

# MedMen<sup>®</sup>

CSE: MMEN | OTC: MMNFF

## Corporate Presentation

July 2020



## IMPORTANT: YOU MUST READ THE FOLLOWING BEFORE CONTINUING

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## FORWARD-LOOKING INFORMATION AND RISK ACKNOWLEDGEMENTS

This document contains "forward-looking statements" and "forward-looking information" within the meaning of applicable securities laws (collectively, "forward-looking information") with respect to the Company, including, but not limited to: estimates of future revenue (and the method by which such future revenue is generated, expansion of the Company's footprint, manufacturing and other operations, including its product offerings and supply chain, information as to the development and distribution of the Company's brands and products, information as to the expanded implementation of the Company's customer rewards program and delivery platform, and any other statement that may predict, forecast, indicate or imply future plans, intentions, levels of activity, results, financial position, operational or financial performance or achievements. Such forward-looking information involves known and unknown risks, uncertainties and other factors which may cause the actual plans, intentions, activities, results, financial position, performance or achievements of the Company to be materially different from any future plans, intentions, activities, results, financial position, performance or achievements expressed or implied by such forward-looking information. Often, but not always, forward-looking information can be identified by the use of words such as "plans", "expects", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates", "will", "projects", or "believes" or variations (including negative variations) of such words and phrases, or statements that certain actions, events, results or conditions "may", "could", "would", "might" or "will" be taken, occur or be achieved. Except for statements of historical fact, information contained herein constitutes forward-looking information.

Forward-looking information is not a guarantee of future performance and is based upon a number of estimates and assumptions of management at the date the statements are made including among other things assumptions about: contemplated dispositions being completed on current terms and timelines, favorable equity and debt capital markets; the ability to raise sufficient capital to advance the business of the Company and continue ongoing operations; the ability of the Company to satisfy its existing debt and other financial obligations; achieving the anticipated result of the Company's strategic plans, including turnaround plan; the ability to sustain negative operating cash flows until profitability is achieved; expansion and development costs remaining consistent with budgets; favorable operating conditions, including favorable governmental regulation during the ongoing COVID pandemic which permits the Company to actively carry on its operations in substantially the same manner as prior to the pandemic; political, regulatory and social stability at the national, state and local levels; obtaining and maintaining all required licenses and permits; receipt of governmental approvals and permits; sustained labor and supply chain stability; stability in financial and capital goods markets; favorable production levels and costs from the Company's operations; the pricing of various cannabis products; the level of demand for cannabis products; and the availability of third party service providers, third party products and other inputs for the Company's operations. While the Company considers these assumptions to be reasonable, the assumptions are inherently subject to significant business, social, economic, political, regulatory, 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. Many 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.

Furthermore, such forward-looking information involves known and unknown risks, uncertainties and other factors which may cause the actual plans, intentions, activities, results, financial position, performance or achievements of the Company to be materially different from any future plans, intentions, activities, results, financial position, performance or achievements expressed or implied by such forward-looking information. Such factors include, among others: the inability to complete or delays in completing proposed dispositions; the ability to satisfy the terms and conditions of the Company's current debt and other obligations, leading to defaults or enforcement against Company assets thereunder; the inability of the Company to successfully execute its turnaround plan on the planned timeline; the inability to raise capital on terms that are favorable to the Company; risks relating to cannabis being illegal under US federal law and risks of federal enforcement actions related to cannabis; negative changes in the political and social environment or in the regulation of cannabis and the Company's business, including as a result of the ongoing COVID pandemic; risks relating to lack of banking providers and characterization of the Company's revenue as proceeds of crime as a result of anti-money laundering laws and regulation; the costs of compliance with and the risk of liability being imposed under the laws the Company operates under including environmental regulations; negative shifts in public opinion and perception of the cannabis industry and cannabis consumption; risks that service providers may suspend or withdraw services or that third party suppliers may suspend the provision of products; the limited operating history of the Company; reliance on the expertise and judgement of senior management of the Company; increasing competition in the industry; risks related to financing activities, including leverage; risks related to the management of growth; increased costs related to the Company becoming a publicly traded company; risks inherent in an agricultural business; adverse agricultural conditions impacting cannabis yields; risks relating to rising energy costs; risks of product liability and other safety related liability as a result of usage of the Company's cannabis products; negative future research regarding safety and efficacy of cannabis and cannabis derived products; risk of shortages of or price increases in key inputs, suppliers and skilled labor; a lack of reliable data on the medical and adult-use cannabis industry; loss of intellectual property rights or protections; cybersecurity risks; constraints on marketing products; fraudulent activity by employees, contractors and consultants; tax and insurance related risks; risk of litigation; conflicts of interest; compliance with extensive government regulation; changes in general economic, business and political conditions, including changes in the financial markets; as well as those risk factors discussed in the Company's Annual Information Form filed on SEDAR at [www.sedar.com](http://www.sedar.com) on November 12, 2019 and discussed in the Company's other public filings available on SEDAR. Although the Company has attempted to identify important factors that could cause actual results to differ materially, 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 will prove to be accurate as actual results and future events could differ materially from those anticipated in such information. Accordingly, readers should not place undue reliance on forward-looking information. Forward-looking information is provided and made as of the date of this presentation and MedMen does not undertake any obligation to revise or update any forward-looking information other than as required by applicable law.



