

PRESS RELEASE

**MEDMEN ENTERS INTO DEFINITIVE DOCUMENTATION FOR US\$250 MILLION INVESTMENT FROM GOTHAM GREEN PARTNERS AND CLOSES INITIAL FUNDING TRANCHE**

Los Angeles, California – April 23, 2019 – MedMen Enterprises Inc. (CSE:MMEN) (OTCQX:MMNFF) (FSE:A2JM6N) (“**MedMen**” or the “**Company**”), is pleased to announce that, further to its press release dated March 22, 2019, it has entered into definitive agreements in respect of a US\$250,000,000 secured convertible credit facility (the “**Facility**”) with Gotham Green Partners, an investor in the global cannabis industry.

“We are excited to close our investment into MedMen. The company has firmly established itself as the leading cannabis retailer in the United States with an unparalleled physical and brand footprint across the country,” said Jason Adler, managing member of Gotham Green Partners. “We look forward to working closely with management to accelerate growth and drive margin improvement across the organization.”

The Company intends to use the net proceeds from drawdowns on the Facility to fund the future capital needs of the business. In addition to funding general working capital, the growth capital will primarily be used to:

- Operationalize existing retail licenses, with a focus on Florida, where the Company is licensed for 35 stores
- Integrate assets acquired through pending transactions, including PharmaCann, LLC
- Accelerate geographic expansion through bolt-on acquisitions and investments in core markets
- Support the national roll-out of higher-margin in-house branded products
- Continue to invest in technology and digital infrastructure, with a focus on delivery and loyalty programs
- Consolidate the supply chain and enhance margins by ramping up cultivation and production capabilities

The Facility will be accessed through issuances to the lenders of convertible senior secured notes (“**Notes**”) co-issued by the Company and MM CAN USA, Inc., a subsidiary of the Company (“**MM CAN**”), in an aggregate amount of up to US\$250,000,000. Under the definitive terms, Notes will be issuable in up to 5 tranches, with each tranche being issuable at the option of the Company, subject to certain conditions and, in certain cases, price thresholds for the Class B subordinate voting shares of the Company (the “**Subordinate Voting Shares**”). The initial tranche, which the Company and MM CAN have drawn down, was for gross proceeds of US\$20,000,000 (“**Tranche 1-A**”). The balance of the Facility will be funded through additional tranches as follows:

- (a) *Tranche 1-B*: An aggregate amount of US\$80,000,000 will be available to the Company (without meeting any share price threshold, as described below) no later than 30 days following the closing date of Tranche 1-A (the “**Closing Date**”).
- (b) *Tranche 2*: An aggregate amount of US\$75,000,000 will be available to the Company, of which
  - (i) an aggregate amount of US\$25,000,000 may be requested by the Company (without meeting any share price threshold, as described below) (“**Optional Tranche 2**”), and will be available beginning 75 days after the Closing Date; and
  - (ii) an aggregate amount of US\$75,000,000 may be requested by the Company if Optional Tranche 2 is not funded and an aggregate amount of US\$50,000,000 may be requested by the Company if Optional Tranche 2 is funded (“**Required Tranche 2**”), and which will be available beginning on the six-month anniversary of the closing date of Tranche 1-B.
- (c) *Tranche 3*: An aggregate amount of US\$75,000,000 will be available to the Company beginning on the six-month anniversary of the closing date of Required Tranche 2.

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

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

- (a) *Tranche 1-A and Tranche 1-B Notes:* The conversion price per share is equal to US\$3.29.
- (b) *Optional Tranche 2 Notes:* The conversion price per share will be equal to the lesser of (i) 115% of the 20 trading day volume weighted average trading price (“**VWAP**”) of the Subordinate Voting Shares as of the trading day immediately preceding the date of issue of the Optional Tranche 2 Notes (as reported on the Canadian Securities Exchange (the “**CSE**”) and converted to US dollars) and (ii) US\$3.29.
- (c) *Required Tranche 2 Notes:* The conversion price per share will be equal to the lesser of (i) 115% of the 20 trading day VWAP of the Subordinate Voting Shares as of the trading day immediately preceding the date of issue of the Required Tranche 2 Notes (as reported on the CSE and converted to US dollars) and (ii) US\$7.00.
- (d) *Tranche 3 Notes:* The conversion price per share will be equal to the lesser of (i) 115% of the 20 trading day VWAP of the Subordinate Voting Shares as of the trading day immediately preceding the date of issue of the Tranche 3 Notes (as reported on the CSE and converted to US dollars) and (ii) US\$7.00.

