MedMen®

MEDMEN ENTERPRISES INC.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

FOR THE 13 AND 39 WEEKS ENDED MARCH 28, 2020

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*This management's discussion and analysis ("**MD&A**") of the financial condition and results of operations of MedMen Enterprises Inc. ("**MedMen Enterprises**", "**MedMen**" or the "**Company**") is for the 13 and 39 weeks ended March 28, 2020. This MD&A is supplemental to, and should be read in conjunction with, the Annual Information Form filed on November 12, 2019 (the "Annual Information Form") on www.sedar.com, the Company's unaudited interim condensed consolidated financial statements and the accompanying notes for the 13 and 39 weeks ended March 28, 2020, and the Company's audited consolidated financial statements for the 52 weeks ended June 29, 2019. The Company's unaudited interim condensed consolidated financial statements are prepared in accordance with International Financial Reporting Standards ("**IFRS**").*

This MD&A is presented as of May 27, 2020 unless otherwise noted.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

This MD&A includes "forward-looking information" and "forward-looking statements" within the meaning of Canadian securities laws and United States securities laws (collectively, "**forward-looking information**"). All information, other than statements of historical facts, included in this MD&A that addresses activities, events or developments that the Company expects or anticipates will or may occur in the future is forward-looking information. Forward-looking information is often identified by the words "may", "would", "could", "should", "will", "intend", "plan", "anticipate", "believe", "estimate", "expect" or similar expressions and includes, among others, information and statements regarding:

- the business, revenue, results and future activities of, and developments related to, the Company after the date of this MD&A, including as a result of the impact of COVID-19 and planned reductions of operating (including marketing) and capital expenses, including that cost of goods sold will increase at a slower rate than revenues,
- future business strategy, competitive strengths, goals, future expansion and growth of the Company's business and operations,
- the successful implementation of cost reduction strategies and plans, expectations and any targets for such strategies and plans, including expected additional improvements in reduction of Corporate SG&A (Non-IFRS) in upcoming quarters and reductions in marketing expenditures and focus on high return on investment marketing initiatives that drive sales and profitability,
- whether any proposed transactions will be completed on the current terms and contemplated timing,
- expectations for the effects of any such proposed transactions, including the potential number and location of dispensaries or licenses to be acquired or disposed of,
- the ability of the Company to successfully achieve its business objectives as a result of completing such proposed acquisitions or dispositions,
- the contemplated use of proceeds remaining from previously completed capital raising activities,
- the application for additional licenses and the grant of licenses or renewals of existing licenses for which the Company has applied or expects to apply,
- the rollout of new dispensaries, including as to the number of planned dispensaries to be opened in the future and the timing and location in respect of the same, and related forecasts,
- the expansion into additional markets,
- expectations as to the development and distribution of the Company's brands and products,
- new revenue streams,
- the impact of the Company's digital and online strategy,

- the implementation or expansion of the Company's in-store and curbside pickup services,
- the ability of the Company to successfully execute its strategic plans,
- any changes to the business or operations as a result of any potential future legalization of adult-use and/or medical cannabis under U.S. federal law,
- expectations of market size and growth in the United States and the states in which the Company operates or contemplates future operations and the effect that such growth will have on the Company's financial performance,
- statements that imply or suggest that returns may be experienced by investors or the level thereof,
- expectations for other economic, business, regulatory and/or competitive factors related to the Company or the cannabis industry generally, and
- other events or conditions that may occur in the future.

Readers are cautioned that forward-looking information and statements are not based on historical facts but instead are based on assumptions, estimates, analysis and opinions of management of the Company at the time they were provided or made in light of its experience and its perception of trends, current conditions and expected developments, as well as other factors that management believes to be relevant and reasonable in the circumstances, and involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company, as applicable, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking information and statements.

Forward-looking information and statements are not a guarantee of future performance and are based upon estimates and assumptions of management at the date the statements are made including among other things estimates and assumptions about:

- the impact of epidemic diseases, such as the recent outbreak of the COVID-19 illness,
- contemplated dispositions being completed on the current terms and current contemplated timeline,
- development costs remaining consistent with budgets,
- the ability to raise sufficient capital to advance the business of the Company and to fund planned operating and capital expenditures and acquisitions,
- the ability to manage anticipated and unanticipated costs,
- achieving the anticipated results of the Company's strategic plans,
- increasing gross margins, including relative to increases in revenue,
- the amount of savings expected from cost-cutting measures and divestitures of non-core assets, including the impact on Corporate SG&A (Non-IFRS) and EBITDA,
- favorable equity and debt capital markets,
- the availability of future funding under the Company's equity and debt finance facilities,
- stability in financial and capital markets,
- the ability to sustain negative operating cash flows until profitability is achieved,
- the ability to satisfy operational and financial covenants under the Company's existing debt obligations,
- favorable operating and economic conditions,
- political and regulatory stability,
- obtaining and maintaining all required licenses and permits,
- receipt of governmental approvals and permits,
- sustained labor stability,
- favorable production levels and sustainable costs from the Company's operations,

- consistent or increasing pricing of various cannabis products,
- the ability of the Company to negotiate favorable pricing for the cannabis products supplied to it,
- the level of demand for cannabis products, including the Company's and third-party products sold by the Company,
- the continuing availability of third-party service providers, products and other inputs for the Company's operations, and
- the Company's ability to conduct operations in a safe, efficient and effective manner.

While the Company considers these estimates and assumptions to be reasonable, the estimates and assumptions are inherently subject to significant business, social, economic, political, regulatory, public health, competitive and other risks and uncertainties, contingencies and other factors that could cause actual performance, achievements, actions, events, results or conditions to be materially different from those projected in the forward-looking information and statements. Many estimates and assumptions are based on factors and events that are not within the control of the Company and there is no assurance they will prove to be correct.

Risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company, as applicable, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking information and statements include, among others:

- risks and uncertainties relating to Chairman, Ben Rose, holding voting control over all outstanding Class A Super Voting Shares of the Company,
- risks and uncertainties related to the agreement in place with Gotham Green Partners, whereby Gotham Green Partners has the right to approve more than a majority of the Company's Board of Directors,
- uncertain and changing U.S. regulatory landscape and enforcement related to cannabis, including political risks,
- risks and uncertainties related to the recent outbreak of COVID-19 and the impact it may have on the global economy and retail sector, particularly the cannabis retail sector in the states in which the Company operates, and on regulation of the Company's activities in the states in which it operates, particularly if there is any resurgence of the pandemic in the future,
- the inability to raise necessary or desired funds,
- the inability to satisfy operational and financial covenants under the Company's existing debt obligations and other ongoing obligations as they become payable,
- funds being raised on terms that are not favorable to the Company, to the ability to operate the Company's business or to existing shareholders, including as a result of the anti-dilution protections that have been provided under the terms of the GGP Facility,
- the inability to consummate the proposed dispositions and the inability to obtain required regulatory approvals and third-party consents and the satisfaction of other conditions to the consummation of the proposed dispositions on the proposed terms and schedule,
- the potential adverse impacts of the announcement or consummation of the proposed dispositions on relationships, including with regulatory bodies, employees, suppliers, customers and competitors,
- the diversion of management time on the proposed dispositions,
- risks related to future acquisitions or dispositions, resulting in unanticipated liabilities,
- reliance on the expertise and judgment of senior management of the Company,
- adverse changes in public opinion and perception of the cannabis industry,
- risks relating to anti-money laundering laws and regulation,
- risks of new and changing governmental and environmental regulation,
- risk of costly litigation (both financially and to the brand and reputation of the Company and relationships with third parties),

- risks related to contracts with and the inability to satisfy obligations to third-party service providers,
- risks related to the unenforceability of contracts,
- the limited operating history of the Company,
- risks inherent in an agricultural business,
- risks related to proprietary intellectual property and potential infringement by third parties,
- risks relating to financing activities including leverage,
- the inability to effectively manage growth,
- errors in financial statements and other reports,
- costs associated with the Company being a publicly-traded company, including given the loss of foreign private issuer status under U.S. securities laws,
- the dilutive impact of raising additional financing through equity or convertible debt given the decline in the Company's share price,
- increasing competition in the industry,
- increases in energy costs,
- risks associated with cannabis products manufactured for human consumption, including potential product recalls,
- inputs, suppliers and skilled labor being unavailable or available only at uneconomic costs,
- breaches of and unauthorized access to the Company's systems and related cybersecurity risks,
- constraints on marketing cannabis products,
- fraudulent activity by employees, contractors and consultants,
- tax and insurance related risks, including any changes in cannabis or cultivation tax rates,
- risks related to the economy generally,
- conflicts of interest of management and directors,
- failure of management and directors to meet their duties to the Company, including through fraud or breaches of their fiduciary duties,
- risks relating to certain remedies being limited and the difficulty of enforcement of judgments and effect service outside of Canada,
- sales by existing shareholders negatively impacting market prices,
- the limited market for securities of the Company,
- limited research and data relating to cannabis, and
- those risk factors discussed elsewhere herein and in the Annual Information Form, the short form base shelf prospectus filed on March 26, 2019 and the press release of the Company dated December 11, 2019 available under the Company's profile on *www.sedar.com*.

Readers are cautioned that the foregoing lists are not exhaustive of all factors, estimates and assumptions that may apply to or impact the Company's results. Although the Company has attempted to identify important factors that could cause actual results to differ materially from the forward-looking information and statements contained in this MD&A, there may be other factors that cause results not to be as anticipated, estimated or intended. There can be no assurance 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. Accordingly, readers should not place undue reliance on forward-looking information and statements. The forward-looking information and statements contained herein are presented to assist readers in understanding the Company's expected financial and operating performance and the Company's plans and objectives and may not be appropriate for other purposes.

The forward-looking information and statements contained in this MD&A represent the Company's views and expectations as of the date of this MD&A unless otherwise indicated. The Company anticipates that subsequent events and developments may cause its views and expectations to change. However, while the Company may elect to update such forward-looking information and statements at a future time, it has no current intention of and assumes no obligation for doing so, except to the extent required by applicable law.

Readers should read this MD&A and the documents that the Company references herein and has filed at *www.sedar.com* completely and with the understanding that the Company's actual future results may be materially different from what it expects.

Basis of Presentation

The unaudited interim condensed consolidated financial statements of the Company for the 13 and 39 weeks ended March 28, 2020 have been prepared in accordance with IFRS as issued by the International Accounting Standards Board ("**IASB**"). Certain financial measures contained in this MD&A are non-IFRS financial measures and are discussed further under "*Non-IFRS Financial Measures*" below.

All references to "$" and "dollars" refer to U.S. dollars. References to C$ refer to Canadian dollars. Certain totals, subtotals and percentages throughout this MD&A may not reconcile due to rounding.

Change in Fiscal Year-End

The Company changed its fiscal year-end from a fiscal year ending on June 30 to a 52/53-week year ending on the last Saturday in June, effective beginning with fiscal year 2019. In a 52-week fiscal year, each of the Company's quarterly periods will comprise 13 weeks. The additional week in a 53-week fiscal year is added to the fourth quarter, making such a quarter consist of 14 weeks. The Company's first 53-week fiscal year will occur in fiscal year 2024. The Company believes the change in fiscal year provides numerous benefits, including aligning the Company's reporting periods to be more consistent and improving comparability between periods.

The fiscal third quarter of 2020 began on December 29, 2019 and ended on March 28, 2020 and is referred to throughout this report as the "13 weeks ended March 28, 2020" or the "fiscal third quarter of 2020". The comparative period, or the fiscal third quarter of 2019, is the 13 weeks ended March 30, 2019. The 13 weeks ended March 28, 2020 have the same number of operating days as the comparable interim period in the prior year.

Prior Period Adjustment

During the 52 weeks ended June 29, 2019, the Company identified a prior period adjustment related to accounting for deferred tax liabilities arising from its acquisitions during prior years. As such, the Company has retrospectively restated the previously reported consolidated financial statements to reflect the understated amounts. Refer to "*Note 21 – Prior Period Adjustment*" of the unaudited interim condensed consolidated financial statements for the 13 and 39 weeks ended March 28, 2020.

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.

Market and Industry Data

Unless otherwise indicated, the market and industry data contained in this MD&A are based upon information from independent industry publications, market research, analyst reports and surveys, and other publicly available sources. Actual outcomes may vary materially from those forecast in such market or industry data, and the prospect for material variation can be expected to increase as the length of time of the forecast period increases. Although the Company believes these sources to be generally reliable, market and industry data is subject to interpretation and cannot be verified with complete certainty due to limits on the availability and reliability of raw data, the voluntary nature of the data gathering process and other limitations and uncertainties inherent in any survey. The Company has not independently verified any of the data from third-party sources referred to herein and accordingly, the accuracy and completeness of such data is not guaranteed.

ABOUT MEDMEN

Corporate Structure

MedMen Enterprises Inc. was incorporated in the Province of British Columbia 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 (the "**CSE**") 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", on the Berlin Stock Exchange under the symbol "OJS.BE" and on the Dusseldorf Stock Exchange under the symbol "OJS.DU".

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**").

MM CAN converted into a California corporation from a Delaware corporation on May 16, 2018 and is based in Culver City, California. The head office and principal address of MM CAN is 10115 Jefferson Boulevard, Culver City, California 90232.

MM Enterprises USA was formed on January 9, 2018 and is based in Culver City, California. The head office and principal address of MM Enterprises USA is 10115 Jefferson Boulevard, Culver City, California 90232.

The MedMen Group of Companies was comprised of the following companies: MMMG LLC; MMOF Downtown Collective, LLC; MMOF Venice, LLC; MMOF Venice Collective, LLC; Project Compassion Venture, LLC; The MedMen of Nevada 2, LLC; Project Mustang Development, LLC; Desert Hot Springs Green Horizon, Inc.; and Manlin DHS Development, LLC.

On January 29, 2018, pursuant to a Formation and Contribution Agreement (the "**Agreement**"), a roll-up transaction was consummated whereby the assets and liabilities of The MedMen Group of Companies were transferred into MM Enterprises USA. In return, the vendors of the businesses of The MedMen Group of Companies received 217,184,382 MM Enterprises USA Class B Units. The Agreement was entered into by and among MM Enterprises Manager, LLC, the sole manager of MM Enterprises; MMMG LLC ("**MMMG**"); MedMen Opportunity Fund, LP ("**Fund I**"); MedMen Opportunity Fund II, LP ("**Fund II**"); The MedMen of Nevada 2 LLC ("**MMNV2**"); DHSM Investors, LLC ("**DHS Owner**"); and Bloomfield Partners Utica, LLC ("**Utica Owner**"). On May 28, 2018, a reverse takeover of Ladera Ventures Corp. was completed by MM Enterprises USA (the "**Business Combination**"). This Business Combination resulted in a reorganization of MM Enterprises USA and Ladera Ventures Corp. pursuant to which Ladera became the indirect parent of MM Enterprises USA and Ladera changed its name to "MedMen Enterprises Inc." On May 29, 2018, the Company's Class B Subordinate Voting Shares began trading on the Canadian Securities Exchange under the ticker "MMEN".

References herein to "**MedMen Enterprises**", "**MedMen**" or the "**Company**", "**we**", "**us**" or "**our**" as of a date or a period of time prior to January 29, 2018 refer to The MedMen Group of Companies. References on or after January 29, 2018 through May 28, 2018 refer to MM Enterprises USA and its subsidiaries. References on or after May 28, 2018 refer to MedMen Enterprises Inc. and its subsidiaries.

Summary Description of the Business

MedMen is a cannabis retailer with operations across the U.S. and flagship stores in Los Angeles, Las Vegas and New York. MedMen is currently licensed for up to 65 locations across six states, including applications for licenses that the Company has a degree of certainty of receiving and excluding existing licenses in Arizona, which were classified as assets held for sale. This geographic footprint includes the Company's industry-leading California retail network of seventeen licenses, of which twelve locations are currently open. MedMen has three retail stores open in the state of Florida, where the Company is licensed for up to 35 stores. MedMen also cultivates, manufactures and sells three wholly-owned house brands – [statemade], LuxLyte and MedMen Red.

Company Mission

MedMen is dedicated to providing an unparalleled experience that invites the consumer to discover the remarkable benefits of cannabis. The Company is building the future of cannabis as a consumer product because it believes that a world where cannabis is legal and regulated is safer, healthier and happier.

Today, MedMen is one of the most recognized names in the industry and is associated with state-of-the-art retail, best-in-class curated product offerings and an uncompromising commitment to quality. Its talented team of over 1,000 employees is bringing operational excellence to every market it serves, solving the technical challenges of a fragmented and evolving regulatory framework, and challenging cultural perceptions with a brand strategy that seeks to break down the stigma of cannabis.

MedMen's retail strategy is focused on the quality of licenses over quantity, with strategic locations in the most important markets. As the Company continues to convert its high-value licenses into operational stores, it remains uncompromising in its commitment to the customer experience, from its award-winning retail design to the presentation of its robust product offerings The Company recently furthered its commitment to defining the cannabis industry by creating an omni-channel platform, which includes the first-of-its-kind customer loyalty program, called MedMen Buds, and delivery services in California and Nevada.

National Impact of the Brand

MedMen stores have drawn customers from all 56 U.S. States and Territories/Protectorates. This highlights the power of the MedMen brand and the importance of its location-based real estate strategy. While the majority of the Company's business comes from California residents, the top five (non-local) states its stores draw tourists from are New York, Texas, Florida, Illinois and Arizona – the majority of which are states MedMen operates in.

Retail Defensibility

Within the cannabis industry, MedMen is uniquely focused on the retail component of the value chain. The Company's retail network, customer experience and brand loyalty are key differentiators in each of its markets. Below are highlights of the Company's retail, cultivation and manufacturing, corporate Selling, General and Administrative expenses ("**SG&A**") and pre-opening expenses. For the fiscal third quarter of 2020, the Company is providing detail with respect to earnings before interest, taxes, depreciation and amortization ("**EBITDA**") attributable to the Company's national retail, California retail, cultivation and manufacturing, Corporate SG&A (Non-IFRS) and pre-opening expenses to show how it is leveraging its retail footprint and strategically investing in the future.

Key Business Metrics for Continuing Operations – Fiscal Third Quarter of 2020 Compared to Fiscal Second Quarter of 2020

National Retail

The table below highlights the Company's national Four Wall Retail EBITDA Margin (Non-IFRS), which excludes corporate marketing expenses, which are included in the Corporate SG&A section, and local cannabis and excise taxes. The information presented does not include the Company's operations in the state of Arizona, which were classified as discontinued operations. See the *"Recent Developments"* section for further information.

	13 Weeks Ended			
($ in Millions)	**March 28, 2020**	**December 28, 2019**	**$ Change**	**% Change**
Consolidated Revenue (IFRS)	$ 45.9	$ 44.1	$ 1.8	4%
Less: Non-Retail Revenue (IFRS)	0.5	0.2	0.3	150%
Retail Revenue (Non-IFRS)	45.4	43.9	1.5	3%
Consolidated Cost of Goods Sold (IFRS)	32.9	39.5	(6.6)	(17%)
Less: Non-Retail Cost of Goods Sold (IFRS)	8.9	17.8	(8.9)	(50%)
Retail Cost of Goods Sold (Non-IFRS)	24.0	21.7	2.3	11%
Four Wall Retail Gross Margin (Non-IFRS)	**21.4**	**22.2**	**(0.8)**	**(4%)**
Four Wall Retail Gross Margin Rate (Non-IFRS)	*47%*	*51%*	*(3%)*	(7%)
Direct Store Operating Expenses (IFRS)	18.2	20.2	(2.0)	(10%)
Four Wall Retail EBITDA Margin (Non-IFRS)	**3.2**	**2.0**	**1.2**	**60%**
Four Wall Retail EBITDA Margin Rate (Non-IFRS)	*7%*	*5%*	*2%*	55%
Local Taxes (IFRS), Distribution Expenses (IFRS) & Inventory Adjustment (IFRS)	0.9	5.4	(4.5)	(83%)
Four Wall Retail Adjusted EBITDA Margin (Non-IFRS)	**$ 2.3**	**$ (3.4)**	**$ 5.7**	**168%**
Four Wall Retail Adjusted EBITDA Margin Rate (Non-IFRS)	*5%*	*(8%)*	*13%*	165%

For the fiscal third quarter of 2020, system-wide retail revenue was $45.4 million across the Company's operations in California, Nevada, New York, Illinois and Florida. This represents a 3% increase over the fiscal second quarter of 2020 of $43.9 million. Importantly, the Company's California retail locations reported a combined $29.6 million in revenue. The increase in system-wide retail revenue was driven primarily by increased sales in Illinois, Florida and New York during the fiscal third quarter of 2020. Retail Cost of Goods Sold (Non-IFRS) for the fiscal third quarter of 2020 was $24.0 million, representing an 11% increase over the fiscal second quarter of 2020 of $21.7 million primarily due to a slowdown in production resulting in increased inventory purchases from third-party vendors.