## MARKET DATA AND INDUSTRY FORECASTS

Market data and industry forecasts used in this presentation were obtained from government or other industry publications, various publicly available sources or based on estimates derived from such publications and reports and management's knowledge of, and experience in, the markets in which the Company operates. Government and industry publications and reports generally indicate that they have obtained their information from sources believed to be reliable, but do not guarantee the accuracy and completeness of their information. Actual outcomes may vary materially from those forecast in such reports or publications, and the prospect for material variation can be expected to increase as the length of the forecast period increases. Although the Company believes that these sources are generally reliable, the accuracy and completeness of such information is not guaranteed and have not been independently verified by the Company and as such the Company does not make any representation as to the accuracy of such information. Further, market and industry data is subject to variations and cannot be verified due to limits on the availability and reliability of data inputs, the voluntary nature of the data gathering process and other limitations and uncertainties inherent in any statistical survey. See also "Forward-Looking Information and Risk Acknowledgments".

## CURRENCY

All references to \$ or "dollar" in this presentation are references to USD, unless otherwise indicated.

## CANNABIS-RELATED ACTIVITIES ARE ILLEGAL UNDER U.S. FEDERAL LAWS

The U.S. Federal Controlled Substances Act classifies "marihuana" as a Schedule I drug. Accordingly, cannabis-related activities, including without limitation, the cultivation, manufacture, importation, possession, use or distribution of cannabis and cannabis products are illegal under U.S. federal law. Strict compliance with state and local laws with respect to cannabis will neither absolve the Company of liability under U.S. federal law, nor will it provide a defense to any federal prosecution which may be brought against the Company with respect to adult-use or recreational cannabis. Any such proceedings brought against the Company may adversely affect the Company's operations and financial performance.

## NON-IFRS FINANCIAL AND PERFORMANCE 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. One of these non-IFRS financial measures is Corporate SG&A.

Management believes that these non-IFRS financial measures reflect 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 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 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.

## EBITDA, ADJUSTED EBITDA, ADJUSTED NET LOSS, ADJUSTED CORPORATE SG&A, WORKING CAPITAL, FOUR WALL RETAIL GROSS MARGIN, FOUR WALL RETAIL EBITDA MARGIN, AND ANNUALIZED PER SQUARE FOOT REVENUE

EBITDA, Adjusted EBITDA, Adjusted Net Loss, Corporate SG&A, Working Capital, Four Wall Retail Gross Margin, Four Wall Retail Gross Margin Rate, Four Wall Retail EBITDA Margin, Four Wall Retail EBITDA Margin Rate, and Annualized Per Square Foot Revenue are financial measures that are not defined under IFRS. We use these non-IFRS financial measures, and believe they enhance an investor's understanding of our financial and operating performance from period to period. EBITDA, Adjusted EBITDA, Adjusted Net Loss, Adjusted Corporate SG&A and Working Capital exclude certain material non-cash items and certain other adjustments we believe are not reflective of our ongoing operations and our performance. Four Wall Retail Gross Margin is calculated as retail sales less the related cost of goods sold, while the Four Wall Retail Gross Margin Rate is the related gross margin divided by retail sales. Four Wall Retail EBITDA Margin is the Four Wall Retail Gross Margin less direct store operating expenses, including Rent, Payroll, Security, Insurance, Office Supplies, Payment Processing Fees, while the Four Wall Retail EBITDA Margin Rate is the related EBITDA margin divided by retail sales. Annualized Per Square Foot Revenue is the net revenue divided by the total retail square feet. Accordingly, we use these metrics to measure our core financial and operating performance for business planning purposes. In addition, we believe investors use both IFRS and non-IFRS measures to assess management's past and future decisions associated with our priorities and our allocation of capital, as well as to analyze how our 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 our industry. 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 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 us;
- 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, our working capital needs; and
- do not reflect the interest expense, or the cash requirements necessary to service interest or principal payments on our debt.

Other companies in our industry may calculate these measures differently than we do, limiting their usefulness as comparative measures.

Please refer to the Company's MD&A filed on May 27, 2020 for further details.



## Focus on Cannabis Retail and E-Commerce

- Expand retail and delivery platforms in core brand-building states: CA, NV, FL, IL, MA
- Execute on pipeline of new stores: San Francisco, Emeryville, Boston, Miami and Chicago
- Reported record \$46M of revenue in fiscal Q3 2020 despite impact of COVID

## Execute on Turnaround Plan

- Announced lender / landlord support agreements to defer \$32M in cash commitments over next 12 months
- Reduced Corporate SG&A for Q3 2020 by 51% over prior year period

## Enhance Leadership and Governance

- Appointment of retail-focused executive team (Chief Executive Officer and Chief Operating Officer)
- Engagement of SierraConstellation Partners to guide company through turnaround
- Four new independent Board of Director members



MedMen is a leading cannabis retailer

## Footprint Overview



**63**  
retail store licenses <sup>1</sup>



**6**  
States:  
CA, NV, FL,  
IL, NY, MA



**23**  
operating Stores <sup>1</sup>



**2M+**  
recreational transactions since 1/1/18

## Track Record of Execution



**\$184M**  
pro-forma run-rate revenue <sup>2</sup>



**41%**  
year-over-year sales growth



**51%**  
year-over-year corporate SG&A reduction <sup>3</sup>



**6%**  
California market share <sup>4</sup>

Notes: Financial metrics based on most recent reported quarter ending 3/28/20

(1) Company is licensed for 63 retail stores, of which 23 locations are operational. Excludes licenses currently in process of being sold.