The Company may force the conversion of up to 75% of the then outstanding Notes if the VWAP of the Subordinate Voting Shares (converted to US dollars) is at least US\$8.00 for any 20 consecutive trading day period, at a conversion price per Subordinate Voting Share equal to US\$8.00. If 75% of the then outstanding Notes are converted by the Company, the term of the remaining 25% of the then outstanding Notes will be extended by 12 months (if such extended period is longer than the maturity date of such Notes), subject to an outside date of 48 months from the Closing Date.

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

- (a) *Tranche 1-A and Tranche 1-B Warrants:*
  - (i) 75% of such Warrants will have an exercise price per share equal to US\$3.72.
  - (ii) 25% of such Warrants will have an exercise price per share equal to US\$4.29.
- (b) *Optional Tranche 2 Warrants:*
  - (i) 75% of such Warrants will have an exercise price per share equal to the lesser of (A) a 30% premium to the 20 trading day VWAP of the Subordinate Voting Shares as of the trading day immediately preceding the date of the issuance of the Optional Tranche 2 Notes (as reported on the CSE and converted to US dollars) and (B) US\$3.72.
  - (ii) 25% of such Warrants will have an exercise price per share equal to the lesser of (A) a 50% premium to the 20 trading day VWAP of the Subordinate Voting Shares as of the trading day immediately preceding the date of the issuance of the Optional Tranche 2 Notes (as reported on the CSE and converted to US dollars) and (B) US\$4.29.

(c) *Required Tranche 2 Warrants:*

- (i) 75% of such Warrants will have an exercise price per share equal to the lesser of (A) a 30% premium to the 20 trading day VWAP of the Subordinate Voting Shares as of the trading day immediately preceding the date of the issuance of the Required Tranche 2 Notes (as reported on the CSE and converted to US dollars) and (B) US\$7.91.
- (ii) 25% of such Warrants will have an exercise price per share equal to the lesser of (A) a 50% premium to the 20 trading day VWAP of the Subordinate Voting Shares as of the trading day immediately preceding the date of the issuance of the Required Tranche 2 Notes (as reported on the CSE and converted to US dollars) and (B) US\$9.13.

(d) *Tranche 3 Warrants:*

- (i) 75% of such Warrants will have an exercise price per share equal to the lesser of (A) a 30% premium to the 20 trading day VWAP of the Subordinate Voting Shares as of the trading day immediately preceding the date of the issuance of the Tranche 3 Notes (as reported on the CSE and converted to US dollars) and (B) US\$7.91.
- (ii) 25% of such Warrants will have an exercise price per share equal to the lesser of (A) a 50% premium to the 20 trading day VWAP of the Subordinate Voting Shares as of the trading day immediately preceding the date of the issuance of the Tranche 3 Notes (as reported on the CSE and converted to US dollars) and (B) US\$9.13.

In connection with Tranche 1-A, the Company issued to the lenders 2,017,213 Warrants with an exercise price per share equal to US\$3.72 and 582,751 Warrants with an exercise price per share equal to US\$4.29.

As additional consideration for purchase of the Notes, at the time of each Tranche closing, the lenders will be paid an advance fee of 1.5% of the principal amount of the Notes purchased in such Tranche.

While the Notes are outstanding, the lenders will be entitled to the collective rights (a) upon completion of Tranche 1-B, to nominate an individual to the board of directors of the Company, and (b) to appoint a representative to attend all meetings of the board of directors in a non-voting observer capacity.