The Company had an aggregate Four Wall Retail Adjusted EBITDA Margin Rate (Non-IFRS) of 5%. This represented an increase versus the (8%) realized in the fiscal second quarter of 2020. While Four Wall Retail Gross Margin (Non-IFRS) reduced to 47% in the fiscal third quarter of 2020 as compared to 51% in the fiscal second quarter of 2020, the Four Wall Retail Adjusted EBITDA Margin Rate (Non-IFRS) increase primarily due to the Company's execution of a cost-rationalization plan to reduce retail-level operating expenses.

During the fiscal third quarter of 2020, the Company closed its Seaside, California retail location due to impacts of COVID-19 and overall operating costs relative to revenue projections. The Company is currently evaluating various strategic alternatives with respect to the license. Subsequent to the fiscal third quarter of 2020, the Company decided to temporarily close five of its eight stores in Florida. The five locations were Sarasota, Orlando (International Drive), Tallahassee, Jacksonville and Key West. The Company will look to re-open the locations as additional supply is available through its Eustis cultivation and manufacturing facility as a result of upgrades and process improvements that are currently underway at the facility.

California Retail

The Company's core focus is in developing and operating cannabis dispensaries. The business operations of the Company in California are the most mature and reflect, in management's opinion, the business model that is intended to be replicated in other regions as law and regulations allow.

For the fiscal third quarter of 2020, California Retail Revenue (Non-IFRS) was $29.6 million. This represents a 9% decrease over the fiscal second quarter of 2020 of $32.4 million primarily due to the impact of COVID-19 in which the stay-at-home order in the state of California went into effect on March 19, 2020, resulting in a decrease in overall foot traffic and thus, a decrease in retail revenue in March 2020. California Retail Cost of Goods Sold (Non-IFRS) for the fiscal third quarter of 2020 was $16.0 million, representing a 2% increase over the fiscal second quarter of 2020 of $15.7 million primarily due to a one-time inventory adjustment of $1.4 million.

The Company's California retail operations generated a Four Wall California Retail Adjusted EBITDA Margin Rate (Non-IFRS) of 6% in the fiscal third quarter of 2020, representing an increase versus 0% in the fiscal second quarter of 2020. The increase in the Four Wall California Retail Adjusted EBITDA Margin Rate (Non-IFRS) was driven by decreased local taxes, labor costs, marketing and other SG&A compared to the fiscal second quarter of 2020. In California, Average Dollar Sale, defined as the average pre-tax purchase amount per customer per visit, was $75.22 for the fiscal third quarter of 2020, compared to $73.15 for the fiscal second quarter of 2020.

The table below highlights the Company's Four Wall California Retail EBITDA Margin (Non-IFRS). Four Wall California Retail EBITDA Margin (Non-IFRS) excludes corporate marketing expenses, which are included in the Corporate SG&A section, and local cannabis and excise taxes.

	13 Weeks Ended			
($ in Millions)	**March 28, 2020**	**December 28, 2019**	**$ Change**	**% Change**
Consolidated Revenue (IFRS)	$ 45.9	$ 44.1	$ 1.8	4%
Less: Non-Retail and Retail Revenue Outside California (IFRS)	16.3	11.7	4.6	39%
California Retail Revenue (Non-IFRS)	29.6	32.4	(2.8)	(9%)
Consolidated Cost of Goods Sold (IFRS)	32.9	39.5	(6.6)	(17%)
Less: Non-Retail Cost of Goods Sold and Retail Cost of Goods Sold Outside of California (IFRS)	16.9	23.8	(6.9)	(29%)
California Retail Cost of Goods Sold (Non-IFRS)	16.0	15.7	0.3	2%
Four Wall California Retail Gross Margin (Non-IFRS)	**13.6**	**16.7**	**(3.1)**	**(19%)**
Four Wall California Retail Gross Margin Rate (Non-IFRS)	*46%*	*52%*	*(6%)*	(11%)
California Direct Store Operating Expenses (IFRS)	10.9	11.6	(0.7)	(6%)
Four Wall California Retail EBITDA Margin (Non-IFRS)	**2.7**	**5.1**	**(2.4)**	**(47%)**
Four Wall California Retail EBITDA Margin Rate (Non-IFRS)	*9%*	*16%*	*(7%)*	(42%)
Local Taxes (IFRS), Distribution Expenses (IFRS) & Inventory Adjustment (IFRS)	0.9	5.1	(4.2)	(82%)
Four Wall California Retail Adjusted EBITDA Margin (Non-IFRS)	**$ 1.8**	**$ -**	**$ 1.8**	**100%**
Four Wall Retail Adjusted EBITDA Margin Rate (Non-IFRS)	*6%*	*0%*	*6%*	100%

Cultivation and Manufacturing

MedMen's cultivation and manufacturing operations are primarily focused on the commercialization of cannabis (both medical and recreational, as permitted under applicable laws) and contributes to the Company's retail supply chain.

	13 Weeks Ended			
($ in Millions)	March 28, 2020	December 28, 2019	$ Change	% Change
Revenue	$ 0.5	$ 0.1	$ 0.4	400%
Adjusted EBITDA (Loss) Gain from Continuing Operations (Non-IFRS)	$ (12.9)	$ (11.4)	$ (1.5)	13%

For the 13 weeks ended March 28, 2020, revenue from cultivation and manufacturing operations was $0.5 million, compared to $0.1 million for the 13 weeks ended December 28, 2019. The Adjusted EBITDA Loss from Continuing Operations (Non-IFRS) for the fiscal third quarter of 2020 was $12.9 million, compared to the $11.4 million Adjusted EBITDA Loss from Continuing Operations (Non-IFRS) for the fiscal second quarter of 2020. The increase in Adjusted EBITDA Loss from Continuing Operations (Non-IFRS) was driven primarily by increased cost of goods sold at the Company's Desert Hot Springs and Mustang facilities. Subsequent to the fiscal third quarter of 2020, the Company executed on a number of initiatives to reduce costs at both facilities.

Corporate SG&A

Corporate-level general and administrative expenses across various functions including Marketing, Legal, Retail Corporate, Technology, Accounting and Finance, Human Resources and Security (collectively referred to as "**Corporate SG&A**") are combined to account for a significant proportion of the Company's total general and administrative expenses.

	13 Weeks Ended			
($ in Millions)	March 28, 2020	December 28, 2019	$ Change	% Change
Corporate SG&A as a Component of Adjusted EBITDA Loss from Continuing Operations (Non-IFRS)	$ (17.3)	$ (26.8)	$ 9.5	(35%)

Adjusted EBITDA Loss from Continuing Operations (Non-IFRS) relating to Corporate SG&A (Non-IFRS) of $17.3 million in the fiscal third quarter of 2020 represented a 35% decrease from the $26.8 million that Corporate SG&A (Non-IFRS) contributed to Adjusted EBITDA Loss from Continuing Operations (Non-IFRS) in the fiscal second quarter of 2020 and a 51% decrease from the $35.0 million that Corporate SG&A (Non-IFRS) contributed to Adjusted EBITDA Loss from Continuing Operations (Non-IFRS) in the fiscal third quarter of 2019. The largest driver of the sequential improvement was a reduction in headcount and marketing related expenses. The Company expects additional improvements in reduction of Corporate SG&A (Non-IFRS) in the upcoming quarters. Subsequent to the fiscal third quarter of 2020, the Company made further reductions in corporate headcount.

Pre-Opening Expenses

Given the highly restrictive zoning for cannabis retail and the first mover advantage that exists for securing real estate, the Company has frequently entered into leases and prepays rent for locations in advance of opening stores.

	13 Weeks Ended			
($ in Millions)	**March 28, 2020**	**December 28, 2019**	**$ Change**	**% Change**
Pre-Opening Expenses as a Component of Adjusted EBITDA Loss from Continuing Operations (Non-IFRS)	$ (4.4)	$ (4.5)	$ 0.1	(2%)

Pre-opening expenses contributed $4.4 million to Adjusted EBITDA Loss from Continuing Operations (Non-IFRS) for the fiscal third quarter of 2020 compared to $4.5 million for the fiscal second quarter of 2020. Pre-opening expenses remained relatively consistent with the fiscal second quarter of 2020 as a result of the slowdown in both the operationalization of retail licenses and in mergers and acquisitions as part of the Company's strategic plan to focus on limiting cash outlays.

Marketing

MedMen continues to be focused on providing a superior retail experience for its consumers. As the Company continues to focus its marketing and customer acquisition strategy on building authentic interactions and engaging in meaningful dialogue with customers, it believes its brand purpose – that a world where cannabis is legal and regulated is safer, healthier and happier – will continue to grow a community of consumers and advocates. During the fiscal third quarter of 2020, the Company continued to make progress in reducing its overall marketing spend and focusing its marketing investments on high return on investment initiatives that drive sales and profitability for its retail footprint.

Redefining cannabis retail for its community has been a priority for the Company since its inception. MedMen is held to the highest standard by its customers as it offers premium goods and services, and as such the Company takes great pride in the success of a fully-owned and operated delivery service in California. MedMen's marketing strategy is focused on consumer engagement through digital content, retail programming and retail partnerships that have an identifiable impact on store visits and result in actual customer sales.

As part of its efforts to enhance the customer experience, MedMen Buds, the first-in-category rewards program, continues to grow daily with members across California, Florida and Nevada. MedMen believes that in the current retail landscape building loyalty of core customers is a key driver of continued growth. The Company's understanding of what customers value, and how it can meet those needs, is critical in deepening its connection with return customers.

MedMen works diligently to identify emerging market trends and is always looking to the current cannabis culture for inspiration. With that in mind, MedMen activates events and experiences with influencers in music, film, fashion and lifestyle verticals that drive customers to its retail experience. As cannabis gains popularity and credibility across these categories, MedMen aims to become a leading lifestyle destination that builds community and relevant touchpoints with its consumers.

Recent Developments

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 this closely and is taking all 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, restrictions on the maximum allowable number of people within a retail establishment and declining tourism. 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. Due to its strong vendor partnerships in each market, the Company has not experienced a significant impact to its supply chain in each market. To date, the Company has modified store operations in certain locations, with an increased focus on direct-to-consumer delivery and enabling a curbside pickup option for its customers. The Company leveraged its technology team to build the enhanced omni-channel functionality in, and expects to continue offering, a variety of purchasing options for its customers.

Strategic Partnership with Gotham Green Partners

On April 23, 2019, the Company secured a senior secured convertible credit facility (the "**GGP Facility**") to provide up to $250.0 million in gross proceeds, arranged by Gotham Green Partners ("**GGP**"). The GGP Facility has been accessed to date through issuances to the lenders of convertible senior secured notes ("**GGP Notes**") co-issued by the Company and MM CAN. Refer to "*Note 17 – Senior Secured Convertible Credit Facility*" of the unaudited interim condensed consolidated financial statements for the 13 and 39 weeks ended March 28, 2020.

On August 12, 2019, the Company and the lenders executed amendments to the GGP Facility and, as a result, the Company committed to pay an amendment fee of $18.8 million, which was subsequently converted into additional GGP Notes (the "**Amendment Fee Notes**").

On October 29, 2019, the Company further amended the GGP Facility (the "**Second Amendment**") wherein certain reporting and financial covenants were modified. The amount of available credit in the remaining tranches was amended to $10.0 million for Tranche 3 and $115.0 million for Tranche 4. The aggregate amount available to be borrowed with the consent of the lenders remained the same. Further, the Second Amendment provided that the funding of Tranche 4 will require the consent of both the Company and the lenders under the GGP Facility. On October 29, 2019, the Company issued the Amendment Fee Notes in the principal amount of $18.8 million with a conversion price of $1.28 per Class B Subordinate Voting Share. On November 27, 2019, the Company issued an additional $10.0 million of GGP Notes under Tranche 3. Among other changes, the Second Amendment provides greater flexibility to the Company by:

- Allowing the prepayment at any time following the Second Amendment, in whole or in part, of the then outstanding principal amount together with accrued and unpaid interest and fees, of which the prepayment right was subsequently amended on March 27, 2020;
- Permitting the sale of certain non-core assets; and
- Removing the senior debt to market capitalization ratio test covenant.

On March 30, 2020, the Company announced that it received $12.5 million of additional proceeds under the GGP Facility as an advance under Tranche 4 in relation to which it co-issued with MM CAN GGP Notes with a conversion price of $0.26 per Class B Subordinate Voting Share. In connection with the also issued 48,076,923 warrants, each of which is exercisable to purchase one Subordinate Voting Share for a period of five years at an exercise price equal to $0.26.

In addition, the Company amended and restated the securities purchase agreement with the lenders that governs the GGP Facility. The amendments provide the Company with greater access to capital and additional operating flexibility. Subject to the funding requirements of the Company and certain other conditions, GGP committed to use commercially reasonable efforts to fund up to $150.0 million under the GGP Facility through Tranche 4 and subsequent tranches, to be funded over time (each such subsequent tranche, an "**Incremental Advance**"), for a total of up to $285.0 million in gross proceeds under the GGP Facility. The final $25.0 million of this amount is subject to acceptance by the Company. Under the agreement, GGP has a period of 90 days in which to provide the Company with funding commitments for the Incremental Advances (each, a "**Funding Commitment**"), which period will be extended to a total of 180 days if the Funding Commitments reach at least $50.0 million (inclusive of the Tranche 4 Notes) during the initial 90-day period. Provided that there is no guarantee as to the size or timing of the first Incremental Advance, the first Incremental Advance is anticipated to be completed in the near term.

The Company will issue GGP Notes to the lenders participating in an Incremental Advance ("**Incremental Notes**") with a conversion price per Subordinate Voting Share equal to the five (5) day volume weighted average trading price ("**VWAP**") of the Subordinate Voting Shares as of the trading day immediately preceding the date of completion of such Incremental Advance, subject to a minimum price of $0.20 and maximum price of $0.40 (in respect of each Incremental Advance, a "**Restatement Conversion Price**"), provided that the first Incremental Advance will have a Restatement Conversion Price of $0.26. The Company will also issue to the lenders participating in an Incremental Advance share purchase warrants of the Company ("**Incremental Warrants**"), representing 100% coverage on the aggregate principal amount of such Incremental Advance, each of which will be exercisable to purchase one Subordinate Voting Share for a period of five (5) years from the date of issuance, at an exercise price per Subordinate Voting Share equal to the Restatement Conversion Price for such Incremental Advance. The Tranche 4 Warrants and any Incremental Warrants that are issued will be exercisable on a cashless (net exercise) basis.

All GGP Notes will continue to bear interest from their date of issuance at the higher of (i) 2.5%, and (ii) LIBOR, plus 6.0% per annum. All GGP Notes will also continue to be subject to the existing maturity date of April 23, 2022 (the "**Maturity Date**"), with a twelve-month extension feature available to the Company on certain conditions, including payment of an extension fee of 1.0% of the aggregate principal amount outstanding under the GGP Notes, provided that if the Tranche 4 Notes and Funding Commitments reach at least $100.0 million in the aggregate, the lenders will have certain options to extended the Maturity Date of the outstanding Notes to up to April 23, 2027 at the latest. As a related matter, the Company's prepayment right will not be exercisable as to any of the GGP Notes for eighteen months from the date of completion of Tranche 4 and if the Tranche 4 Notes and Funding Commitments reach at least $100.0 million in the aggregate, the lenders will have the option to eliminate the Company's prepayment right. In the event that the Company is able to and exercises its prepayment right to prepay, in whole or in part, any of the principal amount outstanding under the GGP Notes prior to their maturity, a fee of 3% on the amount being prepaid would be payable by the Company to the applicable lenders.

Certain of the financial covenants under the GGP Facility have also been modified to provide the Company with additional balance sheet flexibility. The modifications include a reduction in the required go-forward minimum cash balance and the removal of the fixed charge coverage ratio requirement that was to become effective in calendar 2021.

As additional consideration for the purchase of the Tranche 4 Notes, the lenders participating in Tranche 4 were paid an advance fee of 1.5% of the aggregate principal amount of the Tranche 4 Notes, which fee will also be paid in respect of any Incremental Advances. In connection with the amendments made to the GGP Facility, a fee of approximately $8.2 million (the "**Restatement Fee Amount**") was paid through the issuance of additional GGP Notes to the applicable lenders in an aggregate principal amount equal to the Restatement Fee Amount, which GGP Notes have a conversion price per Subordinate Voting Share equal to $0.26 (the "**Restatement Fee Notes**"). Up to the same aggregate principal amount of additional GGP Notes will be issuable as a fee if the Incremental Advances total at least $87.5 million, whereby if less than $87.5 million in Incremental Advances is raised, the aggregate principal amount of such additional fee GGP Notes will be proportionately lower.

As additional consideration for the amendment of the GGP Facility, the conversion price for 12.5% of the existing GGP Notes outstanding prior to Tranche 4 (including paid-in-kind ("**PIK**") interest accrued on such GGP Notes) (collectively, the "**Existing Notes**"), being 12.5% of an aggregate principal amount of $164.0 million, was amended to $0.26 per Subordinate Voting Share. In addition, 2,700,634 of the 21,605,067 existing share purchase warrants of the Company issued under the GGP Facility and outstanding prior to Tranche 4 (collectively, the "**Existing Warrants**") were cancelled and replaced by 32,451,923 share purchase warrants of the Company (the "**Tranche 4 Replacement Warrants**"), each of which is exercisable to purchase one Subordinate Voting Share for a period of five (5) years from the date of issuance at an exercise price equal to $0.26 per share.

As any Incremental Advances are funded, the conversion price of additional Existing Notes will be amended and additional Existing Warrants will be cancelled and replaced by new share purchase warrants of the Company (the "**Incremental Replacement Warrants**" and, collectively with the Tranche 4 Replacement Warrants, the "**Replacement Warrants**"), each of which will be exercisable to purchase one Subordinate Voting Share for a period of five (5) years from the date of issuance. The principal amount of the Existing Notes that will be repriced and the number of Existing Warrants that will be cancelled and replaced upon an Incremental Advance will be based on the percentage that the amount of such Incremental Advance is of a total funding target of $100.0 million (the "**Funding Target Percentage**"). The applicable Existing Notes will be repriced to the Restatement Conversion Price for such Incremental Advance. The Incremental Replacement Warrants issued as a part of such Incremental Advance will represent 50% coverage on the amount determined by multiplying the Funding Target Percentage by $135.0 million (the "**Existing Funded Amount**"), and will have an exercise price per Subordinate Voting Share equal to the Restatement Conversion Price for such Incremental Advance. The Replacement Warrants will be exercisable on a cashless (net exercise) basis.

Notwithstanding the foregoing, no Replacement Warrants will be able to be exercised by the applicable lenders prior to the eighteen (18) month anniversary of their issuance. In addition, if the Company's retail operations achieve two (2) consecutive three-month periods of positive after-tax free cash flow during any time prior to the expiry date for the Replacement Warrants, then all outstanding Replacement Warrants will be automatically cancelled upon achieving the milestone.

In addition, if the Tranche 4 Notes and Funding Commitments reach at least $100.0 million in the aggregate, subject to certain limited exceptions, the lenders will be entitled to a preemptive right to participate in future securities issuances by the Company in the event that such an issuance would cause the fully-diluted ownership percentage of the lenders in the Company (such percentage, calculated using a formula provided in the GGP Facility purchase agreement) to fall below 51%. Additionally, subject to certain limited exceptions, in the event that the Company completes a security issuance, the price of which is less than the higher of (i) $0.26, and (ii) the highest Restatement Conversion Price determined for any Incremental Advances completed up to the time of such new security issuance, the lenders will be entitled to a repricing of the conversion price and exercise price, as applicable, of the outstanding Tranche 4 Notes (including the Restatement Fee portion thereof), Incremental Notes (including the Restatement Fee portion thereof), portion of the Existing Notes that have previously been repriced as a result of the completion of an Incremental Advance, Tranche 4 Warrants and Incremental Warrants, to the same pricing as such new security issuance completed by the Company.