(2) Based on annualized fiscal third quarter 2020 revenue.

(3) Represents total reduction in corporate SG&A from fiscal third quarter 2019 to fiscal third quarter 2020.

(4) Based on implied market share from California Department of Tax and Fee Administration and actual system-wide in California revenue for fiscal Q2 2020 (Source: <https://cdtfa.ca.gov/news/20-03.htm>)<http://www.cdtfa.ca.gov/news/19-02.htm>)

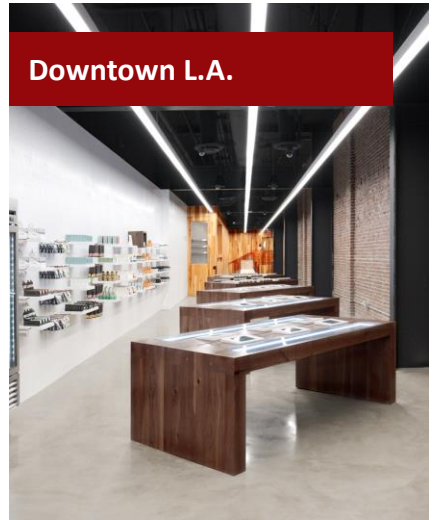
# Building MedMen Brand Through Flagship Retail



MedMen's retail portfolio includes the most iconic cannabis retail stores in the U.S.



Beverly Hills



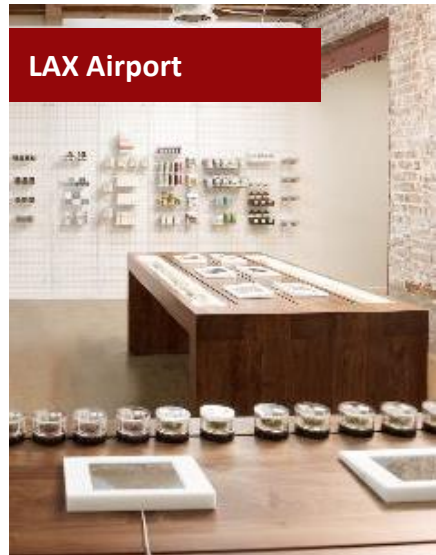
Downtown L.A.



Venice Beach (Abbot Kinney)



New York (Fifth Avenue)



LAX Airport



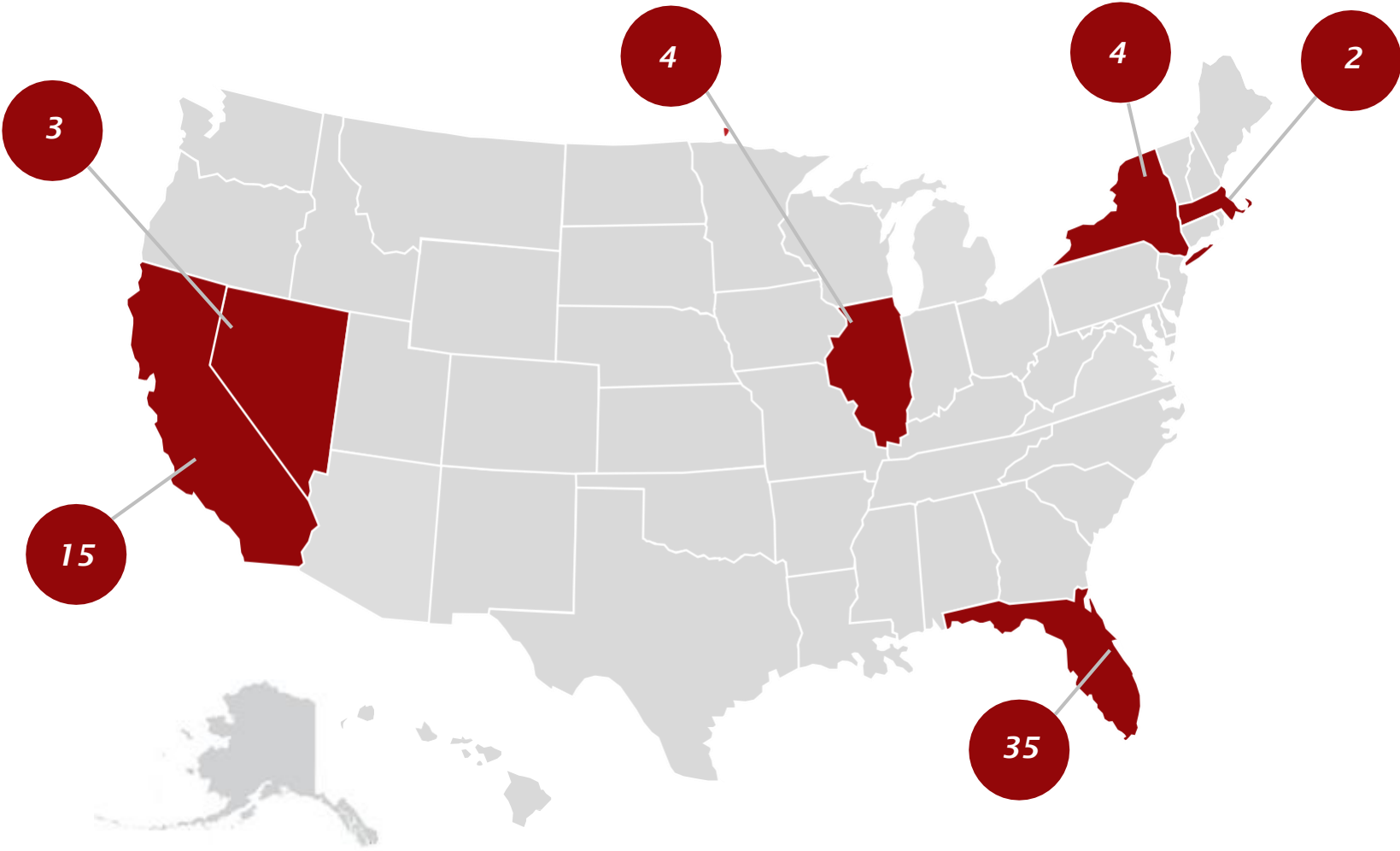
Las Vegas (Paradise)



