,319
Proceeds from Sale of Investments	12,500,000	-
Acquisition of Businesses, Net of Cash Acquired	(1,000,000)	(49,224,060)
Additions to Restricted Cash	45,745	4,319,347
NET CASH PROVIDED BY (USED IN) CONTINUED INVESTING ACTIVITIES	871,089	(38,925,597)
Net Cash Used in Discontinued Investing Activities	(1,827,239)	(723,611)
NET CASH USED IN INVESTING ACTIVITIES	(956,150)	(39,649,208)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Exercise of Warrants for MedMen Corp Redeemable Shares	-	8,521,268
Issuance of Subordinate Voting Shares for Cash	62,593,190	115,289,679
Payment of Loan Amendment Fee	(500,000)	-
Proceeds from Issuance of Senior Secured Convertible Credit Facility	47,500,000	-

Proceeds from Issuance of Notes Payable	2,750,000	93,943,539
Principal Repayments of Notes Payable	(15,598,610)	(48,863,155)
Lease Liability Payments	(32,351,797)	(560,242)
Interest Paid on Notes Payable and Senior Secured Convertible Credit Facility	(7,631,128)	-
Debt Issuance Costs	(1,584,913)	(2,019,472)
(Distributions to) Contributions from Non-Controlling Interest	(310,633)	290,000
	-	-
NET CASH PROVIDED BY FINANCING ACTIVITIES	54,866,109	166,601,617
	-	-
NET DECREASE IN CASH AND CASH EQUIVALENTS	(333,727)	(57,263,207)
	-	-
Cash Included in Assets Held for Sale	(1,617,574)	-
Cash and Cash Equivalents, Beginning of Period	33,753,751	79,159,970
	-	-
CASH AND CASH EQUIVALENTS, END OF PERIOD	\$ 31,802,450	\$ 21,896,763

MEDMEN ENTERPRISES INC.

NON-IFRS RECONCILIATION

13 AND 39 WEEKS ENDED MARCH 28, 2020 AND MARCH 30, 2019

(Amounts Expressed in United States Dollars Unless Otherwise Stated)

	13 Weeks Ended		39 Weeks Ended	
	March 28, 2020	March 30, 2019	March 28, 2020	March 30, 2019
Net Loss from Continuing Operations (IFRS)				
	\$(68,779,007)	\$(62,512,589)	\$(222,148,142)	\$(192,209,42)
Add (Deduct) Impact of:				
Transaction Costs and Other One-Time Costs	3,171,545	3,360,657	21,986,665	9,018,33
Share-Based Compensation	1,784,043	6,048,427	10,747,093	28,702,32
Other Non-Cash Operating Costs	(2,711,570)	(2,145,235)	(2,500,657)	(6,930,28
Total Adjustments	2,244,018	7,263,849	30,233,101	30,790,37
Adjusted Net Loss from Continuing Operations (Non-IFRS)	\$(66,534,989)	\$(55,248,740)	\$(191,915,041)	\$(161,419,04
Net Loss from Continuing Operations (IFRS)				
	\$(68,779,007)	\$(62,512,589)	\$(222,148,142)	\$(192,209,42
Add (Deduct) Impact of:				
Net Interest and Other Financing Costs	13,160,827	2,289,496	36,219,847	6,393,93
Provision for Income Taxes	15,501,118	2,481,832	28,053,159	6,077,05
Amortization and Depreciation	17,151,193	7,557,280	51,852,527	16,188,39

Total Adjustments	45,813,138	12,328,608	116,125,533	28,659,38
EBITDA from Continuing Operations (Non-IFRS)	<u>\$(22,965,869)</u>	<u>\$(50,183,981)</u>	<u>\$(106,022,609)</u>	<u>\$(163,550,04)</u>
EBITDA from Continuing Operations (Non-IFRS)	\$(22,965,869)	\$(50,183,981)	\$(106,022,609)	\$(163,550,04)
Add (Deduct) Impact of:				
Transaction Costs and Other One-Time Costs	3,171,545	3,360,657	21,986,665	9,018,33
Share-Based Compensation	1,784,043	6,048,427	10,747,093	28,702,32
Other Non-Cash Operating Costs	<u>(2,711,570)</u>	<u>(2,145,235)</u>	<u>(2,500,657)</u>	<u>(6,930,28)</u>
Total Adjustments	2,244,018	7,263,849	30,233,101	30,790,37
Adjusted EBITDA from Continuing Operations (Non-IFRS)	<u>\$(20,721,851)</u>	<u>\$(42,920,132)</u>	<u>\$(75,789,508)</u>	<u>\$(132,759,66)</u>

SOURCE: MedMen Enterprises

Contacts

MEDIA:

Esther Song

Senior Vice President, Marketing & Communications

Email: communications@medmen.com

INVESTORS:

Zeeshan Hyder

Chief Financial Officer

Email: investors@medmen.com