As part of the amendments to the GGP Facility, the Company has agreed that the committee previously formed to select independent directors to be appointed or elected to the Board, will be responsible for selecting five (5) (increased from four (4)) of the seven (7) members of the Board. Currently, four (4) of the seven (7) members of the Board have been approved by this committee. In accordance with the existing process, in the future, the Company will propose director candidates to this committee for consideration and approval. In the coming weeks, there may be a change to the composition of the Board to satisfy the committee approval requirement for an additional director of the Company. If the Tranche 4 Notes and Funding Commitments reach at least $50.0 million in the aggregate, then only the lenders will be entitled to appoint the members of the committee.

Subsequent to the fiscal third quarter of 2020, the Company received $2.5 million in additional proceeds as a portion of the first Incremental Advance, in relation to which it co-issued with MM CAN additional GGP Notes with a conversion price of $0.26 per Class B Subordinate Voting Share. In connection with the first Incremental Advance, the Company issued 9,615,385 warrants with an exercise price of $0.26. In addition, the Company cancelled 540,128 of the Existing Warrants and issued 6,490,385 Replacement Warrants with an exercise price per share equal to $0.26.

Secured Term Loan Amendment

On December 10, 2019, the Company executed a binding term sheet in respect of certain amendments to the definitive agreement for the $77.8 million senior secured term loan (the "**October 2018 Loan**") with funds managed by Stable Road Capital and its affiliates (the "**Term Loan Lenders**"). The Company subsequently announced the execution and closing of definitive documentation on January 14, 2020. Amendments included:

- The maturity date was extended to January 31, 2022.
- To reflect current market conditions, the interest rate was increased from a fixed rate of 7.5% per annum, payable monthly in cash, to a fixed rate of 15.5% per annum, of which 12.0% will be payable monthly in cash based on the outstanding principal and 3.5% will accrue monthly to the principal amount of the debt as a payment-in-kind.
- The Company may prepay without penalty, in whole or in part, at any time and from time to time, the amounts outstanding under the October 2018 Loan (on a non-revolving basis) upon 15 days' notice.
- MM CAN, a subsidiary of the Company, cancelled the existing warrants issued to the Term Loan Lenders, being 16,211,284 warrants exercisable at $4.97 per share and 1,023,256 warrants exercisable at $4.73 per share, and issued to the Term Loan Lenders a total of 40,455,729 warrants with an exercise price of $0.60 per share that are exercisable until December 31, 2022. The new warrants issued to the Term Loan Lenders may be exercised at the election of their holders on a cashless basis.

Equity Placement

On January 14, 2020, the Company announced the closing of its previously announced approximately $20.0 million non-brokered offering of Class B Subordinate Voting Shares (the "**Equity Placement**"). The Equity Placement was funded and closed in tranches, with the final closing occurring on January 13, 2020. As a result, 46,962,645 Class B Subordinate Voting Shares were issued in the Equity Placement at a price of $0.43 per Class B Subordinate Voting Share. Participants in the Equity Placement included existing investor, Wicklow Capital, and certain insiders of the Company, being Adam Bierman, a director of the Company and former Chief Executive Officer, Andrew Modlin, the Chief Brand Officer of the Company, and Christopher Ganan, the Chief Strategy Officer of the Company. Such insiders of the Company subscribed for and purchased an aggregate of 4,651,161 of such Class B Subordinate Voting Shares, for aggregate proceeds of $2.0 million, comprising approximately 10% of the total amount raised. Proceeds raised from the Equity Placement were used to finance working capital requirements.

At-the-Market Equity Financing Program

On April 10, 2019, the Company established an At-the-Market equity financing program (the "**ATM Program**") with Canaccord Genuity Corp. ("**Canaccord**") pursuant to which the Company may, from time to time, sell Class B Subordinate Voting Shares at prevailing trading prices at the time of sale for aggregate gross proceeds of up to C$60,000,000. Since Class B Subordinate Voting Shares are distributed under the ATM Program at trading prices prevailing at the time of sale, prices may vary between purchasers and during the period of distribution. The Company has used and intends to use the net proceeds from the sale of Class B Subordinate Voting Shares under the ATM Program principally for general and administrative expenses, working capital needs and other general corporate purposes.

During the fiscal third quarter of 2020, the Company did not sell any Class B Subordinate Voting Shares under its ATM Program.

Termination of Merger Agreement with PharmaCann

On October 8, 2019, MedMen and PharmaCann, LLC announced the mutual agreement to terminate their business combination ("**Termination of Merger**") pursuant to a Termination and Release Agreement dated October 7, 2019 entered into between the Company, PharmaCann and the other parties thereto. In light of market developments over the past year and the continued evolution of its business strategy, in completing the Termination of Merger, MedMen believed that focusing on the Company's retail brand, its leadership position in its core markets, including California, and investing in its digital platform will create greater shareholder value than completing this transaction. As part of the agreement to terminate, the Company and PharmaCann agreed to accept a transfer of assets in exchange for repayment of the existing line of credit to PharmaCann (the "**Line of Credit**"), which totaled approximately $21.0 million, including accrued interest. The assets transferred were 100% of the membership interests in three entities ("**Transfer of Interests**") holding the following assets:

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

In the event any Transfer of Interest is unable to occur due to a final adjudication or denial by the applicable regulatory body governing the applicable license (a "**Rejected Transfer**"), PharmaCann is to pay MedMen an amount equal to (i) one-third (1/3) of the aggregate principal amount and any corresponding accrued interest thereon owed under the Line of Credit (such interest to be calculated as if no loan forgiveness of any portion of the Line of Credit occurred), and (ii) $10.0 million (such amounts are collectively referred to as the "**Rejected Transfer Fee**") for each denial. Any such Rejected Transfer Fee is to be paid by PharmaCann within five days of the related Rejected Transfer, or, PharmaCann may elect to finance the Rejected Transfer Fee, provided that the financed Rejected Transfer Fee will accrue interest at a rate of 7.5% per annum and be due and payable on the first anniversary of the date of the Rejected Transfer.

Subsequent to the Termination of Merger, the Transfer of Interests related to the license in Staunton, Virginia was completed. Furthermore, on December 2, 2019, the Company closed on its acquisition of PharmaCann's Evanston, Illinois location and the associated additional retail license for Greater Chicago. The Company began operating the store in Evanston on December 3, 2019. On February 25, 2020, the Company entered into definitive agreements to assign its rights to acquire a cultivation and manufacturing license in Hillcrest, Illinois **("Hillcrest")**, and the related facility, to be received as part of the Termination of Merger with PharmaCann. During the fiscal third quarter of 2020, the Company received $17.0 million as consideration for the sale of its rights to Hillcrest in two separate tranches.

Management Changes and Shareholder Meeting Results

On January 31, 2020, the Company announced that Adam Bierman resigned as Chief Executive Officer of the Company. Effective February 1, 2020, Ryan Lissack, the Company's Chief Technology Officer, began serving as the Company's interim Chief Executive Officer. Mr. Bierman continues to serve on the Company's Board of Directors (the "**Board**"). In addition, Andrew Modlin no longer holds the position as President of the Company or a member of its Board of Directors. Effective January 30, 2020, Mr. Modlin's title is Chief Brand Officer of the Company.

Effective February 1, 2020, Mr. Bierman and Mr. Modlin agreed to surrender all of their respective Class A Super Voting Shares to the Company. Mr. Modlin's surrender will automatically occur upon the expiration of the proxy granted in December 2019 by Mr. Modlin to Ben Rose, Executive Chairman of the Board, which expiration is contemplated to occur in December 2020. As a result, the Company will only have one class of outstanding shares, the Class B Subordinate Voting Shares, by the end of calendar year 2020.

On February 21, 2020, the Company held an annual general meeting of shareholders at which the individuals nominated by the Company, being Ben Rose, Adam Bierman, Jay Brown, Chris Ganan, Cameron Smith and Melvin Elias, were elected as directors of the Company until the next annual general meeting of shareholders.

On March 25, 2020, the Company announced the appointment of Errol Schweizer to its Board of Directors. Mr. Schweizer has over 25 years of experience in the food and cannabis industries, including 15 years at Whole Foods Market, where he held a number of roles within the organization, including Vice President of Grocery. In this role, Mr. Schweizer oversaw merchandising, product assortment, promotional programs and financial performance for over 80 product categories and $5.0 billion in annual sales. Mr. Schweizer departed Whole Foods Market in 2016 and has been a strategic advisor to several high-growth retailers and brands.

Simultaneous to Mr. Schweizer's appointment, the Company announced that Jay Brown resigned from the Company's Board, effective March 24, 2020. Mr. Brown left the Board to focus on other business endeavors and will continue to serve as a strategic advisor to the Company's management team.

On March 30, 2020, the Company announced it had retained interim management and advisory firm, SierraConstellation Partners (**"SCP"**), to support the Company in the development and execution of its turnaround and restructuring plan. As part of the engagement, Tom Lynch was appointed as Interim Chief Executive Officer and Chief Restructuring Officer, succeeding Ryan Lissack, and will be reporting to the Board. Mr. Lynch is a Partner and Senior Managing Director at SCP and previously served as Chairman and Chief Executive Officer of Frederick's of Hollywood Group, a publicly traded specialty retailer, and more recently Interim Chief Executive Officer of David's Bridal. Tim Bossidy, Director at SCP, was appointed as Interim Chief Operating Officer. Mr. Bossidy has previously served in interim management and financial advisory roles across the cannabis and consumer/retail sectors.

Subsequent to the end of the fiscal third quarter of 2020, the Company announced the appointment of Niki Christoff to the Board. 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 space of eight years, including most recently as Director of Global Communications and Public Affairs. In 2019, Ms. Christoff was named one of Fortune's "25 Most Powerful Women in Politics."

2020 and 2021 Outlook

On March 30, 2020, the Company announced the withdrawal of its fiscal year 2020 and 2021 revenue and store count guidance provided on December 11, 2019 due to uncertainty surrounding the magnitude of the novel coronavirus (**"COVID-19"**) pandemic and its impact on retail operations (both existing and planned) in its core markets. In addition to COVID-19, unanticipated delays in licensing, particularly in California and Massachusetts have also impeded the Company's ability to achieve its revenue and store count targets. The Company is also withdrawing its guidance as to the timing of the Company generating positive Adjusted EBITDA, positive EBITDA and positive free cash flow. While the Company continues to execute on its efforts to improve store profitability, reduce Corporate SG&A (Non-IFRS) and delay capital-intensive projects, the Company is reassessing the timing of these cash flow milestones due to the potential impact of COVID-19 on its turnaround plan. Please refer to the Company's press release dated March 30, 2020 available under the Company's profile on *www.sedar.com*.

Adoption of New Accounting Pronouncements Effective June 30, 2019

In January 2016, the IASB issued IFRS 16, *"Leases"* ("**IFRS 16**"), 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 twelve 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.

The Company's adoption of IFRS 16 resulted in higher non-current assets and current and non-current liabilities, the replacement of rent expense previously recorded in cost of goods sold and general and administrative expense with depreciation expense, and increased finance costs related to the accretion and interest expense of the lease liabilities. The new standard does not change the amount of cash transferred between the lessor and lessees but impacts the presentation of the Company's operating and financing cash flows.

Discontinued Operations

On November 15, 2019, the Company announced its plan to sell its operations in the state of Arizona. The Company intends to focus on deepening its retail market share in California, Nevada, Florida, Illinois, Massachusetts and New York. As a result, assets and liabilities allocable to the operations within the state of Arizona were classified as held for sale. In addition, revenue and expenses, gains or losses relating to the discontinuation of Arizona operations were classified as discontinued operations and were eliminated from profit or loss from the Company's continuing operations for all periods presented. Discontinued operations are presented separately from continuing operations in the unaudited interim condensed consolidated statements of operations and comprehensive loss and the unaudited interim condensed consolidated statements of cash flows.

OVERALL PERFORMANCE

Factors Affecting Performance

Company management believes that the nascent cannabis industry represents an extraordinary opportunity in which the Company's performance and success depend on a number of factors:

- ***Market Expansion*.** The Company's success in achieving a desirable retail footprint is attributable to its market expansion strategy, which was a key driver of revenue growth. The Company exercises discretion in focusing on investing in retail locations that can deliver near term increased earnings to the Company.

- ***Retail Growth*.** MedMen stores are located in premium locations in markets such as New York, California, Nevada, Illinois and Florida. As it continues to increase sales, the Company expects to leverage its retail footprint to develop a robust distribution model.

- ***Direct-to-Consumer Channel Rollout.*** MedMen Delivery is available in California. The Company expects to obtain increased traction with in-store pickup as well as its recently launched delivery service, curbside pickup and loyalty rewards program during calendar year 2020.

- ***New Cannabis Products.*** On October 5, 2018, MedMen launched a comprehensive suite of new cannabis products under the brand [statemade]. The Company also recently launched MedMen Red which includes cartridges and disposable pens. On December 5, 2019, the Company announced that MedMen Red, one of MedMen's in-house lines of cannabis products, was made available in Nevada. MedMen Red flower and pre-rolls are available exclusively at MedMen's Paradise, Downtown Las Vegas and Spring Valley locations.

Trends

MedMen is subject to various trends that could have a material impact on the Company, its financial performance and condition, and its future outlook. A deviation from expectations for these trends could cause actual results to differ materially from those expressed or implied in forward-looking information included in this MD&A and the Company's financial statements. These trends include, but are not limited to, the following:

- ***Liberalization of Cannabis Laws.*** The Company is reliant on the existing legal and regulatory administration as to the sale and consumption of cannabis in the states in which the Company operates not being repealed or overturned and on the current approach to enforcement of federal laws by the federal government. The Company is also reliant on the continuation of the trend toward increased liberalization of cannabis laws throughout the United States, including the adoption of medical cannabis regulations in states without cannabis programs and the conversion of medical cannabis laws to recreational cannabis laws in states with medical cannabis programs. Although the Company is focused on California, New York, Nevada, Illinois and Florida, this trend provides MedMen with new opportunities to deploy capital and expand geographically. The opportunity for geographic expansion is important because some jurisdictions with existing cannabis programs limit the number of retail locations that can be owned by a single entity.

- ***Popular Support for Cannabis Legalization*.** The Company is reliant on the continuation of the trend toward increased popular support and acceptance of cannabis legalization. This trend could change if there is new research conducted that challenges the health benefits of cannabis or that calls into question its safety or efficacy or significant product recalls or broad-based deleterious health effects. This trend could also be influenced by a shift in the political climate, or by a decision of the United States government to enforce federal laws that make cannabis illegal. Such a change in popular support could undermine the trend toward cannabis legalization and possibly lead states with existing cannabis programs to roll them back, either of which would negatively impact the Company's growth plans.

- ***Balanced Supply and Demand in States*.** The Company is reliant on the maintenance of a balance between supply and demand in the various states in which it operates cannabis retail stores. Federal law provides that cannabis and cannabis products may not be transported across state lines in the United States. As a result, all cannabis consumed in a state must be grown and produced in that same state. This dynamic could make it more difficult, in the short term, to maintain a balance between supply and demand. If excess cultivation and production capacity is created in any given state and this is not matched by increased demand in that state then this could exert downward pressure on the retail price for products. A substantial increase in retail licenses offered by state authorities in any given state could result in increased competition and exert downward pressure on the retail pricing. If cultivation and production in a state fails to match demand, there could be insufficient supply of product in a state to meet demand, causing retail revenue in that state to fall or stagnate, including due to retail locations closing while supply is increased.

Risks and Uncertainties

The Company is subject to various risks and uncertainties that could have a material impact on its financial performance and condition, and future outlook. Many factors could cause the Company's actual results, performance and achievements to differ materially from those expressed or implied by the forward-looking information and forward-looking statements contained herein including, without limitation, the following factors which are disclosed in greater detail in the Annual Information Form of the Company filed on November 12, 2019, short form base shelf prospectus of the Company filed on March 26, 2019 and the press release of the Company dated December 11, 2019, which are available at *www.sedar.com* under the Company's profile, which risk factors should be reviewed in detail by all readers. These risks and uncertainties include, but are not limited to, the following:

- Risks and uncertainties related to the recent outbreak of COVID-19 and the impact it may have on the global economy and retail sector, particularly the cannabis retail sector in the states in which the Company operates, and on regulation of the Company's activities in the states in which it operates, particularly if there is any resurgence of the pandemic in the future.
- Unpredictability as a result of the capital structure and concentrated voting control.

- Continued operations and development may require additional financing and as a result, additional equity and debt securities to be issued in the future, which may dilute a shareholder's holdings in the Company or cause additional indebtedness to be incurred. Any such dilution may be greater than as would otherwise result from the completion of any such additional financing as a result of the anti-dilution protections that have been provided under the terms of the GGP Facility.
- Potential inability to secure adequate or reliable sources of funding required to operate or grow the business.
- The Company's strategic plan is dependent on existing cannabis licenses and continued ability to win and acquire new licenses to sell medical and recreational cannabis and related products. These licenses are subject to ongoing compliance, reporting and renewal requirements.
- The Company is subject to and cannabis continues to be a controlled substance under the United States Controlled Substances Act (the "**CSA**").
- The laws, regulations and guidelines generally applicable to the cannabis industry in the United States and internationally may change in ways currently unforeseen by the Company.
- There can be no assurance that the United States government will not choose to enforce more aggressively laws criminalizing cannabis at the federal level.
- The Company's assets may be subject to civil asset forfeiture as the cannabis industry remains illegal under U.S. federal law.
- There can be no assurance that proposed dispositions will be consummated and that the requisite regulatory approvals and third-party consents and other conditions will be satisfied on the proposed terms and schedule.
- There can be no assurance that the announcement or consummation of proposed dispositions will not have an adverse impact on relationships, including with regulatory bodies, employees, suppliers, customers and competitors.
- Proposed dispositions will divert management time.
- Potential inability to effectively manage growth.
- There are risks related to existing completed acquisitions and future divestitures that may result in unanticipated liabilities.
- Future clinical research studies on the effects of cannabis may lead to conclusions that dispute or conflict with the Company's understanding and belief regarding the medical benefits, viability, safety, efficacy, dosing and social acceptance of cannabis.
- There can be no assurance that current and future strategic alliances or expansions of the scope of existing relationships will have a beneficial impact on the business, financial condition and results of operations.
- Limited operating history and risks common to early-stage enterprises.
- Existing stores and facilities are integral to the operations and any adverse changes or developments affecting these stores and facilities may impact the business, financial condition and results of operations.
- The cannabis industry and markets are relatively new in the United States and in other jurisdictions, and this industry and market may not continue to exist or grow as anticipated or the Company may ultimately be unable to succeed in this industry and market.
- The Company has experienced a high degree of turnover in senior management and there is no guarantee the Company will be able to attract and retain senior management in the future.
- There may be conflicts of interest between management and directors.
- The Company may be subject to product liability claims.
- The products sold in the Company's stores may be subject to recalls.
- Potential inability to attract or retain skilled labor and personnel with experience in the cannabis sector and may be unable to attract, develop and retain additional employees required for business operations and future developments.
- The Company, or the cannabis industry more generally, may receive unfavorable publicity or become subject to negative consumer perception.
- Potential inability to negotiate favorable pricing for the cannabis products through the wholesale market.
- Potential inability to successfully develop new products or find a market for their sale.