Miami Beach (Coming Soon)

# Increasing Market Share in Core States

MedMen is focused on deepening presence in core markets



# of Retail Licenses

**~50% U.S. Population  
Addressable**

Licensed for:

**6**  
States

**63**  
Retail Stores

Note: Excludes Arizona (classified as discontinued operations). There are 23 stores currently operational.

# The Evolution of the Cannabis Industry

MedMen believes the cannabis industry will resemble the market dynamics in natural foods with retailers controlling the supply chain and holding the leverage

Metric	Cannabis	Natural Foods	Alcohol
Industry Leaders by Revenue	Retailers	Retailers	Brands
Three-Tier Distribution System	No	No	Yes
CPG Fragmentation	High	High	Low
Retail Fragmentation	Low	Low	High
e-Commerce Penetration % <sup>1</sup>	TBD	3%	4%
Private Label Threat	High	High	Low



Note: Metric evaluations based on internal assessment

(1) Alcohol online penetration based on estimate from Winsight Grocery Business. Natural foods penetration based on estimate for all grocery from Bain & Company.

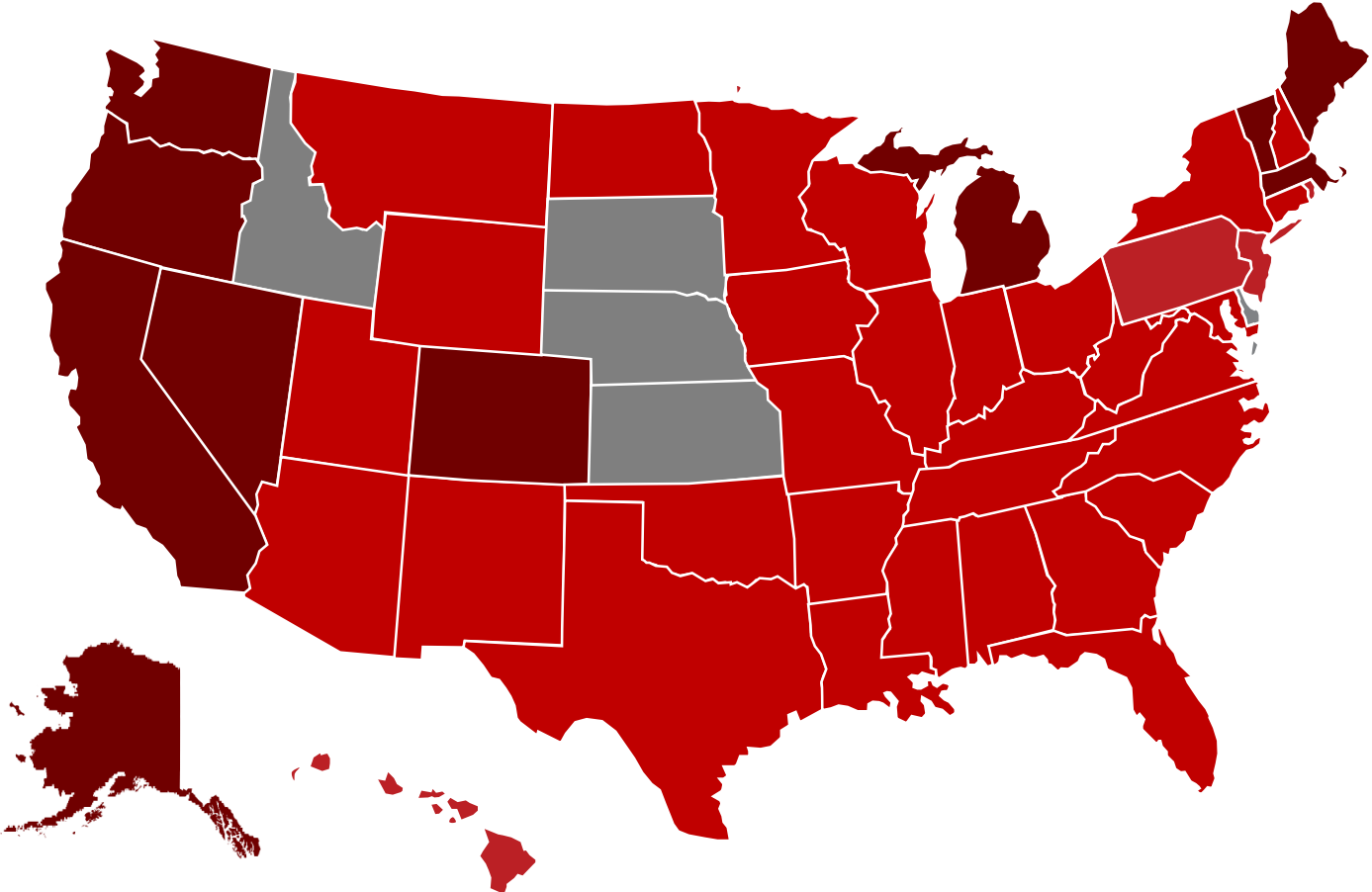


# The U.S. is the Largest Cannabis Market in the World



## \$80 Billion U.S. Market <sup>1</sup>

## \$10 Billion Canadian Market <sup>2</sup>



■ Recreational & Medical Use Legalized  
■ Medical / CBD Use Legalized

Note: Regulatory map based on National Conference of State Legislatures

(1) Cowen Group estimate for 2030 (January 2019)

(2) Eight Capital estimate for 2024 (May 2018)

# 86% of Potential U.S. Cannabis Market is Unpenetrated



**Beer**  
**\$100B+**  
25% Penetration



**Wine & Spirits**  
**\$100B+**  
20% Penetration



**Coffee**  
**\$50B+**  
50% Penetration



**Cannabis**  
**\$80B**  
14% Penetration

Source: Market size based on Brewers Association (beer), Park Street (wine and spirits), Ackrell Capital (coffee), Cowen Group (cannabis). Penetration rates based on Nielsen Panel Data (beer), Park Street (wine and spirits), Ackrell Capital (coffee) and Cowen Group (cannabis). Penetration defined as percentage of adults consuming respective product in 2018.



**Focused on  
Branded Retail in  
Core Markets**