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

Closing of any tranche of the Facility subsequent to Tranche 1-A is subject to certain conditions being satisfied including, but not limited to, there being no event of default, reconfirmation of representations and warranties and compliance with applicable covenants and agreements. In addition, in order for the Company to access (a) Required Tranche 2, the 20 trading day VWAP of the Subordinate Voting Shares as of the trading day immediately preceding the date notice is given to the lenders (as reported on the CSE and converted to US dollars) must be at least US\$3.75; and (b) Tranche 3, the 20 trading day VWAP of the Subordinate Voting Shares as of the trading day immediately preceding the date notice is given to the lenders (as reported on the CSE and converted to US dollars) must be at least US\$4.50.

This press release shall not constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of the securities in any jurisdiction in which such offer, solicitation or sale would be unlawful. The securities being offered have not been, nor will they be, registered under the United States Securities Act of 1933, as amended, and may not be offered or sold in the United States absent registration or an applicable exemption from the registration requirements of the United States Securities Act of 1933, as amended, and applicable state securities laws.

**About MedMen:**

MedMen is a cannabis retailer with operations across the U.S. and flagship stores in Los Angeles, Las Vegas and New York. MedMen's mission is to provide an unparalleled experience that invites the world to discover the

remarkable benefits of cannabis because a world where cannabis is legal and regulated is a safer, healthier and happier world. Learn more at [www.medmen.com](http://www.medmen.com).

**About Gotham Green Partners:**

Gotham Green Partners, LLC is a New York and California-based private equity firm focused on deploying capital into cannabis and cannabis-related enterprises on a global scale. The firm manages a diversified portfolio of investments and is actively investing across the cannabis value chain.

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**Cautionary Note Regarding Forward-Looking Information and Statements:**

This press release contains certain “forward-looking information” within the meaning of applicable Canadian securities legislation and may also contain statements that may constitute “forward-looking statements” within the meaning of the safe harbor provisions of the United States Private Securities Litigation Reform Act of 1995. Such forward-looking information and forward-looking statements are not representative of historical facts or information or current condition, but instead represent only MedMen’s beliefs regarding future events, plans or objectives, many of which, by their nature, are inherently uncertain and outside of MedMen’s control. Generally, such forward-looking information or forward-looking statements can be identified by the use of forward-looking terminology such as “plans”, “expects” or “does not expect”, “is expected”, “budget”, “scheduled”, “estimates”, “forecasts”, “intends”, “anticipates” or “does not anticipate”, or “believes”, or variations of such words and phrases or may contain statements that certain actions, events or results “may”, “could”, “would”, “might” or “will be taken”, “will continue”, “will occur” or “will be achieved”. The forward-looking information and forward-looking statements contained herein may include, but is not limited to, expectations that the Facility will be fully drawn by the Company, timing for completion of tranches of the Facility, the use of proceeds of the Facility and the impact of such use of proceeds of the Facility on the business, assets, liabilities, financial condition, performance and prospects of MedMen.

By identifying such information and statements in this manner, MedMen is alerting the reader that such information and statements are subject to known and unknown risks, uncertainties and other factors that may cause the actual results, level of activity, performance or achievements of MedMen to be materially different from those expressed or implied by such information and statements. In addition, in connection with the forward-looking information and forward-looking statements contained in this press release, MedMen has made certain assumptions. Although MedMen believes that the assumptions used in preparing, and the expectations contained in, the forward-looking information and statements are reasonable, undue reliance should not be placed on such information and statements, and no assurance or guarantee can be given that such forward-looking information and statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such information and statements. Key assumptions used herein are that MedMen will be able to satisfy the conditions to drawdown on Tranche 1-B, Tranche 2 and Tranche 3 of the Facility. The forward-looking information and forward-looking statements contained in this press release are made as of the date of this press release, and MedMen does not undertake to update any forward-looking information and/or forward-looking statements that are contained or referenced herein, except in accordance with applicable securities laws. All subsequent written and oral forward-

looking information and statements attributable to MedMen or persons acting on its behalf is expressly qualified in its entirety by this notice.

No stock exchange, securities commission or other regulatory authority has approved or disapproved the information contained herein.