- Potential inability to retain existing customers or patients as clients or acquire new customers or patients as clients.
- Potential inability to achieve or maintain profitability and may continue to incur losses in the future.
- The Company relies on its own market research to forecast sales and market demand that may not materialize.
- Existing operations in the United States are, and any future operations or investments may be, the subject of heightened scrutiny by regulators, stock exchanges and other authorities in Canada.
- The Company may be subject to increased compliance costs and increased limitations on its ability to conduct public and private securities offerings as it has lost its status as a foreign private issuer under applicable United States securities laws.
- The Company is subject to constraints on marketing cannabis products.
- Potential inability to meet the contractual requirements of existing debt obligations or obligations to other counterparties, including suppliers.
- Potential inability to refinance, extend or repay the Company's substantial indebtedness or inability to obtain any refinancing or extension without significantly limiting management's discretion in the operation of the Company.
- The Company may be subject to increased leverage risk if faced with adverse economic factors such as downturns in the economy or deterioration in the condition of the business.
- The Company may experience breaches of security at its facilities or in respect of electronic documents and data storage and may face risks related to breaches of applicable privacy laws.
- The Company may be adversely affected by information technology system failures, cyber-attacks or other information security breaches.
- If the Company is not able to comply with all safety, health and environmental regulations applicable to the Company's operations and industry, it may be held liable for any breaches thereof.
- The Company may become subject to fraudulent activity by employees, contractors and consultants.
- The Company is subject to existing litigation and could be subject to additional litigation in the future.
- The Company may compete for market share with other companies who may have longer operating histories and more financial resources, manufacturing and marketing experience.
- Third parties with whom the Company does business may perceive themselves as being exposed to reputational risk as a result of their relationship with the Company.
- Insurance premiums may not continue to be commercially justifiable and there may be coverage limitations and other exclusions that may not be sufficient to cover potential liabilities.
- There may be a limited market for the Company's securities.
- The Company may face risks related to the unenforceability of contracts.
- The Company may be subject to risks inherent in an agricultural business.
- Sales by existing shareholders may negatively impact market prices for the Company's securities.
- The Company may be subject to risks related to the economy generally.

SELECTED FINANCIAL INFORMATION

MedMen reports results of operations of its affiliates from the date that control commences, either through the purchase of the business or control through a management agreement. The following selected financial information includes only the results of operations after the Company established control of its affiliates. Accordingly, the information included below may not be representative of the results of operations if such affiliates had included their results of operations for the entire reporting period.

The following table sets forth selected consolidated financial information for the periods indicated that was derived from the unaudited interim condensed consolidated financial statements and the respective accompanying notes prepared in accordance with IFRS. Adjusted Net Loss from Continuing Operations (Non-IFRS), EBITDA from Continuing Operations (Non-IFRS) and Adjusted EBITDA from Continuing Operations (Non-IFRS) exclude certain material non-cash items and certain other adjustments that the Company believes are not reflective of ongoing operations and performance. Adjusted Net Loss from Continuing Operations (Non-IFRS), EBITDA from Continuing Operations (Non-IFRS), Adjusted EBITDA from Continuing Operations (Non-IFRS) and Working Capital are not measures that are defined under IFRS. See "*Non-IFRS Financial Measures*" for non-IFRS reconciliations and other non-IFRS definitions.

The selected interim consolidated financial information set forth below may not be indicative of MedMen's future performance:

	13 Weeks Ended		**39 Weeks Ended**	
($ in Millions)	**March 28, 2020**	**March 30 2019**	**March 28, 2020**	**March 30 2019**
Revenue	$ 45.9	$ 32.5	$ 129.7	$ 83.4
Gross Profit Before Fair Value Adjustments for Biological Assets	$ 13.1	$ 13.9	$ 39.9	$ 38.6
Loss from Operations	$ (38.3)	$ (53.2)	$ (141.6)	$ (176.9)
Total Other Expense	$ 15.0	$ 6.8	$ 53.0	$ 9.2
Net Loss and Comprehensive Loss from Continuing Operations	$ (68.8)	$ (62.5)	$ (222.1)	$ (192.2)
Net Loss and Comprehensive Loss from Discontinued Operations	$ (8.2)	$ (0.6)	$ (33.9)	$ (1.9)
Net Loss and Comprehensive Loss	$ (76.9)	$ (63.1)	$ (256.0)	$ (194.1)
Net Loss and Comprehensive Loss Attributable to Non-Controlling Interest	$ (37.0)	$ (39.3)	$ (144.0)	$ (139.2)
Net Loss and Comprehensive Loss Attributable to Shareholders of MedMen Enterprises Inc.	$ (39.9)	$ (23.7)	$ (112.0)	$ (54.9)
Adjusted Net Loss from Continuing Operations (Non-IFRS)	$ (66.5)	$ (55.2)	$ (191.9)	$ (161.4)
EBITDA from Continuing Operations (Non-IFRS)	$ (23.0)	$ (50.2)	$ (106.0)	$ (163.6)
Adjusted EBITDA from Continuing Operations (Non-IFRS)	$ (20.7)	$ (42.9)	$ (75.8)	$ (132.8)

Components of Results of Operations

Revenue

For the 13 and 39 weeks ended March 28, 2020, the Company derived the majority of its revenue from direct sales to customers in its retail stores. For the 13 weeks ended March 28, 2020, approximately 65% of revenue was generated from operations in California, with the remaining 35% from operations in New York, Nevada, Illinois and Florida. For the 39 weeks ended March 28, 2020, approximately 71% of revenue was generated from operations in California, with the remaining 29% from operations in New York, Nevada, Illinois and Florida. Revenue through retail stores is recognized upon delivery of the goods to the customer and when collection is reasonably assured, net of an estimated allowance for sales returns.

Cost of Goods Sold and Gross Profit

Gross profit is revenue less cost of goods sold, realized fair value of inventory sold and unrealized gains and losses from the transformation of biological assets. Cost of goods sold includes the costs directly attributable to product sales and includes amounts paid for finished goods, such as flower, edibles and concentrates, as well as packaging and other supplies, fees for services and processing, and also includes allocated overhead, which includes allocations of rent, administrative salaries, utilities and related costs. Cannabis costs are affected by various state regulations that limit the sourcing and procurement of cannabis product, which may create fluctuations in gross profit over comparative periods as the regulatory environment changes. Gross margin measures gross profit as a percentage of revenue.

Expenses

General and administrative expenses represent costs incurred in MedMen's corporate offices, primarily related to personnel costs, including salaries, incentive compensation, benefits, share-based compensation and other professional service costs, including legal and accounting. Sales and marketing expenses consist of selling costs to support customer relationships and to deliver product to retail stores. It also includes a significant investment in marketing and brand activities and the corporate infrastructure required to support the ongoing business.

Income Taxes

MedMen is subject to income taxes in the jurisdictions in which it operates and, consequently, income tax expense is a function of the allocation of taxable income by jurisdiction and the various activities that impact the timing of taxable events. As the Company operates in the legal cannabis industry, the Company is subject to the limits of Internal Revenue Code ("**IRC**") Section 280E under which the Company is only allowed to deduct expenses directly related to sales of product. This results in permanent differences between ordinary and necessary business expenses deemed non-allowable under IRC Section 280E and a higher effective tax rate than most industries. However, the state of California does not conform to IRC Section 280E and, accordingly, the Company deducts all operating expenses on its California Franchise Tax Returns.

Non-IFRS Financial Measures

In addition to providing financial measurements based on IFRS, the Company provides additional financial metrics that are not prepared in accordance with IFRS. 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 non-IFRS financial measures (collectively, the "**non-IFRS financial measures**") are:

EBITDA from Continuing Operations	Net Loss from Continuing Operations adjusted for net interest and other financing costs, provision for income taxes, and amortization and depreciation
Adjusted EBITDA from Continuing Operations	EBITDA from Continuing Operations adjusted for transaction costs, share-based compensation, and other non-cash operating costs, such as unrealized gain or loss on fair value of biological assets, change in fair value of derivative liabilities, and unrealized change in fair value of investments
Adjusted Net Loss from Continuing Operations	Net Loss from Continuing Operations adjusted for transaction costs, share-based compensation, and other non-cash operating costs
Working Capital	Current assets less current liabilities
Corporate SG&A	Selling, general and administrative expenses related to the Company's corporate functions
Retail Revenue	Consolidated revenue less non-retail revenue, such as cultivation and manufacturing revenue
California Retail Revenue	Retail Revenue less Retail Revenues outside of California
Retail Cost of Goods Sold	Consolidated Cost of Goods Sold less Non-Retail Cost of Goods Sold
California Retail Cost of Goods Sold	Retail Cost of Goods Sold less those related to Retail Cost of Goods Sold outside of California
Four Wall Retail Gross Margin	Retail Revenue less the related Retail Cost of Goods Sold
Four Wall Retail Gross Margin Rate	Four Wall Retail Gross Margin divided by Retail Revenue
Four Wall Retail EBITDA Margin	Four Wall Retail Gross Margin less direct store operating expenses, including rent, payroll, security, insurance, office supplies and payment processing fees
Four Wall Retail EBITDA Margin Rate	Four Wall Retail EBITDA Margin divided by Retail Revenue
Four Wall Retail Adjusted EBITDA Margin	Four Wall Retail EBITDA Margin less local taxes and distribution expenses
Four Wall Retail Adjusted EBITDA Margin Rate	Four Wall Retail Adjusted EBITDA Margin divided by Retail Revenue
Four Wall California Retail Gross Margin	California Retail Revenue less the related California Retail Cost of Goods Sold
Four Wall California Retail Gross Margin Rate	Four Wall California Retail Gross Margin divided by California Retail Revenue
Four Wall California Retail EBITDA Margin	Four Wall California Retail Gross Margin less direct California store operating expenses, including rent, payroll, security, insurance, office supplies and payment processing fees
Four Wall California Retail EBITDA Margin Rate	Four Wall California Retail EBITDA Margin divided by California Retail Revenue
Four Wall California Retail Adjusted EBITDA Margin	Four Wall California Retail EBITDA Margin less California local taxes and California distribution expenses
Four Wall California Retail Adjusted EBITDA Margin Rate	Four Wall California Retail Adjusted EBITDA Margin divided by California Retail Revenue

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.

In particular, the Company continues to make investments in its cannabis properties and management resources to better position the organization to achieve its strategic growth objectives which have resulted in outflows of economic resources. Accordingly, the Company uses these metrics to measure its core financial and operating performance for business planning purposes. In addition, the Company believes investors use both IFRS and non-IFRS measures to assess management’s past and future decisions associated with its priorities and allocation of capital, as well as to analyze how the business operates in, or responds to, swings in economic cycles or to other events that impact the cannabis industry. However, these measures do not have any standardized meaning prescribed by IFRS and may not be comparable to similar measures presented by other companies in the Company’s industry.

Non-IFRS financial measures are financial measures that are not defined under IFRS. The Company uses these non-IFRS financial measures and believes they enhance an investors’ understanding of the Company’s financial and operating performance from period to period. These non-IFRS financial measures exclude certain material non-cash items and certain other adjustments the Company believes are not reflective of its ongoing operations and performance.

These financial measures are not intended to represent and should not be considered as alternatives to net income, operating income or any other performance measures derived in accordance with IFRS as measures of operating performance or operating cash flows or as measures of liquidity.

These non-IFRS financial measures have important limitations as analytical tools and should not be considered in isolation or as a substitute for any standardized measure under IFRS. For example, certain of these non-IFRS financial measures:

- exclude certain tax payments that may reduce cash available to the Company;
- do not reflect any cash capital expenditure requirements for the assets being depreciated and amortized that may have to be replaced in the future;
- do not reflect changes in, or cash requirements for, working capital needs; and
- do not reflect the interest expense, or the cash requirements necessary to service interest or principal payments on debt.

Other companies in the cannabis industry may calculate these measures differently than the Company does, limiting their usefulness as comparative measures.

Reconciliations of Non-IFRS Financial Measures

The table below reconciles Net Loss from Continuing Operations (IFRS) to Adjusted Net Loss from Continuing Operations (Non-IFRS), Net Loss from Continuing Operations (IFRS) to EBITDA from Continuing Operations (Non-IFRS) and EBITDA from Continuing Operations (Non-IFRS) to Adjusted EBITDA from Continuing Operations (Non-IFRS) for the periods indicated.

	13 Weeks Ended		39 Weeks Ended	
($ in Millions)	March 28, 2020	March 30, 2019	March 28, 2020	March 30, 2019
Net Loss from Continuing Operations (IFRS)	$ (68.8)	$ (62.5)	$ (222.1)	$ (192.2)
Add (Deduct) Impact of:				
Transaction Costs and Other One-Time Costs	3.2	3.4	22.0	9.0
Share-Based Compensation	1.8	6.0	10.7	28.7
Other Non-Cash Operating Income	(2.7)	(2.1)	(2.5)	(6.9)
Total Adjustments	2.3	7.3	30.2	30.8
Adjusted Net Loss from Continuing Operations (Non-IFRS)	**$ (66.5)**	**$ (55.2)**	**$ (191.9)**	**$ (161.4)**
Net Loss from Continuing Operations (IFRS)	$ (68.8)	$ (62.5)	$ (222.1)	$ (192.2)
Add (Deduct) Impact of:				
Net Interest and Other Financing Costs	13.2	2.3	36.2	6.4
Provision for Income Taxes	15.5	2.5	28.1	6.1
Amortization and Depreciation	17.1	7.5	51.8	16.1
Total Adjustments	45.8	12.3	116.1	28.6
EBITDA from Continuing Operations (Non-IFRS)	**$ (23.0)**	**$ (50.2)**	**$ (106.0)**	**$ (163.6)**
EBITDA from Continuing Operations (Non-IFRS)	$ (23.0)	$ (50.2)	$ (106.0)	$ (163.6)
Add (Deduct) Impact of:				
Transaction Costs and Other One-Time Costs	3.2	3.4	22.0	9.0
Share-Based Compensation	1.8	6.0	10.7	28.7
Other Non-Cash Operating Income	(2.7)	(2.1)	(2.5)	(6.9)
Total Adjustments	2.3	7.3	30.2	30.8
Adjusted EBITDA from Continuing Operations (Non-IFRS)	**$ (20.7)**	**$ (42.9)**	**$ (75.8)**	**$ (132.8)**

See "*Key Business Metrics – Fiscal Third Quarter of 2020 Compared to Fiscal Second Quarter of 2020*" for reconciliations of other non-IFRS financial measures.

DISCUSSION OF OPERATIONS

13 Weeks Ended March 28, 2020 Compared to 13 Weeks Ended March 30, 2019

($ in Millions)	13 Weeks Ended March 28, 2020	13 Weeks Ended March 30, 2019	$ Change	% Change
Revenue	$ 45.9	$ 32.5	$ 13.4	41%
Cost of Goods Sold	32.9	18.7	14.2	76%
Gross Profit Before Fair Value Adjustments	13.0	13.8	(0.8)	(6%)
Realized Fair Value of Inventory Sold	(1.9)	(5.7)	3.8	(67%)
Unrealized Gain on Changes in Fair Value of Biological Assets	4.3	9.8	(5.5)	(56%)
Gross Profit	15.4	17.9	(2.5)	(14%)
Expenses:				
General and Administrative	38.1	60.0	(21.9)	(37%)
Sales and Marketing	1.0	6.7	(5.7)	(85%)
Depreciation and Amortization	14.7	4.5	10.2	227%
Total Expenses	53.8	71.2	(17.4)	(24%)
Loss from Operations	(38.4)	(53.3)	14.9	(28%)
Other Expense (Income):				
Interest Expense	13.3	2.6	10.7	412%
Interest Income	(0.1)	(0.1)	-	-
Amortization of Debt Discount and Loan Origination Fees	1.9	2.3	(0.4)	(17%)
Change in Fair Value of Derivatives	(3.2)	3.9	(7.1)	(182%)
Unrealized Gain on Changes in Fair Value of Investments and Assets Held for Sale	(0.1)	(1.1)	1.0	(91%)
Unrealized Gain on Changes in Fair Value of Contingent Consideration	1.0	-	1.0	-
Other Expense	2.2	(0.8)	3.0	(375%)
Total Other Expense	15.0	6.8	8.2	121%
Loss from Continuing Operations Before Provision for Income Taxes	(53.4)	(60.1)	6.7	(11%)
Provision for Income Taxes	15.5	2.5	13.0	520%
Net Loss and Comprehensive Loss from Continuing Operations	(68.9)	(62.6)	(6.3)	10%
Net Loss from Discontinued Operations, Net of Taxes	(8.2)	(0.6)	(7.6)	1,267%
Net Loss and Comprehensive Loss	(76.9)	(63.1)	(13.8)	22%
Net Loss and Comprehensive Loss Attributable to Non-Controlling Interest	(37.0)	(39.3)	2.3	(6%)
Net Loss and Comprehensive Loss Attributable to Shareholders of MedMen Enterprises Inc.	**$ (39.9)**	**$ (23.8)**	**$ (16.1)**	**68%**
Adjusted Net Loss from Continuing Operations (Non-IFRS)	$ (66.5)	$ (55.2)	$ (11.3)	20%
EBITDA from Continuing Operations (Non-IFRS)	$ (23.0)	$ (50.2)	$ 27.2	(54%)
Adjusted EBITDA from Continuing Operations (Non-IFRS)	$ (20.7)	$ (42.9)	$ 22.2	(52%)

Revenue

Revenue for the 13 weeks ended March 28, 2020 was $45.9 million, an increase of $13.4 million, or 41%, compared to revenue of $32.5 million for the 13 weeks ended March 30, 2019. The increase in revenue was driven by the acquisitions of dispensaries and the operationalization of related licenses in several states during 2018 through fiscal third quarter of 2020. More specifically, for the 13 weeks ended March 28, 2020, MedMen had 32 active retail locations in the states of California, New York, Nevada, Arizona, Illinois and Florida, of which three were located within the state of Arizona and were classified as discontinued operations, compared to 21 active retail locations for the same period in the prior year, of which three were located within the state of Arizona and were classified as discontinued operations. During the fiscal third quarter of 2020, the Company closed its Seaside, California store location to evaluate various strategic alternatives. As of March 28, 2020, the Company had 28 active retail locations related to continuing operations.

Cost of Goods Sold and Gross Profit

Cost of goods sold for the 13 weeks ended March 28, 2020 was $32.9 million, an increase of $14.2 million, or 76%, compared with $18.7 million of cost of goods sold for the 13 weeks ended March 30, 2019. Gross profit before fair value adjustments for realized fair value of inventory sold and unrealized gain on changes in fair value of biological assets for the 13 weeks ended March 28, 2020 was $13.0 million, representing a gross margin of 28%, compared with gross profit of $13.8 million, representing a gross margin of 42%, for the 13 weeks ended March 30, 2019. The decrease in gross margin is primarily driven by the acquisitions of dispensaries and cultivation and manufacturing facilities and the operationalization of related licenses in several states during 2018 through fiscal year 2020, resulting in increased product, labor and overhead costs associated with the Company's retail, cultivation and manufacturing expansion.

For the 13 weeks ended March 28, 2020, the Company had 32 active retail locations in the states of California, New York, Nevada, Arizona, Illinois and Florida, of which three were located within the state of Arizona and were classified as discontinued operations, compared to 21 active retail locations for the same period in the prior year, of which three were located within the state of Arizona and were classified as discontinued operations. The addition of new operating retail locations since the comparative period resulted in an increase in revenue, and thus resulted in a corresponding increase in cost of goods sold.

Gross profit before fair value adjustments related to biological assets for the 13 weeks ended March 28, 2020 of $13.0 million was relatively consistent with the 13 weeks ended March 30, 2019 of $13.8 million as a result of the decrease in gross margin for the factors described above, despite the increase in revenue compared to the 13 weeks ended March 30, 2019. For the 13 weeks ended March 28, 2020, MedMen operated six cultivation and production facilities in the states of Nevada, California, New York, Florida and Arizona, of which two were related to the operations within the state of Arizona that were classified as discontinued operations. MedMen expects costs of goods sold to increase at a slower rate than the increase in revenue in the coming periods as the Company divests certain operations and licenses in non-core markets.

Total Expenses

Total expenses, including general and administrative, sales and marketing and depreciation and amortization, for the 13 weeks ended March 28, 2020 were $53.8 million, a decrease of $17.4 million, or 24%, compared to total expenses of $71.2 million for the 13 weeks ended March 30, 2019, which represents 117% of revenue for the 13 weeks ended March 28, 2020, compared to 219% of revenue for the 13 weeks ended March 30, 2019. The decrease in total expenses was attributable to the factors described below.

General and administrative expenses for the 13 weeks ended March 28, 2020 and March 30, 2019 were $38.1 million and $60.0 million, respectively, a decrease of $21.9 million, or 37%. General and administrative expenses have decreased primarily due to the Company's efforts to optimize Corporate SG&A (Non-IFRS), as defined in the *"Key Business Metrics – Fiscal Third Quarter of 2020 Compared to Fiscal Second Quarter of 2020"* section above and as initially announced by the Company on November 15, 2019. Key drivers of the decrease in Corporate SG&A (Non-IFRS) include general corporate cost savings, strategic headcount reductions across various departments, and elimination of non-core functions and overhead in various departments.