## Warren Buffet discussing power dynamics between CPG companies and retailers:

*“I was wrong in a couple ways on Kraft Heinz. I think we talked around election time about the packaged goods brands losing some ground against the retailers”*

*“We made a mistake in terms of trying to push hard against certain of the retailers and finding out that we weren’t as strong as we thought we were.”*

*“House brands, private label, is getting stronger...and it’s going to keep getting bigger... try to think of the billion dollar brands that have been created in food and they’re private label”*

February 2019 CNBC Interview on Kraft Heinz

# Increasing Market Share Through Expansion of Footprint



Licensed for 63 retail locations  
across 6 states



## California

15 retail licenses  
11 operational stores

## Florida

35 retail licenses  
3 operational stores

## Illinois

4 retail licenses  
2 operational stores

## Nevada

3 retail licenses  
3 operational stores

## New York


4 retail licenses  
4 operational stores

## Massachusetts


2 retail licenses  
0 operational stores

# Cannabis Regulations Favor Retailers


## Regulations in core markets provide significant first mover advantages for cannabis retailers




<b>Los Angeles</b>	700' anti-clustering; 700' schools, parks, libraries, child care, rehab; undue concentration limits per community plan areas
<b>San Francisco</b>	600' anti-clustering; 600' schools ; CUP required in certain districts
<b>San Diego</b>	1000' anti-clustering; 4 cap per district; 1000' schools, parks, churches, child care, libraries; 100' from residential zoning



<b>Boston</b>	0.5 mi anti-clustering ; 1500' schools; HCA required
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<b>Miami Beach</b>	1500' anti-clustering; 500' schools, child care; zoning restricted to designated areas
<b>Deerfield Beach</b>	250' anti-clustering includes pharmacies; 500' schools; zoning ban on beach district but MM grandfathered
<b>Ft. Lauderdale</b>	1 dispensary limit in city's 4 zones; 1500' schools, parks, child care, libraries; CUP required



<b>Manhattan</b>	1500' anti-clustering; 1500' schools, churches
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# California