Sales and marketing expenses for the 13 weeks ended March 28, 2020 and March 30, 2019 were $1.0 million and $6.7 million, respectively, a decrease of $5.7 million, or 85%. The decrease is primarily attributed to the reduction in marketing and sales related spending due to implementation of the Company's cost-cutting strategy.

Depreciation and amortization for the 13 weeks ended March 28, 2020 and March 30, 2019 was $14.7 million and $4.5 million, respectively, an increase of $10.2 million, or 227%. The increase is attributed to the growth of the Company's operations through acquisitions, as well as significant property and equipment acquired in recent periods as compared to the same period in the prior year. In addition, the increase in depreciation and amortization was also due to depreciation of $7.5 million recorded during the 13 weeks ended March 28, 2020 for right-of-use assets as a result of the Company's adoption of IFRS 16 on June 30, 2019.

Total Other Expense

Total other expense for the 13 weeks ended March 28, 2020 was $15.0 million, an increase of $8.2 million compared to total other expense of $6.8 million for the 13 weeks ended March 30, 2019. The increase in total other expense was primarily due to increased interest expense as an effect of the Company's adoption of IFRS 16 on June 30, 2019, resulting in interest expense related to capital leases of $8.6 million during the fiscal third quarter of 2020, as well as the Company's higher debt balance compared to the same period in the prior year. This was offset by a $7.1 million decrease in changes in fair value of derivatives as a result of the debt modifications related to the Secured Term Loan Amendment and the GGP Facility as described in the *"Recent Developments"* section above. During the 13 weeks ended March 28, 2020, the Company recognized a loss on extinguishment of debt of $13.5 million related to the Secured Term Loan Amendment and a gain on extinguishment of debt of $14.8 million related to the GGP Facility. The net gain was offset by a $1.5 million loss on modification of debt. Additionally, the increase in total other expense was also attributed to a write-off of intangible assets of $0.7 million during the 13 weeks ended March 28, 2020.

Provision for Income Taxes

Provision for income taxes for the 13 weeks ended March 28, 2020 was $15.5 million compared to the provision for income taxes of $2.5 million for the 13 weeks ended March 30, 2019, primarily due to the Company's increased revenue and operations compared to the same period in the prior year.

Net Loss and Comprehensive Loss from Continuing Operations

Net loss from continuing operations for the 13 weeks ended March 28, 2020 was $68.9 million, an increase of $6.3 million, or 10%, compared to a net loss of $62.6 million for the 13 weeks ended March 30, 2019. The increase in net loss from continuing operations was mainly attributable to an increase in interest expense due to the adoption of IFRS 16 as noted above, an increase in depreciation and amortization and provision for income taxes related to the Company's retail, cultivation and manufacturing expansion compared to the same period in the prior year, and additional debt that was incurred by the Company, which were partially offset by changes in fair value of derivatives as a result of debt modifications during the 13 weeks ended March 28, 2020 and a decrease in general and administrative expenses and marketing expenses compared to the 13 weeks ended March 30, 2019 as part of the Company's efforts to optimize Corporate SG&A (Non-IFRS). Net loss attributable to non-controlling interest for the 13 weeks ended March 28, 2020 was $37.0 million, resulting in net loss of $39.9 million attributable to the shareholders of MedMen Enterprises Inc. compared to $23.8 million for the 13 weeks ended March 30, 2019.

39 Weeks Ended March 28, 2020 Compared to 39 Weeks Ended March 30, 2019

($ in Millions)	39 Weeks Ended March 28, 2020	39 Weeks Ended March 30, 2019	$ Change	% Change
Revenue	$ 129.7	$ 83.4	$ 46.3	56%
Cost of Goods Sold	89.8	44.9	44.9	100%
Gross Profit Before Fair Value Adjustments	39.9	38.5	1.4	4%
Realized Fair Value of Inventory Sold	(7.4)	(7.9)	0.5	(6%)
Unrealized Gain on Changes in Fair Value of Biological Assets	12.8	12.7	0.1	1%
Gross Profit	45.3	43.3	2.0	5%
Expenses:				
General and Administrative	137.9	189.8	(51.9)	(27%)
Sales and Marketing	10.4	20.1	(9.7)	(48%)
Depreciation and Amortization	38.5	10.3	28.2	274%
Total Expenses	186.8	220.2	(33.4)	(15%)
Loss from Operations	(141.5)	(176.9)	35.4	(20%)
Other Expense (Income):				
Interest Expense	37.2	7.0	30.2	431%
Interest Income	(0.8)	(0.4)	(0.4)	100%
Amortization of Debt Discount and Loan Origination Fees	9.1	4.7	4.4	94%
Change in Fair Value of Derivatives	(3.7)	(2.3)	(1.4)	61%
Unrealized Gain on Changes in Fair Value of Investments and Assets Held for Sale	(16.6)	(2.3)	(14.3)	622%
Unrealized Gain on Changes in Fair Value of Contingent Consideration	(0.9)	-	(0.9)	(100%)
Other Expense	28.7	2.5	26.2	1,048%
Total Other Expense	53.0	9.2	43.8	476%
Loss from Continuing Operations Before Provision for Income Taxes	(194.5)	(186.1)	(8.4)	5%
Provision for Income Taxes	27.6	6.1	21.5	352%
Net Loss and Comprehensive Loss from Continuing Operations	(222.1)	(192.2)	(29.9)	16%
Net Loss from Discontinued Operations, Net of Taxes	(33.9)	(1.9)	(32.0)	1,684%
Net Loss and Comprehensive Loss	(256.0)	(194.1)	(61.9)	32%
Net Loss and Comprehensive Loss Attributable to Non-Controlling Interest	(144.0)	(139.2)	(4.8)	3%
Net Loss and Comprehensive Loss Attributable to Shareholders of MedMen Enterprises Inc.	**$ (112.0)**	**$ (54.9)**	**$ (57.1)**	**104%**
Adjusted Net Loss from Continuing Operations (Non-IFRS)	$ (191.9)	$ (161.4)	$ (30.5)	19%
EBITDA from Continuing Operations (Non-IFRS)	$ (106.0)	$ (163.6)	$ 57.6	(35%)
Adjusted EBITDA from Continuing Operations (Non-IFRS)	$ (75.8)	$ (132.8)	$ 57.0	(43%)

Revenue

Revenue for the 39 weeks ended March 28, 2020 was $129.7 million, an increase of $46.3 million, or 56%, compared to revenue of $83.4 million for the 39 weeks ended March 30, 2019. The increase in revenue was driven by the acquisitions of dispensaries in several states during 2018 through fiscal third quarter of 2020. More specifically, for the 39 weeks ended March 28, 2020, MedMen had 32 active retail locations in the states of California, New York, Nevada, Arizona, Illinois and Florida, of which three were located within the state of Arizona and were classified as discontinued operations, compared to 21 active retail locations for the same period in the prior year, of which three were located within the state of Arizona and were classified as discontinued operations. The addition of the new operating retail locations in fiscal year 2020 resulted in a significant increase in revenues. During the fiscal third quarter of 2020, the Company closed its Seaside, California store location to evaluate various strategic alternatives. As of March 28, 2020, the Company had 28 active retail locations related to continuing operations.

Cost of Goods Sold and Gross Profit

Cost of goods sold for the 39 weeks ended March 28, 2020 was $89.8 million, an increase of $44.9 million, or 100%, compared with $44.9 million of cost of goods sold for the 39 weeks ended March 30, 2019. Gross profit before fair value adjustments for realized fair value of inventory sold and unrealized gain on changes in fair value of biological assets for the 39 weeks ended March 28, 2020 was $39.9 million, representing a gross margin of 31%, compared with gross profit of $38.5 million, representing a gross margin of 46%, for the 39 weeks ended March 30, 2019. During the 39 weeks ended March 28, 2020, the Company recognized a non-recurring, one-time cumulative expense of $9.5 million related to a reclassification between cost of goods sold and the unrealized gain on changes in fair value of biological assets. The decrease in gross margin is primarily driven by the acquisitions of dispensaries and cultivation and manufacturing facilities and the operationalization of related licenses in several states during 2018 through fiscal year 2020, resulting in increased product, labor and overhead costs associated with the Company's retail, cultivation and manufacturing expansion. Excluding the adjustment related to biological assets, gross margin for the 39 weeks ended March 28, 2020 would be 38% compared to gross margin for the 39 weeks ended March 30, 2019 of 46%.

For the 39 weeks ended March 28, 2020, the Company had 32 active retail locations in the states of California, New York, Nevada, Arizona, Illinois and Florida, of which three were located within the state of Arizona and were classified as discontinued operations, compared to 21 active retail locations for the same period in the prior year, of which three were located within the state of Arizona and were classified as discontinued operations. The addition of new operating retail locations since the comparative period resulted in a significant increase in revenue, and thus resulted in a corresponding increase in cost of goods sold.

The change in gross profit was also attributable to cost of goods sold increasing at a higher rate than the increase in revenues, primarily due to ramping up the Company's Florida operations during the 39 weeks ended March 28, 2020 compared to no retail locations in Florida in the comparative prior period. For the 39 weeks ended March 28, 2020, the Company operated six cultivation and production facilities in the states of Nevada, California, New York, Florida and Arizona, of which two were related to the operations within the state of Arizona that were classified as discontinued operations, compared to the same number of facilities in the same period of the prior year. MedMen expects costs of goods sold to increase at a slower rate than the increase in revenue in the coming periods as the Company divests certain operations and licenses in non-core markets.

Total Expenses

Total expenses, including general and administrative, sales and marketing and depreciation and amortization, for the 39 weeks ended March 28, 2020 were $186.8 million, a decrease of $33.4 million, or 15%, compared to total expenses of $220.2 million for the 39 weeks ended March 30, 2019, which represents 144% of revenue for the 39 weeks ended March 28, 2020, compared to 264% of revenue for the 39 weeks ended March 30, 2019. The decrease in total expenses was attributable to the factors described below.

General and administrative expenses for the 39 weeks ended March 28, 2020 and March 30, 2019 were $137.9 million and $189.8 million, respectively, a decrease of $51.9 million, or 27%. General and administrative expenses have decreased primarily due to the Company's efforts to optimize Corporate SG&A (Non-IFRS), as defined in the *"Key Business Metrics – Fiscal Third Quarter of 2020 Compared to Fiscal Second Quarter of 2020"* section above and as initially announced by the Company on November 15, 2019. Key drivers of the decrease in Corporate SG&A (Non-IFRS) include general corporate cost savings, strategic headcount reductions across various departments, and elimination of non-core functions and overhead in various departments. In addition, rent expense is no longer recorded in general and administrative expenses due to the adoption of IFRS 16 on June 30, 2019, resulting in a corresponding increase in depreciation and interest expense compared to the 39 weeks ended March 30, 2019.

Sales and marketing expenses for the 39 weeks ended March 28, 2020 and March 30, 2019 were $10.4 million and $20.1 million, respectively, a decrease of $9.7 million, or 48%. The decrease in sales and marketing expenses is primarily attributed to the reduction in marketing and sales related spending compared to the same period in the prior year as part of the Company's corporate cost reduction initiatives.

Depreciation and amortization for the 39 weeks ended March 28, 2020 and March 30, 2019 was $38.5 million and $10.3 million, respectively, an increase of $28.2 million, or 274%. The increase is attributed to the growth of the Company's operations through acquisitions, as well as significant property and equipment acquired in recent periods as compared to the same period in the prior year. In addition, the increase in depreciation and amortization was also due to depreciation expense of $17.6 million recorded during the 39 weeks ended March 28, 2020 for right-of-use assets as a result of the Company's adoption of IFRS 16 on June 30, 2019.

Total Other Expense

Total other expense for the 39 weeks ended March 28, 2020 was $53.0 million, an increase of $43.8 million compared to total other expense of $9.2 million for the 39 weeks ended March 30, 2019. The increase in total other expense was primarily due to increased interest expense as an effect of the Company's adoption of IFRS 16 on June 30, 2019, resulting in interest expense related to capital leases of $24.5 million during the 39 weeks ended March 28, 2020 compared to nil in the comparative period. The Company's higher debt balance compared to the same period in the prior year also resulted in increased interest expense during the 39 weeks ended March 28, 2020 as well as an increase of $4.4 million in amortization of debt discount and loan origination fees. During the 39 weeks ended March 28, 2020, the Company recorded a loss on extinguishment of debt of $21.3 million as a result of the amendments to the GGP Facility and the Secured Term Loan Amendment and a revaluation of debt as required under IFRS. Additionally, the increases in total other expense was offset by unrealized gains on changes in fair value of investments and assets held for sale of $16.6 million and changes in fair value of derivatives as a result of the debt modifications related to the Secured Term Loan Amendment and the GGP Facility of $3.7 million during the 39 weeks ended March 28, 2020 as a result of the Company's divestiture of non-core assets during the fiscal year 2020.

Provision for Income Taxes

The provision for income taxes for the 39 weeks ended March 28, 2020 was $27.6 million compared to the provision for income taxes of $6.1 million for the 39 weeks ended March 30, 2019, primarily due to the Company's increased revenue and operations compared to the same period in the prior year.

Net Loss and Comprehensive Loss from Continuing Operations

Net loss from continuing operations for the 39 weeks ended March 28, 2020 was $222.1 million, an increase of $29.9 million, or 16%, compared to a net loss from continuing operations of $192.2 million for the 39 weeks ended March 30, 2019. The increase in net loss from continuing operations was primarily attributable to an increase in depreciation and amortization and provision for income taxes due the Company's expansion, an increase in interest expense given the Company's higher debt balance and the adoption of IFRS 16, and a loss on the extinguishment of debt related to amendments to credit facilities and a revaluation of debt during the 39 weeks ended March 28, 2020 as discussed above, which was partially offset by an unrealized gain on changes in fair value of investments and assets held for sale and a decrease in general and administrative expenses compared to the same period in the prior year as part of the Company's efforts to optimize Corporate SG&A (Non-IFRS). Net loss attributable to non-controlling interest for the 39 weeks ended March 28, 2020 was $144.0 million, resulting in net loss of $112.0 million attributable to the shareholders of MedMen Enterprises Inc. compared to $54.9 million for the 39 weeks ended March 30, 2019.

SUMMARY OF QUARTERLY RESULTS

The following table presents selected financial information for the eight most recently prepared quarters, excluding the Company's operations in the state of Arizona that were classified as discontinued operations for all periods presented:

Period	Total Revenue	Net Loss	Active Retail Locations
	($ in Millions)		
13 Weeks Ended March 30, 2020	$ 45.9	$ (68.8)	28
13 Weeks Ended December 28, 2019	$ 44.1	$ (74.8)	29
13 Weeks Ended September 28, 2019	$ 39.6	$ (78.6)	24
13 Weeks Ended June 29, 2019	$ 35.2	$ (82.2)	20
13 Weeks Ended March 30, 2019	$ 31.5	$ (62.5)	18
13 Weeks Ended December 29, 2018 [(1)]	$ 29.4	$ (63.2)	15
Quarter Ended September 30, 2018	$ 21.5	$ (66.5)	14
Quarter Ended June 30, 2018	$ 20.6	$ (80.3)	11

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(1) *See "Change in Fiscal Year-End".*

Revenue increased quarter over quarter through the 13 weeks ended March 28, 2020, primarily due to the number of active retail locations acquired and operated and increased brand awareness of the MedMen retail brand. For the 13 weeks ended March 28, 2020, the Company experienced growth in sales from retail locations that had previously not operated in the comparative prior period. During the fiscal third quarter of 2020, the Company closed its Seaside, California store location to evaluate various strategic alternatives. As of March 28, 2020, the Company had 28 active retail locations related to continuing operations.

Revenue for the fiscal third quarter of 2020 increased $1.8 million compared to the fiscal second quarter of 2020. The quarter over quarter increase was less than historical trends primarily due to the impact of COVID-19 in overall retail traffic and tourism during the 13 weeks ended March 28, 2020. For all other quarters presented, there were no other significant factors, economically or industry-wide relating to pricing, competition, or buying patterns that contributed to the noted significant variances.

While revenue has increased, changes in net loss quarter over quarter are primarily due to non-cash considerations related to compensation and debt and equity transactions. Net loss from continuing operations for the quarter ended June 30, 2018 increased significantly from the prior fiscal quarters as a result of a one-time recognition of equity compensation to management. Net loss from continuing operations for the 13 weeks ended June 29, 2019 increased compared to the preceding fiscal quarters as a result of restructuring costs of $7.6 million and provision for income taxes arising from the Company's acquisitions in prior periods. While net loss from continuing operations for the 13 weeks ended September 28, 2019 included a loss on extinguishment of debt of $20.9 million, net loss from continuing operations for the 13 weeks ended March 28, 2020 decreased compared to the preceding few quarters primarily due to a significant reduction in marketing and technology spend as a result of the Company's efforts to optimize Corporate SG&A (Non-IFRS).

FINANCIAL CONDITION, LIQUIDITY AND CAPITAL RESOURCES

Previous Financings

During the 52 weeks ended June 29, 2019, the Company raised gross proceeds of approximately $331.1 million from issuances of debt and equity instruments, including sales of member units and private placements. Of the capital raised during the 52 weeks ended June 29, 2019, approximately $271.3 million was used for the following: debt payments ($54.5 million), acquisitions of businesses ($26.7 million), asset acquisitions ($19.8 million), cultivation and retail property and equipment purchases and buildouts ($125.0 million) and general working capital needs to fund operations ($45.4 million).

During the 39 weeks ended March 28, 2020, the Company raised gross proceeds of approximately $112.8 million through the issuance of debt and equity instruments. The funds received during the 39 week period and from the previous year's financing were used primarily for operations ($54.2 million for the 39 weeks ended March 28, 2020), cultivation and retail property and equipment purchases of $50.8 million, lease liability payments of $32.4 million, and principal repayments of debt and related cost and interest of $23.2 million.

Financial Condition

The following table summarizes certain aspects of the Company's financial condition as of March 28, 2020 and June 29, 2019:

($ in Millions)		March 28, 2020		June 29, 2019		$ Change	% Change
Cash and Cash Equivalents	$	31.8	$	33.8	$	(2.0)	(6%)
Restricted Cash	$	-	$	0.1	$	(0.1)	(100%)
Total Current Assets	$	123.9	$	115.8	$	8.1	7%
Total Assets	$	811.4	$	634.6	$	176.8	28%
Total Current Liabilities	$	184.5	$	114.9	$	69.6	61%
Notes Payable, Net of Current Portion	$	211.9	$	167.7	$	44.2	26%
Total Liabilities	$	738.7	$	433.8	$	304.9	70%
Total Shareholders' Equity	$	72.7	$	200.8	$	(128.1)	(64%)
Working Capital (Deficit)	$	(60.6)	$	0.8	$	(61.4)	(7,675%)

As of March 28, 2020, the Company had $31.8 million of cash and cash equivalents and $60.6 million of working capital deficit, compared to $33.8 million of cash and cash equivalents and $0.8 million of working capital as of June 29, 2019. Reductions in cash and cash equivalents were primarily due to the Company's investments in its retail expansion in which MedMen increased the number of active retail locations from twenty operating retail stores as of June 29, 2019 to 29 operating retail stores as of March 28, 2020, excluding retail stores in the state of Arizona that were classified as discontinued operations. The decrease in cash and cash equivalents was also associated with significant payments on lease liability, notes payable and costs associated with the issuances of debt. The foregoing uses of cash were partially offset by cash generated from the sale of property and significant debt and equity financing during the 39 weeks ended March 28, 2020.

The $61.4 million decrease in working capital was primarily related to an increase of $16.8 million in accounts payable and accrued liabilities, an increase of $20.9 million in income taxes payable, an increase of $16.3 million in liabilities held for sale related to discontinued operations, an increase of $11.0 million in lease liabilities due to the Company's adoption of IFRS 16 on June 30, 2019, an increase of $6.3 million in derivative liabilities as a result of the GGP Facility and the Secured Senior Term Loan Amendment, and an increase of $2.3 million in other current liabilities, offset by a decrease of $3.3 million in current portion of notes payable. The net increase in current liabilities was offset by an increase of $46.8 million in assets held for sale related to the Company's divestiture of non-core assets offset by a decrease of $9.8 million in inventory, a decrease of $5.2 million in derivative assets, a decrease of $2.0 million in cash and cash equivalents, a decrease of $8.3 million in other current assets primarily related to the sale of investments, and a decrease of $8.8 million in prepaid expenses primarily related to prepaid advertising as a result of the reduction in marketing spend and prepaid rent as a result of the adoption of IFRS 16 on June 30, 2019.