**Population  
40 million <sup>1</sup>**

*268 Million Tourists  
Annually <sup>2</sup>*

**5th Largest  
Economy in the  
World <sup>3</sup>**

*Global Hub for Tech and  
Entertainment*

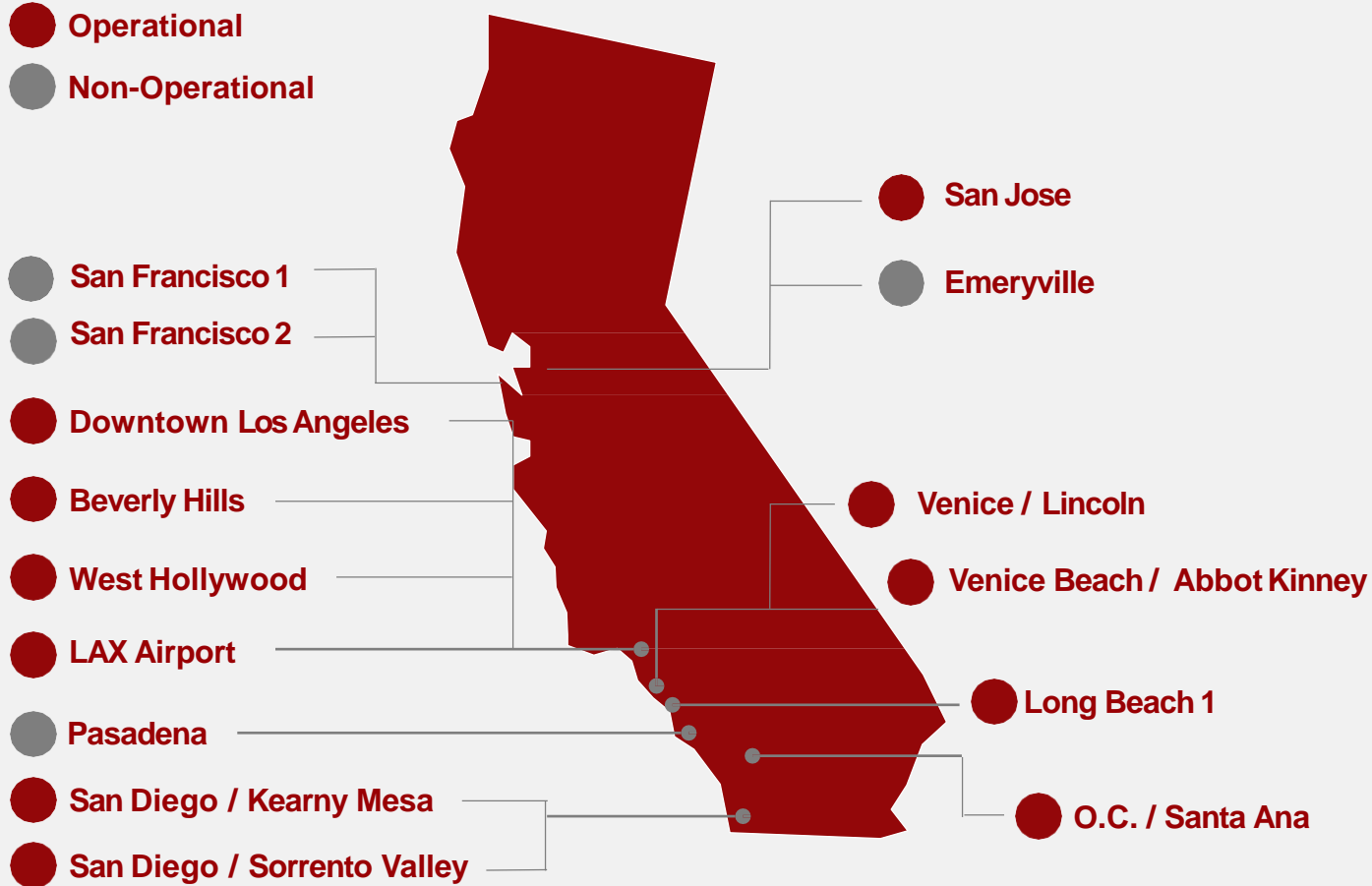
**\$11 Billion  
Cannabis  
Market <sup>4</sup>**

*15% of Total U.S. Cannabis  
Industry <sup>4</sup>*

**Leader in Retail  
Innovation**

*Across all verticals,  
California sets the  
bar for retail*

## MedMen California





# Retail Experience and Consumer Touchpoint

MedMen serves as the trusted gateway to millions of first-time cannabis consumers



Unique design aesthetic to create a welcoming and high-end environment

Open Layout

Inviting Space

Visual Collateral



**15+**  
Product Categories



**1,000+**  
SKUs across California



**175**  
Vendors



**3,000**  
Target Square Footage



**Technology-Enabled**  
iPads, mobile check-out

Customer Conversion Rate <sup>1</sup>:



**73%**

Average Retailer

**23%**

Satisfaction with Store Experience <sup>2</sup>:

**1**

Store Cleanliness

**2**

Staff Friendliness

**3**

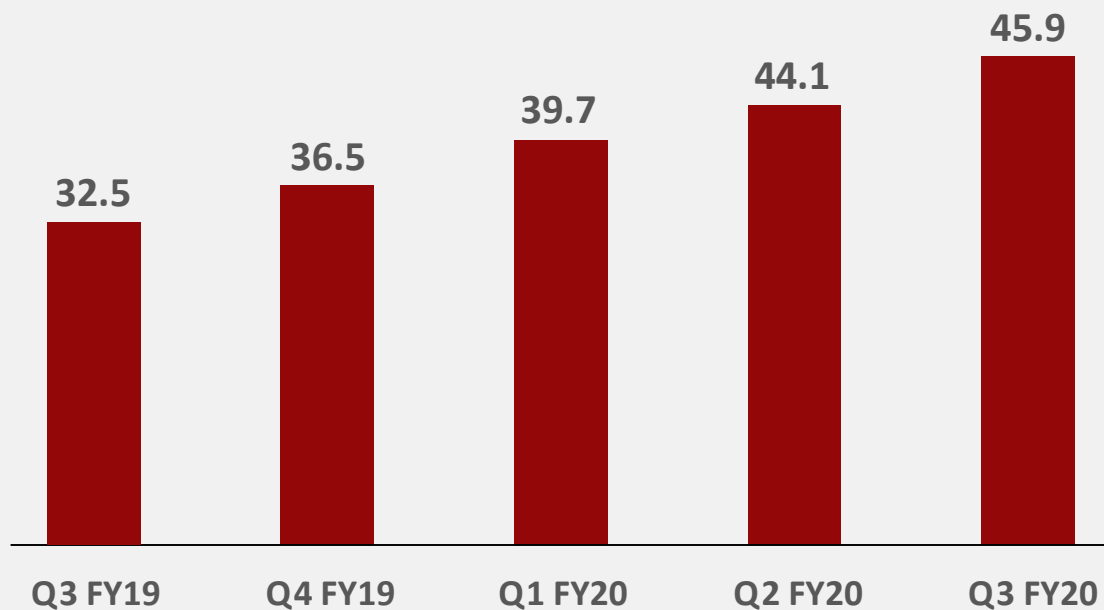
Store Environment

(1) MedMen data based on November and December 2018 across all retail stores. Data for average retailer: [http://www.comqi.com/sales\\_conversion\\_rates\\_more\\_for\\_physical\\_stores/](http://www.comqi.com/sales_conversion_rates_more_for_physical_stores/)  
 (2) Based on MedMen Exit Survey from 11/22/18 to 12/31/18 (n=635)

MedMen serves as the trusted gateway to millions of first-time cannabis consumers

## Systemwide Revenue Growth <sup>1</sup>

(\$US in millions)



## Q3 2020 California Highlights (USD) <sup>2</sup>

**\$29.6M**

RETAIL REVENUE

**19%**

YEAR-OVER-YEAR INCREASE

**\$75.22**

AVERAGE TRANSACTION SIZE

**11**

RETAIL LOCATIONS

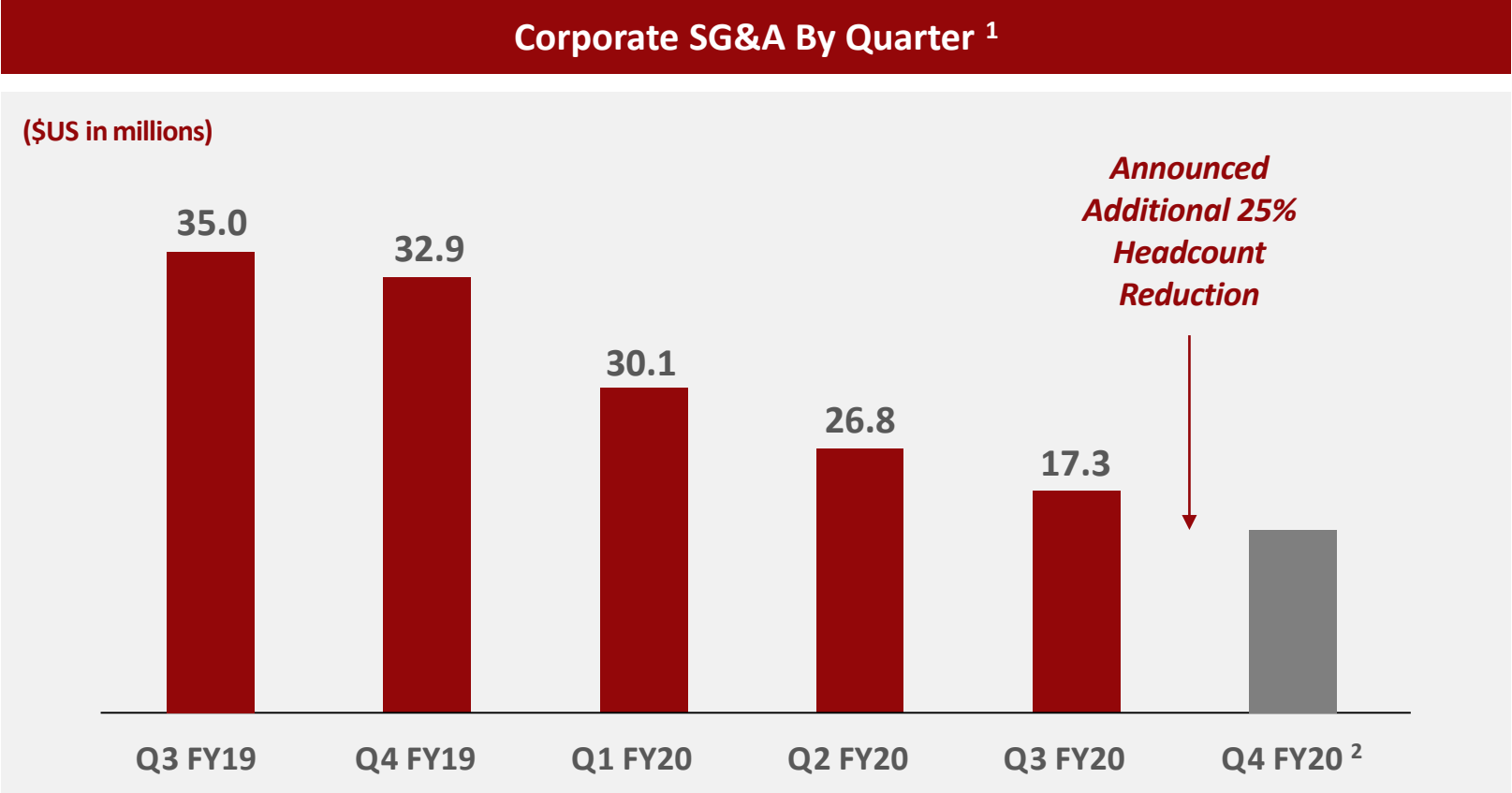
(1) Excludes Arizona operations for all quarters given classification of Arizona assets as discontinued operations.