The Company's working capital will be significantly impacted by continued growth in retail operations, operationalizing existing licenses, and the success of the Company's cost-cutting measures. The ability to fund working capital needs will also be dependent on the Company's ability to raise additional debt and equity financing.

Cash Flows

	39 Weeks Ended			
($ in Millions)	March 28, 2020	March 30, 2019	$ Change	% Change
Net Cash Used in Operating Activities	$ (54.2)	$ (184.2)	$ 130.0	(71%)
Net Cash Used in Investing Activities	(1.0)	(39.6)	38.6	(97%)
Net Cash Provided by Financing Activities	54.9	166.6	(111.7)	(67%)
Net Decrease in Cash and Cash Equivalents	(0.3)	(57.2)	56.9	(99%)
Cash Included in Assets Held for Sale [1]	(1.6)	-	(1.6)	100%
Cash and Cash Equivalents, Beginning of Period	33.8	79.2	(45.4)	(57%)
Cash and Cash Equivalents, End of Period	**$ 31.9**	**$ 22.0**	**$ 9.9**	**45%**

(1) *See "Discontinued Operations".*

Cash Flow from Operating Activities

Net cash used in operating activities was $54.2 million for the 39 weeks ended March 28, 2020, a decrease of $130.0 million, or 71%, compared to $184.2 million for the 39 weeks ended March 30, 2019. The decrease in net cash used in operating activities was primarily due to the Company's focused efforts on the optimization of Corporate SG&A (Non-IFRS) during the 39 weeks ended March 28, 2020.

Cash Flow from Investing Activities

Net cash used in investing activities was $1.0 million for the 39 weeks ended March 28, 2020, a decrease of $38.6 million, or 97%, compared to $39.6 million for the 39 weeks ended March 30, 2019. The decrease in net cash used in investing activities was primarily due to a decrease of $48.2 million in acquisition of businesses, a decrease of $30.7 million in purchases of property and equipment and a decrease of $8.9 million in purchase of investments as the Company shifts its strategic plan to focus on limiting cash outlays. Net cash was positively impacted by an increase of $21.9 million in proceeds from the sale of assets held for sale and an increase of $12.5 million in cash proceeds from the sale of investments during the 39 weeks ended March 28, 2020. The decreases in purchases and acquisitions were offset by a decrease in proceeds from the sale of property of $74.5 million and a decrease in additions to restricted cash of $4.3 million compared to the same period in the prior year.

Cash Flow from Financing Activities

Net cash provided by financing activities was $54.9 million for the 39 weeks ended March 28, 2020, a decrease of $111.70 million, or 67%, compared to $166.6 million for the 39 weeks ended March 30, 2019. The decrease in net cash provided by financing activities was primarily due to a decrease of $52.7 million in the issuance of equity instruments for cash, a decrease of $8.5 million in the proceeds from the exercise of warrants for shares of the Company, and a decrease of $43.7 million in proceeds from the issuance of notes payable. The decreases in proceeds of financing activities were offset by an increase of $31.8 million in lease liability payments as a result of the Company's adoption of IFRS 16 on June 30, 2019 and a decrease of $33.3 million in principal repayments on notes payable during the 39 weeks ended March 28, 2020 compared to the same period in the prior year.

Liquidity and Capital Resources

As of March 28, 2020, cash generated from ongoing operations was not sufficient to fund operations and, in particular, to fund the Company's growth strategy in the short-term or long-term. The Company anticipates a need to raise additional funds from debt and equity financing. As of March 28, 2020, the aggregate amount available to be borrowed under the senior secured convertible credit facility with Gotham Green Partners is $137.5 million. The remaining amount of proceeds available from the sale of Class B Subordinate Voting Shares under the ATM Program is C$24,454,350 as of March 28, 2020. The primary need for liquidity is to fund working capital requirements of the business, including operationalizing existing licenses, capital expenditures, debt service and acquisitions. The primary source of liquidity has primarily been private and/or public financing and, to a lesser extent, by cash generated from sales. The ability to fund operations, to make planned capital expenditures, to execute on the growth strategy, to make scheduled debt and rent payments and to repay or refinance indebtedness depends on the Company's future operating performance and cash flows, which are subject to prevailing economic conditions and financial, business and other factors, some of which are beyond its control.

For the 39 weeks ended March 28, 2020, the Company's monthly burn rate, which was calculated as cash spent per month in operating activities, was approximately $6.0 million, representing an improvement from the $19.7 million burn rate as of June 29, 2019. At its current operating level, the Company may not have sufficient funds generated from ongoing operations to cover short-term and long-term operational needs and capital expenditure plans related to operationalizing existing licenses. As of March 28, 2020, the Company had $31.8 million of cash and cash equivalents and $60.6 million of working capital deficit, compared to $33.8 million of cash and cash equivalents and $0.8 million of working capital as of June 29, 2019. The decrease of $61.4 million in working capital is primarily due to an increase in current liabilities offset by an increase in current assets as of March 28, 2020 compared to June 29, 2019, as discussed in the *"Financial Condition"* section above.

Contractual Obligations

As of March 28, 2020 and June 29, 2019, and in the normal course of business, the Company has the following obligations to make future payments, representing contracts and other commitments that are known and committed.

The Company had the following contractual obligations as of March 28, 2020:

	< 1 Year	1 to 3 Years	4 to 5 Years	> 5 Years	TOTAL
Accounts Payable and Accrued Liabilities	$ 66,559,579	$ -	$ -	$ -	$ 66,559,579
Other Liabilities	$ 12,893,303	$ 2,067,495	$ 2,016,675	$ 5,890,501	$ 22,867,974
Derivative Liabilities	$ 15,621,552	$ -	$ -	$ -	$ 15,621,552
Lease Liabilities	$ 28,902,262	$ 81,651,245	$ 79,862,453	$ 259,972,071	$ 450,388,031
Notes Payable	$ 16,942,303	$ 73,574,369	$ 819,144	$ 732,596	$ 92,068,412
Due to Related Party	$ 4,922,970	$ -	$ -	$ -	$ 4,922,970
Senior Secured Convertible Credit Facility	$ -	$ 136,785,688	$ -	$ -	$ 136,785,688

Lease liabilities as of March 28, 2020 increased by $220.3 million compared to June 29, 2019 as a result of the Company's adoption of IFRS 16 on June 30, 2019, wherein lessees are required to recognize assets and liabilities for all leases with a term exceeding twelve months, unless the underlying asset is insignificant. The lease liability represents the Company's obligation to make lease payments and is measured at the discounted present value of the remaining fixed lease payments. The majority of the Company's property leases were impacted by the adoption of IFRS 16, which resulted in higher current and non-current liabilities related to the concurrent recognition of lease liabilities. The recent adoption of the accounting pronouncement does not impact the Company's current or future cash flows.

During the 39 weeks ended March 28, 2020, amounts outstanding under the GGP Facility increased by $46.5 million due to the funding of Tranche 2, Tranche 3 and Tranche 4 on July 12, 2019, November 27, 2019 and March 27, 2020, respectively, the issuance of the Amendment Fee Notes on October 29, 2019 and the issuance of the Restatement Fee Notes on March 27, 2020.

The Company had the following contractual obligations as of June 29, 2019:

	< 1 Year	1 to 3 Years	4 to 5 Years	> 5 Years	TOTAL
Accounts Payable and Accrued Liabilities	$ 49,794,041	$ -	$ -	$ -	$ 49,794,041
Other Liabilities	$ 10,550,240	$ 22,214,365	$ 2,016,675	$ 6,646,754	$ 41,428,034
Derivative Liabilities	$ 9,343,485	$ -	$ -	$ -	$ 9,343,485
Lease Liabilities	$ 11,873,173	$ 37,799,755	$ 27,127,623	$ 153,333,160	$ 230,133,711
Notes Payable	$ 20,229,641	$ 75,727,536	$ 819,144	$ 846,069	$ 97,622,390
Due to Related Party	$ 5,640,817	$ -	$ -	$ -	$ 5,640,817
Senior Secured Convertible Credit Facility	$ -	$ 90,270,837	$ -	$ -	$ 90,270,837

OFF-BALANCE SHEET ARRANGEMENTS

The Company has no material undisclosed off-balance sheet arrangements that have, or are reasonably likely to have, a current or future effect on its results of operations, financial condition, revenues or expenses, liquidity, capital expenditures or capital resources that are material to investors.

TRANSACTIONS BETWEEN RELATED PARTIES

All related party balances due from or due to the Company as of March 28, 2020 and June 29, 2019 did not have any formal contractual agreements requiring payment terms or interest.

As of March 28, 2020 and June 29, 2019, amounts due from related parties were as follows:

Name and Relationship to Company	Transaction	March 28, 2020	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 33.3% indirect voting interest. The shareholders each hold 27.1% 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 33.3% indirect voting interest. The shareholders each hold 24.2% 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
Other		802,426	719,092
Total Amounts Due from Related Parties		**$ 3,851,589**	**$ 4,921,455**

As of March 28, 2020 and June 29, 2019, amounts due to related parties were as follows:

Name and Relationship to Company	Transaction	March 28, 2020	June 29, 2019
Fund LP II, an entity which Mr. Adam Bierman, Mr. Andrew Modlin and Mr. Christopher Ganan each holds 33.3% indirect voting interest. The shareholders each hold 27.1% 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 33.3% indirect voting interest. The shareholders each hold 24.2% 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		(966,427)	(1,684,274)
Total Amounts Due to Related Parties		**$ (4,922,970)**	**$ (5,640,817)**

On July 10, 2019, the Company announced an equity commitment from GGP, with participation from Wicklow Capital, in the amount of $30.0 million. As a result, the Company issued 14,634,147 Subordinate Voting Shares to the investors.

On December 10, 2019, the Company executed a term sheet for a non-brokered private placement wherein Wicklow Capital participated in the offering. As of March 28, 2020, the Company issued 23,720,929 Subordinate Voting Shares for gross proceeds of $10.2 million in connection with the Equity Placement.

During the 39 weeks ended March 28, 2020, the Company determined GGP to be a related party. Transactions with GGP are described in *"Strategic Partnership with Gotham Green Partners"* above and *"Note 17 – Senior Secured Convertible Credit Facility"* of the unaudited interim condensed consolidated financial statements for the 13 and 39 weeks ended March 28, 2020. As of March 28, 2020, the Company has drawn down $100.0 million from Tranche 1, $25.0 million from Tranche 2, $10.0 million from Tranche 3 and $12.5 million from Tranche 4 of the GGP Facility and has issued to the lenders under the GGP Facility, including GGP, the Amendment Fee Notes and the Restatement Fee Notes.

On October 17, 2019, the Company entered into an agreement to sell a portion of its interest in Old Pal LLC to GGP and a third party. The interests sold consist of 86.80 Class B Units, or 6.9% of the outstanding units, resulting in an aggregate sale price of approximately $5.0 million.

PROPOSED TRANSACTIONS

Key Developments Subsequent to March 28, 2020

Descriptions of significant events subsequent to March 28, 2020 are more fully described in the section "*Recent Developments*" above. Also refer to "*Note 26 – Subsequent Events*" of the unaudited interim condensed consolidated financial statements for the 13 and 39 weeks ended March 28, 2020.

CRITICAL ACCOUNTING ESTIMATES

The Company makes judgments, estimates and assumptions about the future that affect the policies and reported amounts of assets and liabilities, and revenues and expenses. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the review affects both current and future periods.

The preparation of the Company's interim consolidated financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant.

There have been no changes in critical judgments, estimates and assumptions that have a significant effect on the amounts recognized in the interim consolidated financial statements other than the estimates described below. For more information on the Company's critical accounting estimates, refer to the annual MD&A for the 13 and 52 weeks ended June 29, 2019.

Right-of-Use Assets and Lease Liabilities

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 estimates of economic life. 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. Refer to "*Note 2(i) – Summary of Significant Accounting Policies*" of the unaudited interim condensed consolidated financial statements for the 13 and 39 weeks ended March 28, 2020.

Assets Held for Sale and Discontinued Operations

Assets held for sale are measured at the lower of its carrying amount or fair value less cost to sell ("**FVLCTS**") unless the asset held for sale meets the exceptions as denoted by IFRS 5. FVLCTS is the amount obtainable from the sale of the asset in an arm's length transaction, less the costs of disposal. A component of an entity is identified as operations and cash flows that can be clearly distinguished, operationally and financially, from the rest of the entity. A discontinued operation is a component of an entity that either has been disposed of, or is classified as held for sale.

FINANCIAL INSTRUMENTS AND OTHER INSTRUMENTS

Financial Instruments

The Company's financial instruments consist of cash and cash equivalents, restricted cash, accounts receivable, due from related party, investments, derivative assets, accounts payable and accrued liabilities, acquisition consideration related liabilities, notes payable, due to related party, derivative liabilities and the GGP Facility. The carrying values of these financial instruments approximate their fair values as of March 28, 2020 and June 29, 2019.

Financial instruments recorded at fair value are classified using a fair value hierarchy that reflects the significance of the inputs to fair value measurements. The three levels of hierarchy are:

Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities;

Level 2 – Inputs other than quoted prices that are observable for the asset or liability, either directly or indirectly; and

Level 3 – Inputs for the asset or liability that are not based on observable market data.

During the 39 weeks ended March 28, 2020, the fair value of certain investments was determined using Level 2 inputs. The fair value of these investments was previously determined using Level 3 inputs. Refer to "*Note 6 – Other Current Assets"* in the unaudited interim condensed consolidated financial statements for the 13 and 39 weeks ended March 28, 2020.

Financial Risk Management

The Company is exposed to varying degrees and a variety of financial instrument related risks. The Board mitigates these risks by assessing, monitoring and approving the Company's risk management processes:

- **Credit Risk**

  Credit risk is the risk of a potential loss to the Company if a customer or third party to a financial instrument fails to meet its contractual obligations. The maximum credit exposure at March 28, 2020 is the carrying values of cash and cash equivalents, restricted cash, accounts receivable, and due from related party. The Company does not have significant credit risk with respect to its customers. All cash and cash equivalents are placed with major U.S. financial institutions.

  The Company provides credit to its customers in the normal course of business and has established credit evaluation and monitoring processes to mitigate credit risk but has limited risk as the majority of its sales are transacted with cash.

- **Liquidity Risk**

  Liquidity risk is the risk that the Company will not be able to meet its financial obligations associated with financial liabilities. The Company manages liquidity risk through the management of its capital structure. The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to settle obligations and liabilities when due. As of March 28, 2020, cash generated from ongoing operations was not sufficient to fund operations and growth strategy as discussed above in "*Financial Condition, Liquidity and Capital Resources*".

- **Market Risk**

(i) Currency Risk

The operating results and financial position of the Company are reported in U.S. dollars. Some of the Company's financial transactions are denominated in currencies other than the U.S. dollar. The results of the Company's operations are subject to currency transaction and translation risks.

The Company's main risk is associated with fluctuations in Canadian dollars. The Company holds cash in U.S. dollars, investments denominated in U.S. dollars, debt denominated in U.S. dollars and equity denominated in U.S. and Canadian dollars. Such assets and liabilities denominated in currencies other than the U.S. dollar are translated based on the Company's foreign currency translation policy.

As of March 28, 2020 and June 29, 2019, the Company had no hedging agreements in place with respect to foreign exchange rates. The Company has not entered into any agreements or purchased any instruments to hedge possible currency risks at this time.

(ii) Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Cash and cash equivalents bear interest at market rates. The Company's financial liabilities have fixed rates of interest and therefore expose the Company to a limited interest rate fair value risk.

(iii) Price Risk

Price risk is the risk of variability in fair value due to movements in equity or market prices. The Company's investments are susceptible to price risk arising from uncertainties about their future outlook, future values and the impact of market conditions. The fair value of investments held in privately-held entities are based on a market approach, which uses prices and other relevant information generated by market transactions involving identical or comparable assets or liabilities.

Summary of Outstanding Share Data

The Company had the following securities issued and outstanding and reserved for issuance as of May 18, 2020:

Securities	Shares
Issued and Outstanding:	
Subordinate Voting Shares	352,301,132
Super Voting Shares	815,295
Additional Subordinate Voting Shares Reserved for Issuance : (1)	
MedMen Enterprises Inc.:	
Stock Options	13,308,548
Warrants (2)	136,479,831
Restricted Share Units	2,674,518
Convertible Notes Payable	255,197,213
MM Enterprises USA, LLC:	
LTIP Units	19,323,878
Redeemable Units	725,016
MM CAN USA, Inc.:	
Redeemable Shares	276,821,744
Warrants (2)	40,455,729
Total Additional Subordinate Voting Shares Reserved for Issuance	**744,986,477**

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(1) *Subordinate Voting Shares reserved for issuance pursuant to redemption rights attached to certain outstanding but unlisted shares and common units of MM CAN USA, Inc. and MM Enterprises USA, LLC, which are subsidiaries of MedMen Enterprises Inc. and in connection with certain outstanding convertible or exchangeable securities of such subsidiaries.*

(2) *Warrants included above have been grouped together and have varying issuance dates, expiration dates, exercise prices and other terms and conditions.*

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 (the "**MedMen Corp Redeemable Shares**"), 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 179.0 million MedMen Corp Redeemable Shares, 94.0 million MedMen Corp Redeemable Shares and 60.0 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 105.0 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 eleven-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. See "*Risk Factors – Risks Associated with the Securities of the Company – A Significant Portion of MedMen Corp.'s Outstanding Securities May be Redeemed in the Near Future*" in the Company's Annual Information Form filed on November 12, 2019.

UNITED STATES REGULATORY ENVIRONMENT

Federal Regulatory Environment

The federal government of the United States regulates controlled substances through the CSA, which places controlled substances on one of five schedules. Currently, marijuana is classified as a Schedule I controlled substance. A Schedule I controlled substance means the Drug Enforcement Agency considers it to have a high potential for abuse, no accepted medical treatment, and a lack of accepted safety for the use of it even under medical supervision. Overall, the United States federal government has specifically reserved the right to enforce federal law in regards to the sale and disbursement of medical or adult-use marijuana even if such sale and disbursement is sanctioned by state law. **Accordingly, there are a number of significant risks associated with the business of the Company and unless and until the United States Congress amends the CSA with respect to medical and/or adult-use cannabis (and as to the timing or scope of any such potential amendments there can be no assurance), there is a significant risk that federal authorities may enforce current federal law, and the business of the Company may be deemed to be producing, cultivating, extracting, or dispensing cannabis or aiding or abetting or otherwise engaging in a conspiracy to commit such acts in violation of federal law in the United States.**

As of March 28, 2020, $811,400,707 of the Company's assets and $129,677,038 of the Company's revenues (for the 39 weeks ended March 28, 2020) are exposed to U.S. marijuana-related activities. In this respect, all of the Company's assets and operations are currently related to U.S. marijuana-related activities.

The following table provides a list of the licenses granted to and disclosed as applied for by, and licenses that are subject to pending acquisitions by the Company.