(2) Actual figures for fiscal Q3 2020 ending March 28<sup>th</sup>, 2020.

# Corporate SG&A Reduction



MedMen has reduced overall corporate overhead by over 50% since its fiscal third quarter 2019



(1) As reported in Company's MD&A filings. Corporate SG&A is a non-IFRS financial measure. See "Non-IFRS Financial and Performance Measures"

(2) Company has not reported fiscal Q4 2020 results as of the date of the presentation

# Capital Markets Overview (CSE: MMEN; OTCQX: MMNFF)



## Shares Outstanding <sup>1</sup>

MedMen Enterprises Inc.  
Class B Subordinate Voting Shares

352,301,132

MM Can USA, Inc.  
Redeemable Shares<sup>2</sup>

276,821,744

MM Enterprises USA, LLC  
Redeemable Units<sup>2</sup>

725,016

**Total Shares Outstanding**

**629,847,892**

Note: For information regarding convertible securities, exchangeable and exercisable securities as of May 27, 2020, refer to Company's MD&A filed on May 27, 2020.

(1) Per Company MD&A filed May 27, 2020

(2) Each redeemable share or unit is redeemable for one MedMen Enterprises Inc. Class B Subordinate Voting Share

**On July 3, 2020 the Company announced a lender and landlord support agreement (the “Plan”) to defer approximately \$32 million in cash commitments over the next 12 months**

## Senior Secured Convertible Facility

- On March 30, 2020, the Company announced \$12.5 million of additional proceeds under Facility
- As part of the Plan, the Company amended and restated securities purchase agreement to include, among other things, the following:
  - **Interest:** Extended PIK feature on Facility such that 100% of interest due prior to June 2021 will be paid-in-kind
  - **Minimum Liquidity:** Previous threshold (\$15.0 million) waived until September 30, 2020 and reduced to \$5.0 million thereafter until March 31, 2021 to provide greater flexibility
  - **Non-Core Assets:** Lender agreed to release of certain non-core assets from collateral to provide the Company greater flexibility to generate proceeds through asset sales
- As consideration for amending the Facility, conversion price for 52% of the existing notes under the Facility was amended to \$0.34 per share

## Senior Secured Term Loan

- As part of the Plan, the Company amended the commercial loan agreement to include, among other things, the following:
  - **Interest:** Expanded PIK feature on the Loan such that 100% of interest due prior to June 2021 will be paid-in-kind
  - **Minimum Liquidity:** Previous threshold (\$15.0 million) waived until September 30, 2020 and reduced to \$5.0 million thereafter until March 31, 2021 to provide greater flexibility
- As consideration for amending the Loan, 20.2 million warrants were issued to lender, each exercisable at \$0.34 per share

## Real Estate Partner

- The Company currently has lease arrangements with affiliates of Treehouse REIT, which include 14 retail and cultivation properties across the U.S.
- As part of the Plan, Treehouse has agreed to defer a portion of total current monthly base rent for the 36-month period between July 1, 2020 and July 1, 2023; the total amount of all deferred rent accrues interest at 8.6% per annum during the deferral period