Entity	Address	Jurisdiction	License Type	Expiry Date (if applicable)	License Number(s)
Advanced Patients' Collective	735 S. Broadway, Los Angeles, CA 90014	State	Adult Use and Medical Retail	7/23/2020	C10-0000499-LIC
		City	Adult Use Retail	12/31/2020	0002086145-0001-8: Fund/Class J020
		City	Medical Retail	12/31/2020	0002086145-0001-8: Fund/Class J010
	2430 Porter St., Los Angeles, CA 90021	State	Adult Use and Medical Distribution	7/2/2020	C11-0000635-LIC
Cyon Corporation, Inc.	110 S Robertson Blvd, Los Angeles, CA 90048	State	Adult Use and Medical Retail	7/15/2020	C10-0000426-LIC
		City	Adult Use Retail	12/31/2020	0002053218-0001-8: Fund/Class J020
		City	Medical Retail	12/31/2020	0002181643-0001-9 Fund Class J010
Desert Hot Springs Green Horizons, Inc.	13300 Little Morongo Road, Desert Hot Springs, CA 92240	State	Adult Use and Medicinal Distributor	6/24/2020	C11-0000490-LIC
		State	Adult Use and Medical Manufacturing - Type 7	5/10/2020*	CDPH-10003152
		State	Adult Use and Medical Cultivation	9/13/2020	CAL19-0004050
		City	Business License - Cultivator/Distributor	9/15/2020	2071
		City	Business License - Manufacturing	9/15/2020	2070
		City	Cannabis Regulatory Permit - Cultivation, Distribution, and Manufacturing	N/A	2017-00000396
		City	CUP	N/A	CUP 14-16
Farmacy Collective	8208 Santa Monica Blvd, Santa Monica CA 90046	State	Adult Use/Medical Retail	7/14/2020	C10-0000421-LIC
		City	TUP (TEMP CITY APPROVAL)	6/30/2020	17-0013
		City	West Hollywood Business License - Public Eating	5/31/2020**	PBL-004537
Rochambeau, Inc.	3996 San Pablo Avenue, Suites A, B, C, D, Emeryville, CA 94608	State	Adult Use and Medical Retail	7/7/2020	C10-0000385-LIC
		City	Adult Use and Medical Retail	8/21/2020	EPD 19-006
		City	CUP for Retail	2/22/2021	CUP-18-001
Sure Felt, LLC	10715 Sorrento Valley Rd., San Diego, CA 92121	State	Adult Use and Medical Retail	7/4/2020	C10-0000379-LIC
		City	Medical Marijuana Consumer Cooperative Permit	4/17/2020*	Form DS-191
		City	CUP	6/18/2023	CUP 1865509
MMOF San Diego Retail, Inc.	5125 Convoy St., #211 San Diego, CA 92111	City	CUP	6/25/2020	1291580 PTS# 369478
		City	Medical Marijuana Consumer Cooperative Permit	5/23/2020*	Form DS-191
		State	Adult Use and Medical Retail	7/4/2020	C10-0000378-LIC

Entity	Address	Jurisdiction	License Type	Expiry Date (if applicable)	License Number(s)
The Compassion Network	410 Lincoln Blvd., Venice, CA 90291	State	Adult Use and Medical Retail	6/11/2020	C10-0000177-LIC
		City	Adult-Use Retail	12/31/2020	0002181643-0001-9: Fund/Class J020
		City	Medical Retail	12/31/2020	0002181643-0001-9: Fund/Class J010
The Source Santa Ana	2141 S Wright Street, Santa Ana, CA 92705	State	Adult-Use and Medicinal Retailer	7/15/2020	C10-0000442-LIC
		City	Regulatory Safety Permit	6/11/2019*	2018-16
Viktoriya's Medical Supplies, LLC	1075 10th St N. San Jose, CA 95112	State	Adult Use and Medical Microbusiness	7/4/2020	C12-0000144-LIC
		City	City of San Jose – Medical Cannabis Cultivation, Medical Cannabis Distribution, Medical Cannabis Manufacturing, Medical Cannabis Retail, Non-Medical Cannabis Cultivation, Non-Medical Cannabis Distribution, Non-Medical Cannabis	12/14/2020	101-568997
PHSL, LLC	840 Broadway Ave, Suite B-4 Seaside, CA 93955	City	Business License	6/30/2020	9992017926
		State	Adult Use and Medical Retail	7/15/2020	C10-0000425-LIC
MATTNJEREMY, INC	2767 E. Broadway Long Beach, CA 90803	City	Business License - Dispensary with Delivery - Adult Use	8/30/2023	MJ21908299
		City	Adult Use and Medical Retail	1/4/2023	MJ21908296
		State	Adult Use and Medical Retail	7/15/2020	C10-0000438-LIC
Ryan Cameron Rayburn Collective, Inc	2115 E 10th St, Long Beach, CA 90804	State	Adult Use and Medical Retail	7/2/2020	C10-0000364-LIC
		City	Business License - Adult Use	11/13/2024	MJ21900879
		City	Business License - Medical	11/13/2024	MJ21701426
Milkman, LLC	923 Huber Street, Grover Beach, CA 93433	State	Adult Use and Medical Retail	6/24/2020	C10-0000273-LIC
		City	Use Permit for Manufacturing, Distribution, Retail	N/A	Resolution No. 18-19
12071 Wilshire Retail LLC	12071 Wilshire Blvd, Los Angeles, CA 90025	State and City	Adult Use and Medical Retail	N/A	Pending Local and State Approval
MME Pasadena Retail LLC	536 S. Fair Oaks, Pasadena, CA 91105	State and City	Adult Use and Medical Retail	N/A	Pending Local and State Approval
MME Sutter Retail Inc.	532 Sutter Street, San Francisco, CA 94102	State and City	Adult Use and Medical Retail	N/A	Pending Local and State Approval
MME Union Retail, LLC	1861 Union St, San Francisco, CA 94123	State and City	Adult Use and Medical Retail	N/A	Pending Local and State Approval
MMOF Vegas Retail Inc.	4503 Paradise Rd St. 210 A-B, Las Vegas, NV 89169	County	Marijuana Master License Retail Store/Medical Dispensary	12/31/2020	2000169.MMR-301
		State	Retail Marijuana Store	6/30/2020	Certificate: 04045523128584413069 Code:
		State	Medical Marijuana Dispensary	6/30/2020	Certificate: 3465297098641153293 MME
MMOF Fremont Retail, Inc.	823 S 3rd Street, Las Vegas, NV 89101	City	Medical Retail Business License	7/1/2020	License #: M66-00014
		City	Recreational Retail Business License	7/1/2020	License #: M66-00015
		State	Retail Marijuana Store	6/30/2020	Certificate: 67501179020484699802 Code:
		State	Medical Marijuana Dispensary	6/30/2020	Certificate: 51798010886861416556 Code:
MMOF Vegas Retail 2, Inc.	6332 S Rainbow Blvd #105, Las Vegas, NV 89118	City	Marijuana Master License Retail Store/Medical Dispensary	12/31/2020	2000104.MMR-301
		State	Retail Marijuana Store	6/30/2020	Certificate: 10756476132829656560 Code:
		State	Registration Certificate	6/30/2020	Certificate: 202540168818215673
		State	Medical Marijuana Dispensary	6/30/2020	Certificate: 55740439531874846857 Code:
MMNV2 Holdings I, LLC	12000 Truckee Canyon Court, Sparks, NV 89434	State	Marijuana Cultivation Facility	7/31/2020	Certificate: 07912568590104527553 Code:
		State	Medical Marijuana Cultivation Registration Certificate	6/30/2020	Certificate: 17870088520850390544 Code:
		County	Marijuana Cultivation Facility	7/1/2020	W000009ME-LIC
		State	Marijuana Product Manufacturing Facility	7/31/2020	Certificate: 28332017443877189253 Code:
		State	Medical Marijuana Production Registration Certificate	6/30/2020	Certificate: 42811321585035807243 Code:
		County	Marijuana Product Manufacturing Facility	7/1/2020	W000005ME-LIC
CSI Solutions LLC	14980 N 78th Way, Suite 204, Scottsdale, AZ 85260	State	Approval to Operate - Dispensary Cultivation Site	8/7/2020	00000008DCJJ00257791
		City	CUP	12/2/2021	9-UP-2015
EBA Holdings, Inc.	8729 E Manzanita Dr., Scottsdale, AZ 85258	State	Approval to Operate - Dispensary, Cultivation (offsite)	8/7/2020	00000072DCMU00762354
		City	CUP	10/1/2020	8-UP-2012#2
	2832 N. Omaha, Mesa, AZ 85125	State	Approval to Operate - Cultivation (offsite)	8/7/2020	00000072DCMU00762354
Kannaboost Technology, Inc.	2424 W. University Drive, Tempe, AZ 85281	State	Approval to Operate - Dispensary	10/5/2021	00000118DCKD00426097

<table>
<tr><th>Entity</th><th>Address</th><th>Jurisdiction</th><th>License Type</th><th>Expiry Date (if applicable)</th><th>License Number(s)</th></tr>
<tr><td rowspan="5">MedMen NY, Inc.</td><td>1113 Herkimer Road,
Utica, NY 13501</td><td>State</td><td>Manufacturing License</td><td>7/31/2021</td><td>MM0501M</td></tr>
<tr><td>2001 Marcus Avenue,
Lake Success, NY 11042</td><td>State</td><td>Dispensing License</td><td>7/31/2021</td><td>MM0502D</td></tr>
<tr><td>433 Fifth Avenue,
New York, NY 10116</td><td>State</td><td>Dispensing License</td><td>7/31/2021</td><td>MM0503D</td></tr>
<tr><td>1304 Buckley Road,
Syracuse, NY 13212</td><td>State</td><td>Dispensing License</td><td>7/31/2021</td><td>MM0504D</td></tr>
<tr><td>6850 Main Street,
Buffalo, NY 14221</td><td>State</td><td>Dispensing License</td><td>7/31/2021</td><td>MM0506D</td></tr>
<tr><td rowspan="5">MME Florida, LLC</td><td>25540 County Road 44A,
Eustis, FL 32736</td><td>State</td><td>Certificate of Nursery Registration</td><td>8/3/2020</td><td>48021776</td></tr>
<tr><td>25540 County Road 44A,
Eustis, FL 32736</td><td>State</td><td>Cultivation and Manufacturing Authorization</td><td rowspan="4">2/28/2020*</td><td rowspan="4">N/A</td></tr>
<tr><td>1410 Main Street,
Sarasota, FL 34236</td><td>State</td><td>Dispensing Authorization</td></tr>
<tr><td>326 5th Avenue North,
St. Petersburg, FL 33701</td><td>State</td><td>Dispensing Authorization</td></tr>
<tr><td>537-539 Clematis Street,
West Palm Beach, FL 33401</td><td>State</td><td>Dispensing Authorization</td></tr>
<tr><td>MedMen Boston, LLC</td><td>120 Brookline Avenue,
Boston, MA 02215</td><td>State and City</td><td>Adult-Use and Medicinal Retailer</td><td>TBD</td><td>Pending Local and State Approval</td></tr>
<tr><td>MME Newton Retail, LLC</td><td>232 Boylston Street,
Newton, MA 02459</td><td>State and City</td><td>Adult-Use and Medicinal Retailer</td><td>TBD</td><td>Pending Local and State Approval</td></tr>
<tr><td rowspan="2">Future Transactions Holdings, LLC</td><td rowspan="2">1132 Lake Street,
Oak Park, IL 60301</td><td>State</td><td>Medical Dispensing License</td><td>8/22/2020</td><td>DISP.000041</td></tr>
<tr><td>State</td><td>Adult Use License</td><td>3/31/2021</td><td>AUDO.000033</td></tr>
<tr><td rowspan="2">MME Evanston Retail LLC</td><td rowspan="2">1804 Maple Ave,
Evanston, IL 60201</td><td>State</td><td>Medical Dispensing License</td><td>11/9/2020</td><td>DISP.000009</td></tr>
<tr><td>State</td><td>Adult Use License</td><td>3/31/2021</td><td>AUDO.000020</td></tr>
<tr><td>MME 1001 North Retail LLC</td><td>1001 W North Ave,
Chicago, IL 60642</td><td>State</td><td>Adult Use Retail</td><td>TBD</td><td>Pending Local and State Approval</td></tr>
<tr><td>PharmaCann Virginia LLC</td><td>3 Industry Way,
Staunton, VA 24401</td><td>State</td><td>Medical Dispensary, Cultivation, Manufacturing</td><td>TBD</td><td>0202</td></tr>
</table>

**A renewal application has been submitted by the Company in respect of the noted license/permit. The license/permit remains effective during the renewal process. The Company expects to receive a renewal for such a license in the ordinary course of business.*
*** Local or state jurisdiction extended the renewal period due to COVID-19. A license renewal will be submitted in a timely manner.*

Disclosure that a license has been granted to or applied for by the Company does not imply that all required regulatory steps have been satisfied to operate a cannabis facility under that license, as licensing commonly requires multiple levels of approval at the state and local level, as well as securing compliant real estate, and licenses listed as having been granted are often provisional in nature.

The Company's operations are in compliance with applicable state laws, regulations and licensing requirements. Additionally, the Company uses the same proprietary, best-practices policies and procedures in its managed dispensaries as in its owned dispensaries in order to ensure systematic operations and, as such, to the Company's knowledge, the dispensaries that the Company manages are in compliance with applicable state laws, regulations and licensing requirements.

Nonetheless, for the reasons described above and the risks further described under the "Risk and Uncertainties" section herein and in the Company's Annual Information Form, there are significant risks associated with the business of the Company. Readers are strongly encouraged to carefully read all the risk factors contained herein and in the Company's Annual Information Form.

The following sections describe the legal and regulatory landscape in respect of the states in which the Company currently operates and as such in which it is currently contemplated that the Company will be operating upon completion of announced transactions.

While the Company's compliance controls have been developed to mitigate the risk of any material violations of a license arising, there is no assurance that the Company's licenses will be renewed in the future in a timely manner. Any unexpected delays or costs associated with the licensing renewal process could impede the ongoing or planned operations of the Company and have a material adverse effect on the Company's business, financial condition, results of operations or prospects.

Arizona

Arizona Regulatory Landscape

The Arizona Medical Marijuana Program (the "**AZDHS Program**") is governed by Title 9; Chapter 17 Department of Health Services Medical Marijuana Program (the "**AZDHS Rules**") and A.R.S. § 36-2801 et seq., as amended from time to time (the "**Arizona Act**") (the AZDHS Rules and the Arizona Act collectively referred to herein as the "**AMMA**"). The Arizona Act, which was approved by the Arizona voters in 2010 provides the legal requirements and restrictions in conjunction with the applicable rules, guidelines and requirements, promulgated by the Arizona Department of Health Services ("**AZDHS**"). The AZDHS Program provides for a limited number of Medical Marijuana Dispensary Registration Certificates (each, an "**Arizona License**"). The program currently allows 131 Arizona Licenses and does not require full vertical integration, resulting in a robust wholesale market. A variety of product types are allowed in the state including medical marijuana and manufactured and derivative products which contain medical marijuana.

Licenses

Arizona state licenses are renewed biennially. Licensees are required to submit a renewal application, an annual financial statement, an audit of the annual financial statement prepared by an independent certified public accountant for the previous licensing period and fees outlined in the AZDHS rules. There is no ultimate expiry after which no renewals are permitted. Additionally, in respect of the renewal process, provided that the requisite renewal fees are paid, the renewal application is submitted in a timely manner along with the necessary supporting documents, and regulatory requirements are met, the licensee would expect to receive the applicable renewed license in the ordinary course of business.

Regulations

In the state of Arizona, only cannabis that is grown and manufactured in the state by a licensed establishment may be sold in the state. Although Arizona is not a vertically-integrated system, a single license holder is provided with the ability to cultivate, harvest, process, transport, sell and dispense cannabis and cannabis products. Delivery is allowed from dispensaries to patients.

Reporting Requirements

The AZDHS has not selected a state mandated seed-to-sale system at this time. Licensed entities are permitted to choose their own provider or to track marijuana products from seed-to-sale using proprietary methods. The state however, tracks patient dispensing limits through a proprietary state system. Although there are no periodic reporting requirements to the state, full seed-to-sale tracking is required by all licensees and is periodically audited by the AZDHS. Additionally, all sales transactions are manually entered into the state dispensing tracking system at the time of transaction.

COVID-19

Medical Marijuana dispensaries were not explicitly identified as essential businesses in the Governor's March 23, 2020 executive order outlining essential services. However, dispensaries continued to operate as they were considered essential as part of Arizona's healthcare and public health operations sector. Licensed dispensaries have remained open during the stay-at-home order.

Businesses that physically operates in Arizona and serves the public must establish and implement policies based on guidance from the CDC, Department of Labor, Occupational Safety and Health Administration ("**OSHA**") and ADHS to limit and mitigate the spread of COVID-19 including limiting the congregation of groups of no more than ten persons when feasible and in relation to the size of the location.

California

California Regulatory Landscape

In 1996, California was the first state to legalize medical marijuana through Proposition 215, the Compassionate Use Act of 1996 ("**CUA**"). This legalized the use, possession and cultivation of medical marijuana by patients with a physician recommendation for treatment of cancer, anorexia, AIDS, chronic pain, spasticity, glaucoma, arthritis, migraine, or any other illness for which marijuana provides relief.

In 2003, Senate Bill 420 was signed into law establishing an optional identification card system for medical marijuana patients.

In September 2015, the California legislature passed three bills collectively known as the "Medical Cannabis Regulation and Safety Act" ("**MCRSA**"). The MCRSA established a licensing and regulatory framework for medical marijuana businesses in California. The system created multiple license types for dispensaries, infused products manufacturers, cultivation facilities, testing laboratories, transportation companies and distributors. Edible infused product manufacturers would require either volatile solvent or non-volatile solvent manufacturing licenses depending on their specific extraction methodology. Multiple agencies would oversee different aspects of the program and businesses would require a state license and local approval to operate. However, in November 2016, voters in California overwhelmingly passed Proposition 64, the "Adult Use of Marijuana Act" ("**AUMA**") creating an adult-use marijuana program for adult-use 21 years of age or older. AUMA had some conflicting provisions with MCRSA, so in June 2017, the California State Legislature passed Senate Bill No. 94, known as Medicinal and Adult-Use Cannabis Regulation and Safety Act ("**MAUCRSA**"), which amalgamates MCRSA and AUMA to provide a set of regulations to govern medical and adult-use licensing regime for cannabis businesses in the state of California. MAUCRSA went into effect on January 1, 2018.The three agencies that regulate marijuana at the state level are the California Department of Consumer Affairs' Bureau of Cannabis Control ("**BCC**"), California Department of Food and Agriculture ("**CDFA**"), California Department of Public Health ("**CDPH**"). The California Department of Tax and Fee Administration ("**CDTFA**") oversees.

In order to legally operate a medical or adult-use cannabis business in California, the operator must have both a local and state license. This requires license holders to operate in cities with marijuana licensing programs. Therefore, cities in California are allowed to determine the number of licenses they will issue to marijuana operators or can choose to outright ban marijuana.

Licenses

The Company is licensed to operate as a Medical and Adult-Use Retailer, Cultivator, Manufacturer and Distributor under applicable California and local jurisdictional law. The Company's licenses permit it to possess, cultivate, manufacture, distribute, dispense and sell medical and adult-use cannabis in the state of California pursuant to the terms of the various licenses issued by the BCC, CDFA, and CDPH under the provision of the MAUCRSA and California Assembly Bill No. 133.

The licenses are independently issued for each approved activity for use at the Company's facilities in California. California state and local licenses are generally renewed annually. License renewal applications are submitted per guidelines published by local cannabis regulators, BCC, CDFA and CDPH. While renewals are generally annual, there is no ultimate expiry after which no renewals are permitted. Additionally, in respect of the renewal process, provided that the requisite renewal fees are paid, the renewal application is submitted in a timely manner, and there are no material violations noted against the applicable license, the Company would expect to receive the applicable renewed license in the ordinary course of business.

Regulations

In the state of California, only cannabis that is grown and manufactured in the state by a licensed establishment may be sold in the state. Although California is not a vertically-integrated system, the Company has the capabilities to cultivate, harvest, process, manufacture, distribute, and sell/dispense/deliver adult-use and medical cannabis and cannabis products. The state also allows the Company to make wholesale purchase of cannabis and cannabis products from, or a distribution of cannabis and cannabis product to, another licensed entity within the state.

Reporting Requirements

The state of California has selected Franwell Inc.'s METRC solution ("**METRC**") as the state's track-and-trace ("**T&T**") system used to track commercial cannabis activity and movement across the distribution chain ("**seed-to-sale**"). The METRC system is mandatory for all licensed operators in the state of California. The system allows for other third-party system integration via application programming interface ("**API**").

COVID-19 Regulations

On March 19, 2020, Governor Gavin Newsom issued a stay at home order to protect the health and well-being of all Californians and to establish a consistent approach across the state to slow the spread of COVID-19. This order went into effect on March 19, 2020, and is in place until further notice, with certain modification in May 2020.

The order identified certain services as essential, including food, prescriptions, and healthcare. These services can continue despite the stay at home order. Because cannabis is an essential medicine for many residents, licensees were permitted to operate so long as their operations comply with local rules and regulations.

In response to Governor Newsom's emergency declaration regarding COVID-19, BCC licensees who are unable to comply with specific regulatory requirements were able to request relief from specific licensing requirements pursuant to section 5038 of the Bureau's regulations. MedMen and numerous other retailers requested and were granted relief from certain regulation to perform curbside pickup for cannabis and cannabis product sales.

Certain jurisdictions where MedMen operates, or seeks to operate, implemented additional operational guidelines/limitations which MedMen continues to observe until further updates from local and state regulatory bodies.

Florida

Florida Regulatory Landscape

In June 2014, the Florida Legislature and Governor enacted the Compassionate Medical Cannabis Act (SB1030) (the "**CMCA**") to provide a comprehensive, safe and effective medical marijuana program to meet the needs of Florida residents. The Florida State Department of Health's Office of Medical Marijuana Use (the "**OMMU**") is the regulatory agency overseeing the medical marijuana program.

While Florida regulations discuss manufacturing of edible products, such products were not permitted until the Florida Department of Health created rules for edibles manufacturing. As of March 16, 2020, new regulations outlining a path to edibles manufacturing were published. License holders must meet many requirements to manufacture edibles including but not limited to: updating their business plan, obtain and maintain a food establishment permit, and obtain approval from the OMMU.

In addition, the OMMU is in the process of promulgating new lab testing rules which will enhance the current lab testing program and product safety requirements.

Licenses

Florida state licenses are issued unnumbered and are renewed biennially. Licensees are required to submit a renewal application and fees per guidelines published by OMMU. While renewals are biennial, there is no ultimate expiry after which no renewals are permitted. Additionally, in respect of the renewal process, provided that the requisite renewal fees are paid, the renewal application is submitted in a timely manner, and regulatory requirements are met, the Company would expect to receive the applicable renewed license in the ordinary course of business.

Regulations

In the state of Florida, only cannabis that is grown and manufactured in the state by a licensed establishment may be sold in the state. Florida is a vertically-integrated system, providing a single license holder the ability to cultivate, harvest, process, manufacture, transport, sell and dispense cannabis and cannabis products. Delivery to patients is permitted under the license with approval from the OMMU.

Reporting Requirements

The OMMU has not selected a state mandated seed-to-sale system at this time. The state however, tracks patient dispensing limits through a proprietary state system. Although there are no periodic reporting requirements to the State, full seed-to-sale tracking is required by all licensees and is periodically audited by the OMMU. Additionally, all sales transactions are manually entered into the state dispensing tracking system at the time of transaction.

COVID-19

Medical Marijuana Treatment Centers (**"MMTC"**) were not explicitly identified as essential businesses in the Governor's April 1st stay-at-home order. However, MMTCs were considered essential as part of Florida's health-care sector. Licensed MMTCs have remained open during the stay-at-home order.

On March 16, 2020, the Florida Department of Health issued Emergency Order 20-002, which allowed the use of telemedicine by qualified physicians for recertification of already-existing medical marijuana patients. Under the order, qualified physicians under section 381.986, Florida Statutes, may issue a physician certification only for an existing qualified patient with an existing certification that was issued by that qualified physician without the need to conduct a physical examination while physically present in the same room as the patient**.**

Illinois

Illinois Regulatory Landscape

In 2013, the Illinois General Assembly passed the Compassionate Use of Medical Cannabis Pilot Program Act (410 ILCS 130), Public Act 98-0122 (the "**Illinois Act**"), which was signed into law by the Governor on August 1, 2013 and went into effect on January 1, 2014. The Illinois Act allows an individual who is diagnosed with a debilitating condition to register with the state to obtain cannabis for medical use. The program currently allows 60 Dispensing Organizations (each, a "**DO**") and 22 cultivation centers state wide; all separately registered in a non-vertically-integrated model. A large variety of medical cannabis products are allowed in the state, including the smoking of cannabis flower. Overall, the program is administered by the Illinois Department of Public Health (the "**IDPH**"), the Illinois Department of Financial and Professional Regulations (the "**IDFPR**") is the regulatory agency overseeing the medical marijuana program for DOs and the Illinois Department of Agriculture (the "**IDOA"**) is the regulatory agency overseeing the medical marijuana program for cultivation centers.

In June 2019, Illinois governor signed legislation legalizing marijuana for recreational use. The Cannabis Regulation and Tax Act, legalizing and regulating marijuana for recreational use, went into effect on June 25, 2019, however recreational sales of marijuana began in the state on January 1, 2020. The adult use program allowed existing medical marijuana license holders to apply for Early Approval Adult Use Dispensing Organization ("**EAAUDO**") licenses to be able to sell adult use product at existing medical marijuana dispensaries (known as "co-located" or "same site" dispensaries) on January 1, 2020, and to have the privilege of opening a secondary adult use only retail site for every medical marijuana dispensary location the DO already had in its portfolio. All EAAUDO license holders were also required to commit to the state's groundbreaking Social Equity program either through a financial contribution, grant agreement, donation, incubation program, or sponsorship program.

IDFPR will also be issuing an additional 75 Adult Use Dispensing Organization ("**AUDO**") licenses in 2020. IDFPR is also expected to issue an additional 110 AUDO licenses by December 21, 2021. No single person or entity can have direct or indirect financial interest in more than 10 adult use dispensary licenses.

Licenses

Licensees are required to submit an annual renewal application and fees per guidelines published by the IDFPR and the Department of Agriculture respectively. While renewals are annual, there is no ultimate expiry after which no renewals are permitted. Additionally, in respect of the renewal process, provided that the requisite renewal fees are paid, the renewal application is submitted in a timely manner, and regulatory requirements are met, the licensee would expect to receive the applicable renewed license in the ordinary course of business.

Under the adult use program, AUDO licenses are eligible for renewal every other year.

Regulations

In the state of Illinois, only cannabis that is grown and manufactured in the state by a licensed establishment may be sold in the state. Illinois is not a vertically-integrated system, as a result, DO license holders are provided the ability to dispense cannabis and cultivation centers are provided with the ability to cultivate, harvest, process, manufacture, and transport cannabis products. Delivery is not allowed from dispensaries to patients or consumers. Only designated caregivers may deliver medical cannabis to qualified patients.

Reporting Requirements

The state of Illinois has selected BioTrackTHC's solution as the state's track and trace system used to track commercial cannabis activity and seed-to-sale Licensed entities are permitted to choose their own provider to track marijuana products from seed-to-sale, provided that it has the ability integrate with BioTrackTHC via an API. License holders are required to provide IDFPR an annual financial report.

COVID-19

The Governor of Illinois declared all counties in the State of Illinois as a disaster area on March 9, 2020 in response to the outbreak of Coronavirus Disease 2019 (COVID-19) under Executive Order 2020-10. Under the order, all cannabis operations, medical and adult-use, were deemed an essential business and permitted to remain operational with required modifications to general business operations to meet social distancing and other safety requirements.

On March 16, 2020, the IDFPR issued emergency regulations permitting the sale of medical cannabis and cannabis products outside of the dispensary as long as certain protective measures were in place. Adult-use cannabis sale process was unchanged. The permissible activity is currently extended through May 30, 2020.

Massachusetts

Massachusetts Regulatory Landscape

The use of cannabis for medical use was legalized in Massachusetts by a voter approval of the Massachusetts Marijuana Initiative in 2012. The law took effect on January 1, 2013, eliminating criminal and civil penalties for the possession and use of up to a 60-day or ten ounce supply of marijuana for medical use for patients possessing a state issued registration card.

On November 8, 2016, Massachusetts voters approved Question 4 or the Massachusetts Marijuana Legalization Initiative, which allowed for recreational or "adult use" cannabis in the Commonwealth. On September 12, 2017, the Cannabis Control Commission ("**CCC**") was established under Chapter 55 of the Acts of 2017 (the "**Massachusetts Act**") to implement and administer laws enabling access to medical and adult-use cannabis.

On November 16, 2018, the CCC issued the first notices for retail marijuana establishments to commence adult-use operations in Massachusetts.

Under the current program there are no state-wide limits on the total number of licenses permitted however, no individual or entity shall be a controlling person over more than three licenses in a particular class of license. Similarly, no individual, corporation or other entity shall be in a position to control the decision making of more than three licenses in a particular class of license. In addition, all Marijuana Establishments are required to enter into host community agreements with the municipality in which they are located.

Licenses

Provisional Marijuana Establishment licenses are renewed annually. There is no ultimate expiry after which no renewals are permitted. Additionally, in respect of the renewal process, provided that the requisite renewal fees are paid, the renewal application is submitted in a timely manner, the applicable licensee provides an accounting of the financial benefits accruing to the municipality as the result of the host community agreement, and regulatory requirements are met, the licensee would expect to receive the applicable renewed license in the ordinary course of business.

Regulations

In the state of Massachusetts, only cannabis that is grown and manufactured in the state by a licensed establishment may be sold in the state. Massachusetts is not a vertically-integrated system, as a result a Marijuana Retailer may purchase and transport marijuana products from Marijuana Establishments and transport, sell or otherwise transfer marijuana products to Marijuana Establishments. Delivery currently permissible to medical patients only. Licensed cultivators and product manufacturers may cultivate, harvest, process, manufacture, package and sell marijuana products to Marijuana Establishments.

Reporting Requirements

The state of Massachusetts has selected METRC solution as the state's T&T system used to track commercial cannabis activity and seed-to-sale. Licensed entities are permitted to choose their own provider to track marijuana products from seed-to-sale provided. The system allows for other third-party system integration via API.

Nevada

Nevada Regulatory Landscape

Medical marijuana use was legalized in Nevada by a ballot initiative in 2000. In November 2016, voters in Nevada passed an adult-use marijuana measure to allow for the sale of recreational marijuana in the state. The first dispensaries to sell adult-use marijuana began sales in July 2017. The Nevada Department of Taxation ("**DOT**") is the regulatory agency overseeing the medical and adult use cannabis programs. Similar to California, cities and counties in Nevada are allowed to determine the number of local marijuana licenses they will issue.

The Company only operates in Nevada cities or counties with clearly defined marijuana programs. Currently the Company is located in the City of Las Vegas, Clark County and Washoe County jurisdictions.

Licenses

Licenses are renewed annually and there is no ultimate expiry after which no renewals are permitted. Additionally, in respect of the renewal process, provided that the requisite renewal fees are paid, the renewal application is submitted in a timely manner along with the necessary supporting documents, and regulatory requirements are met, the licensee would expect to receive the applicable renewed license in the ordinary course of business.

Regulations

In the state of Nevada, only cannabis that is grown and manufactured in the state by a licensed establishment may be sold in the state. Although Nevada is not a vertically-integrated system, the Company is vertically-integrated and has the capabilities to cultivate, harvest, process, manufacture, and sell/dispense/deliver adult-use and medical cannabis and cannabis products. The state also allows the Company to make wholesale purchase of cannabis and cannabis products from another licensed entity within the state.

Reporting Requirements

The state of Nevada uses METRC as the state's computerized T&T system used to track commercial cannabis activity and seed-to-sale. Individual licensees whether directly or through third-party integration systems are required to provide data to the state to meet certain reporting requirements. The system allows for other third-party system integration via application programming interface ("**API**").

COVID-19 Regulations

On March 12, 2020, Governor Sisolak declared a state of emergency in Nevada. Retail cannabis stores and medical cannabis businesses were deemed essential and allowed to operate. Through additional emergency regulation issued on March 20, cannabis businesses could operate by delivery only and all in-store sales were prohibited. The Governor's office released Directive 16 on April 29, allowing cannabis dispensaries to conduct curbside transactions beginning May 1, with pre-approval from the Department of Taxation after submission of a written plan. Further, on May 7, the Governor issued an updated emergency directive stating that the Department of Taxation in conjunction with the Cannabis Compliance Board will allow medical dispensaries and retail marijuana stores to re-open with limited in-store access beginning Saturday, May 9, with pre-approval after submission of a written plan.

New York

New York Regulatory Landscape

In July 2014, the New York Legislature and Governor enacted the Compassionate Care Act (A06357E, S07923) (the "**CCA**") to provide a comprehensive, safe and effective medical marijuana program to meet the needs of New Yorkers. The program currently allows 10 Registered Organizations (each, an "**RO**") to hold vertically-integrated licenses and service qualified patients and caregivers. Limited product types are allowed in the state. The New York State Department of Health (the "**NYSDOH**") is the regulatory agency overseeing the medical marijuana program.

Licenses

State licenses in New York are renewed biennially. Before the two-year period ends, licensees are required to submit a renewal application per guidelines published by the NYSDOH. While renewals are granted every two years, there is no ultimate expiry after which no renewals are permitted. Additionally, in respect of the renewal process, provided that the requisite renewal fees are paid, the renewal application is submitted in a timely manner, and there are no material violations noted against the applicable license, the licensee would expect to receive the applicable renewed license in the ordinary course of business.

Regulations

In the state of New York, only cannabis that is grown and manufactured in the state by a licensed establishment may be sold in the state. New York is a vertically-integrated system. However, ROs are permitted to wholesale manufactured product and extracted cannabis. Delivery is allowed from dispensaries to patients with prior approval.

Reporting Requirements

The state of New York has selected BioTrackTHC's solution as the state's T&T system used to track commercial cannabis activity and seed-to-sale. The BioTrackTHC system is required to serve as all ROs' patient verification system, but is optional as the RO facing tracking system. In addition to entering all dispensing transactions into the BioTrackTHC system, every month the NYSDOH requests a dispensing report in Excel format, via email, showing all products dispensed for the month.

COVID-19

On March 17, the Department of Health released guidance to all ROs noting that Registered Organizations are considered essential businesses because they are considered medical providers.

Additionally, ROs were permitted to dispense medical marijuana products at the door of the dispensing facility to limit potential exposure to RO staff and other patients. ROs were permitted to dispense from the doors of the dispensing facilities provided that you maintain compliance with all current laws, rules and regulations including but not limited to dispensing on camera, checking the PMP as required and validating registry ID cards.

Virginia

Virginia Regulatory Landscape

Virginia legalized medical marijuana for the treatment of glaucoma and cancer as part of a sweeping overhaul of the state's drug laws in 1979. In 2015, state legislation provided an affirmative defense for the possession of cannabidiol or THC-A oil pursuant to a valid written certification for patient use of the oils from a physician to alleviate intractable epilepsy but made no provision for a patient to acquire these substances.

Legislation passed in 2016 and 2017 authorized five pharmaceutical processors, one in each Health Service Area, to produce and dispense these oils, under a permit issued by the Board of Pharmacy ("**BOP**"). Legislation in 2018 expanded the use of these oils to any diagnosed condition or disease, upon recommendation from any physician, and required that dispensing of these oils be reported to the Prescription Monitoring Program ("**PMP**"), and that physicians request information from the PMP prior to issuing written certifications. As set forth in §54.1-3442.6 of the Code of Virginia, the Board may issue or renew in any year a maximum of five pharmaceutical processor permits, one for each health service area established by the Board of Health. Currently, the program only allows for two types of products, cannabidiol oil and THC-A oil.

The Virginia legislature passed SB 976, effective July 1, 2020, which enhanced the license holder's footprint and product manufacturing capabilities. As a result of this Bill, a pharmaceutical processor may establish up to five off-site dispensing locations for the dispensing of cannabis oil that has been cultivated and produced on the premises of a pharmaceutical processor permitted by the Board. Each off-site dispensing location shall be located within the same health service area as the pharmaceutical processor.

SB 976 also permitted the manufacturing and dispensation of marijuana extracts containing at least five milligrams of either cannabidiol (CBD) or THC-A but no more than 10 milligrams of THC per dose. Cannabis in its natural, plant-based form (such as its flower) is not allowed. Until July 1, 2020, cannabis formulations must be limited to preparations containing at least 15% of either cannabidiol (CBD) or THC-A and no more than 5% THC.

Licenses

Pharmaceutical Processor permits are renewed annually. There is no ultimate expiry after which no renewals are permitted. Additionally, in respect of the renewal process, provided that the requisite renewal fees are paid, the renewal application is submitted in a timely manner, and regulatory requirements are met, the licensee would expect to receive the applicable renewed license in the ordinary course of business.

Regulations

In the state of Virginia, a pharmaceutical processor shall dispense only cannabis products that are cultivated and produced on the premises of such pharmaceutical processor. Virginia is a vertically-integrated system, as a result, permit holders are provided the ability to cultivate, harvest, process, manufacture, and dispense approved medical cannabis products. Delivery is permitted.

Reporting Requirements

Pharmaceutical processors are required to use an electronic radio-frequency identification ("**RFID**") seed-to-sale tracking system to enable the state to monitor their activity. The electronic tracking system must include, at a minimum, a central inventory management system and standard and ad hoc reporting functions and must be capable of otherwise satisfying required recordkeeping. At this time, the state has not selected a state-wide seed-to-sale electronic tracking system.

Regulatory Affairs Program

The Company's Senior Vice President of Legal Affairs oversees, maintains, and implements the compliance program and personnel. In addition to the Company's robust legal and regulatory affairs departments, the Company also has local regulatory/compliance counsel engaged in the jurisdictions (state and local) in which it operates. Such counsel provides legal advice to the Company regarding compliance with state and local laws and regulations and the Company's legal and compliance exposures under United States federal law. The Senior Vice President of Legal Affairs and Regulatory Affairs Managers serve as liaisons to state and local regulators during both regular business hours and after hours. The Regulatory Affairs Department, in partnership with the Retail, Human Resources, Legal, and Supply Chain Departments, is responsible for ensuring operations and employees strictly comply with applicable laws, regulations and licensing conditions and ensure that operations do not endanger the health, safety or welfare of the community. The Senior Vice President of Legal Affairs coordinates with the Security Department to ensure that the operation and all employees are following and complying with the Company's written security procedures.

The Regulatory Affairs Department oversees training for all employees, including on the following topics:

- Compliance with State and Local Laws
- Safe Cannabis Use
- Dispensing Procedures
- Security & Safety Policies and Procedures
- Inventory Control
- Track-and-Trace Training Session
- Transportation Procedures

The Company's compliance program emphasizes security and inventory control to ensure strict monitoring of cannabis and inventory from delivery by a licensed distributor to sale or disposal. Only authorized, properly trained employees are allowed to access the Company's computerized seed-to-sale system.

The Company has created comprehensive standard operating procedures, operating plans, trackers and checklists that include detailed descriptions and instructions for receiving shipments of inventory, inventory tracking, recordkeeping and record retention practices related to inventory, as well as procedures for performing inventory reconciliation and ensuring the accuracy of inventory tracking and recordkeeping. The Company maintains accurate records of its inventory at all licensed facilities. Adherence to the Company's standard operating procedures is mandatory and ensures that the Company's operations are compliant with the rules set forth by the applicable state and local laws, regulations, ordinances, licenses and other requirements.

In addition to the above disclosure, please see the "*Risk and Uncertainties*" section herein and "*Risk Factors*" in the Company's Annual Information Form for further risk factors associated with the operations of the Company.

Service Providers

As a result of any adverse change to the approach in enforcement of United States cannabis laws, adverse regulatory or political change, additional scrutiny by regulatory authorities, adverse change in public perception in respect of the consumption of marijuana or otherwise, third party service providers to the Company could suspend or withdraw their services, which may have a material adverse effect on the Company's business, revenues, operating results, financial condition or prospects.

In addition to the above disclosure, please see "*Risk Factors — Risks Associated with the Business of the Company — Service Providers*" in the Company's Annual Information Form.

Ability to Access Public and Private Capital

The Company has historically had access to equity and debt financing from the public and private markets in Canada and private markets in the United States and internationally. While the Company is not able to obtain bank financing in the U.S. or financing from other U.S. federally regulated entities, subject to market conditions, it has the ability to access to such equity and debt financing in Canada, the United States and internationally, both on a brokered and non-brokered basis. The Company's executive team and the MedMen Board have extensive relationships with sources of private capital (such as funds, high net worth individuals and family offices), which has facilitated its ability to complete non-brokered financing transactions.

If such equity and/or debt financing was no longer available in the public markets in Canada due to changes in applicable law or on terms which are acceptable, then the Company would endeavor to raise equity and/or debt financing privately. Commercial banks have approached the cannabis industry cautiously to date. However, there are increasing numbers of high net worth individuals, family offices, private equity and venture capital firms and other funds that have made meaningful investments in cannabis companies, including those with U.S. operations. Although there has been an increase in the amount of private financing available to cannabis companies over the last several years, there can be no assurance that additional financing will be available to the Company when needed or on terms which are acceptable.

The Company's inability to raise financing to fund operating or capital expenditures or acquisitions could limit its ability to operate or its growth and may have a material adverse effect upon the Company's business, financial condition, cash flows, results of operations or prospects.

In addition to the above disclosure, please see "*Risk Factors — Risks Associated with the Business of the Company — Going Concern Risk*" in the Company's Annual Information Form.